

# Issue BRIEF

"The active engagement of businesses and employers is vital to ensure that training and education delivers Americans the skills needed to be productive and decently rewarded..."

—Ready to Work: Job-Driven Training and American Opportunity, July 2014



## Meeting the Needs of Businesses through the Workforce Investment Act Adult and Dislocated Worker Programs

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### HIGHLIGHTS FROM THIS BRIEF

The Workforce Investment Act of 1998 (WIA) mandated that Local Workforce Investment Boards (LWIBs) serve businesses along with job seekers. This brief describes the business services provided by 28 randomly selected LWIBs that participated in the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation. The study found that:

- LWIBs typically provided businesses with assistance in filling job openings, developing employer-based training, and gathering information.
- Most study LWIBs funded dedicated staff members—typically located at American Job Centers—to work directly with businesses.
- In nearly all study local areas, staff believed that extensive outreach was needed to make businesses aware of the available services and increase their engagement in the system.
- The extent of collaboration among business staff from WIA and its partners varied from no collaboration to a fully-integrated team of staff who were specialized by function, regardless of program affiliation.

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WIA Adult and Dislocated Worker Programs | Gold Standard Evaluation

**B**usinesses play a critical role in ensuring a strong economy and jobs for American workers. Thus, while the Workforce Investment Act of 1998 (WIA) focused on the activities that Local Workforce Investment Boards (LWIBs) provided to job seeker customers, it also mandated that they serve businesses and allowed them to use funds from the Adult and Dislocated Worker programs to assist both growing and shrinking businesses. To enable LWIBs to customize their services to meet the needs of the businesses in their communities, the Act gave LWIBs considerable flexibility on the design and implementation of business services. WIA's successor, the Workforce Innovation and Opportunity Act (WIOA), further emphasizes the provision of business services and employer

engagement. It mandates that LWIBs develop “effective linkages” between employers and the workforce system and provides them with more flexibility to use their Adult and Dislocated Worker program funds for business services, such as incumbent worker training. It also requires local areas to measure their effectiveness in serving businesses.

This brief describes the types of business services provided by the 28 randomly selected Local Workforce Investment Areas (local areas) that participated in the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation. It focuses mostly on services provided to businesses funded by WIA but also discusses services provided by WIA’s partner programs at America Job Centers (AJCs, formerly One-Stop Career Centers), such as the Wagner-Peyser Employment Service (ES) and the Jobs for Veterans State Grants (JVSG) programs. This brief is based on interviews with staff from WIA and its partner programs who worked directly with businesses. The interviews were conducted during visits to the 28 study local areas in 2012 and 2013.

### WIA-funded business services

Staff from most local areas reported that providing services to businesses aligned well with their local areas’ job seeker services. They noted that, in the short run, serving businesses can result in jobs for current job seekers. In the long run, strong businesses are needed to create and sustain a healthy and growing local economy, which in turn creates more employment opportunities for future job seekers. WIA-funded business services representatives provided services to businesses such as assistance in filling job openings, facilitation of employer-based training, and information about human resource issues (Table 1).<sup>1</sup>

#### Assisting businesses with filling job openings

WIA staff in all 28 study local areas reported helping employers fill job openings. This assistance involved:

**Recruitment and hiring support.** The process of matching potential employees to employers’ job postings primarily occurred through job fairs; public online job matching systems; reviews of Adult and Dislocated Worker program databases of available job seeking customers; and communications between business services representatives and WIA staff members working directly with job seekers. The job matching systems, typically state-developed, allowed employers to post their job openings and identify qualified

**Table 1.** Types of business services provided by WIA-funded staff

Business service	Number of study local areas that offered service
<b>Assistance with filling job openings</b>	<b>28</b>
Identifying job candidates	28
Screening job candidates	22
Assisting in scheduling job candidate interviews	22
<b>Employer-based training</b>	<b>27</b>
On-the-job training	26
Customized training	13
Internships/work experience	5
<b>Informational services</b>	<b>23</b>
<b>Number of study local areas</b>	<b>28</b>

Source: WIA Gold Standard Evaluation qualitative data collection, 2012 and 2013.

candidates. WIA staff working with businesses reported that they often helped employers navigate these systems (even though most of these systems were designed to allow employers to use them on their own) and provided guidance on the content of the job descriptions employers posted on them, especially the descriptions of required knowledge, skills, and abilities, as well as salaries.

**Screening job candidates.** Job candidate screenings often included reviewing resumes and talking to job candidates by phone or in-person to check whether they met specific requirements and to assess their soft skills. Although these screenings were most commonly done one-on-one, for large-scale recruitment efforts, some local areas conducted screening in groups.

Employers also often asked WIA staff members to conduct formal assessments of candidates’ skills using either standardized assessment tools such as WorkKeys, or customized formal assessments. Some business services representatives emphasized that they preferred to screen applicants themselves—rather than rely on job seeker staff members—in order to ensure that applicants were meeting the businesses’ needs.

One local area developed a uniquely intensive, multi-day assessment they called “Boot Camp” (see box below). Occasionally, WIA programs conducted drug or background testing of candidates at the behest of employers.

### **AN EXAMPLE OF AN INTENSIVE ASSESSMENT OF POTENTIAL JOB CANDIDATES CONDUCTED FOR BUSINESSES**

The EmployIndy Workforce Investment Board in Indianapolis, Indiana assessed job candidates using a process called “the Boot Camp.” Candidates completed group and individual exercises that tested both occupational and soft skills in-person over multiple days. Candidate proficiency on these exercises were evaluated by LWIB business services staff members and employer representatives who observed candidates completing these exercises.

#### **Scheduling and providing space for job interviews.**

WIA staff often provided rooms for employers to conduct job interviews at AJCs or LWIB offices, or stand-alone office space specially designated for business services. Employers typically requested space to conduct such on-site recruitment and hiring events when it was inconvenient or they were unable to do so at their own offices because of space limitations, security concerns, or other challenges. In some cases, business services representatives also recruited and screened candidates for these interviews.

#### **Employer-based training**

Most WIA-funded training—provided by vouchers called individual training accounts (ITAs)—targeted a particular occupation for an individual customer, but some local areas also funded training to meet the specific skill needs of particular businesses. WIA customers typically received this employer-specific training while working for the business in paid or unpaid positions.

**On-the-job training (OJT).** Almost all study local areas (26 of 28 local areas) established at least some contracts with employers to provide OJT. WIA allowed employers providing OJT to be reimbursed for up to 50 percent of the OJT trainee’s salary during the period of training. Employers also were expected to continue to employ OJT trainees after completion of their training and local areas could not establish OJT contracts with businesses that consistently did not do so.<sup>2</sup> Local area staff members reported receiving

encouragement from their states and LWIBs to establish OJT opportunities because they considered job seekers more likely to obtain a job after completing OJT than after training that was not affiliated with an employer. Some staff members viewed OJT as particularly effective for job seekers who were missing just a few required skills for a particular job or whose learning styles were ill-suited to classroom training. They also maintained that businesses benefited from OJT because their employees received subsidized training tailored to meet the businesses’ specific needs.

Typically, WIA business services representatives marketed OJT opportunities to businesses, established OJT contracts with businesses, and worked with WIA job seeker staff members to screen candidates for OJT positions. Businesses sometimes identified OJT candidates and referred them to an AJC; the OJT candidate would meet with a WIA job seeker staff member who assessed their suitability for the position and enrolled them in WIA, prior to referring them back to the employer for OJT.

Even though states and local staff viewed OJT opportunities favorably, in most local areas, only small percentages of job seeker customers received OJT placements.<sup>3</sup> According to WIA staff, many employers were reluctant to provide OJT opportunities because they perceived that setting up and monitoring OJT contracts required considerable time on their part, they were concerned about the expectation to continue to employ OJT participants after the training, and they felt that the wage subsidy was too low to make the effort worthwhile.

To make the OJT process as easy as possible for employers, some local areas used one or more of the following strategies: (1) hired dedicated OJT coordinators who had time to market these opportunities to employers and provided those interested with extensive assistance with the required paperwork; (2) simplified and shortened OJT contracts (two study local areas shortened their standard OJT contracts down to a single page); and (3) obtained state waivers or other sources of funds to pay for more than 50 percent of the employees’ wages while they were in training.

**Customized training.** Eight of the 28 study local areas provided “customized training,” albeit to a small number of Adult and Dislocated Worker program participants.<sup>4</sup> In these training opportunities, the LWIB and employer shared the cost of the training, which was customized to

meet the employer's needs. Most customized training was provided to incumbent workers—those already employed by the businesses—although in a few study areas, new hires received customized training.

WIA permitted local areas to use their Adult and Dislocated Worker local formula program funding for customized training but only allowed funding for training for incumbent workers under specific, stringent conditions.<sup>5</sup> However, LWIBs could obtain a federal waiver to use their formula funding to provide training to a broader group of incumbent workers. Of the eight local areas that provided customized training, two had obtained these waivers. The other local areas funded customized training for incumbent workers through WIA statewide discretionary funds or other funding sources.

Local area staff members interviewed for the study viewed customized training as effective in building relationships with businesses, incentivizing businesses to stay in the local area, and encouraging businesses to invest in their employees. Yet, even those local areas that provided customized training did so on a small scale. The reasons they gave for not providing it more widely were similar to their reasons for the limited use of OJT opportunities. In addition, staff members cited the restrictions on the use of local formula funds to provide training to incumbent workers as a limitation to funding customized training.

**Work experience and internships.** WIA-funded staff members in five study local areas made arrangements for businesses to provide work experience or internship opportunities to job seekers. Three of these LWIBs used WIA funds to pay participants' stipends; the remaining two relied on other funding sources to cover the stipends. According to staff members, this type of employer-based training was useful because it provided opportunities for job seekers who had the skills needed to carry out a job—developed either through recently completed classroom training or during a previous career in a different industry—but lacked the work experience demanded by businesses to hire these job seekers as regular employees.

### Providing information services

All 23 of the study local areas with dedicated WIA business services representatives (defined by the study as those who spent at least 50 percent of their time on providing services directly to businesses) provided

businesses with information on various topics. For example, WIA business services representatives in 22 local areas provided businesses with information on the local labor market or on the availability of tax credits for hiring specific groups of job seekers, such as veterans, people with disabilities, and recipients of Temporary Assistance for Needy Families. In 18 local areas, WIA-funded business services representatives provided businesses with information on the availability of federal bonding services. The information was disseminated in flyers, brochures, and websites, and sometimes through one-on-one meetings with businesses. In addition, a few study local areas provided information on other topics. For example, in five local areas, WIA business services representatives provided employers with basic information on unemployment insurance requirements, although employers were always directed to contact the state unemployment insurance agency for more information. Respondents from four other local areas provided information on state labor laws to employers. One of these local areas, New York City, arranged for volunteer attorneys to meet with small businesses and provide legal information and assistance on a pro bono basis. WIA programs in eight local areas held seminars for businesses on topics such as labor laws, health care, and unemployment insurance requirements. Although these seminars were typically single day sessions that were held in person, two study local areas also provided some of these seminars online, and New York City provided free or low-cost multi-session courses.

The box on the next page provides some examples of innovative business services provided by study local areas.

### WIA business services representatives

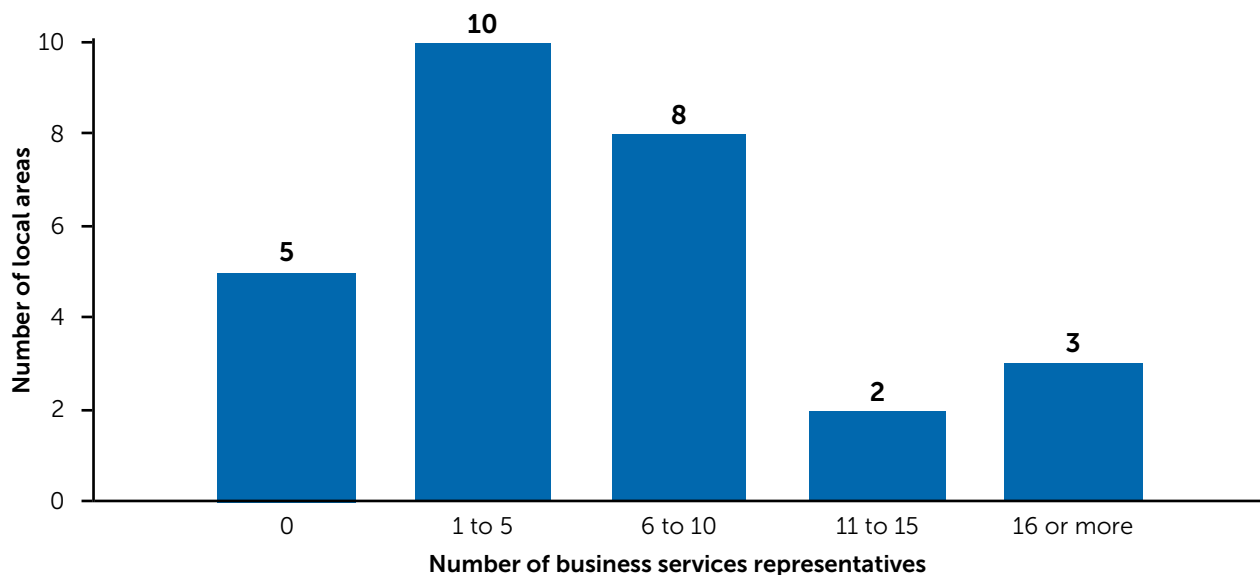
Of the 28 local areas in the study, all but 5 employed at least one WIA-funded business services representative who dedicated at least half of his or her time to working with businesses. Four of the five local areas without these business services representatives relied on their partner programs' business services staff and the fifth assigned business services responsibilities to the managers of its AJCs. Most study local areas employed between one and five WIA business services representatives (Figure 1). Most business services representatives had other duties in addition to their work with businesses. Most commonly these duties involved working with job seekers or managing AJCs or other WIA services.



## EXAMPLES OF INNOVATIVE BUSINESS SERVICES

- **Retention services.** One of the EmployIndy Workforce Investment Board’s WIA contractors employed “retention specialists” to provide retention services to employers that hired WIA participants. These retention services included follow-up contact with both employers and participants to ensure that placements proceeded smoothly, as well as employee counseling, transportation assistance and online training for employees on over 1,500 topics such as leadership, customer relations, project management, communication, and life balance.
- **Coaching and mentoring.** In partnership with several corporations, New York City’s Department of Small Business Services (SBS)—the agency that administered WIA Adult and Dislocated Worker program services in New York City—provided coaching and mentoring services to small businesses through its New York City (NYC) Business Solutions Centers, which were partly funded through WIA. For example, SBS facilitated a program in which staff members from some of New York City’s largest corporations provided coaching and mentoring to small businesses pro bono.
- **Financing assistance.** NYC Business Solutions Center staff members helped small businesses develop loan requests and connected them with a network of alternative lenders (such as credit unions and non-profit lenders). According to the NYC Business Solutions Center manager in one city borough, the average loan amount at his center was about \$25,000 in 2013.
- **Understanding city government.** SBS and NYC Business Solutions Center staff members leveraged Community Development Block Grant funding to assist small businesses with understanding city regulations and how to work with city agencies. They also provided information on how to compete for city contracts such as the types of services and products the city purchased and the city’s bidding process.

Figure 1. Number of WIA business services representatives in study local areas



Source: WIA Gold Standard Evaluation qualitative data collection, 2012 and 2013.

Note: Business services representatives are defined as WIA-funded staff members who dedicate at least half of their time to directly serving businesses.

The study local areas varied in whether a contractor or the agency that provided administrative support for the LWIB employed the WIA business services representatives (Table 2). Of the 23 local areas with dedicated WIA business services representatives, 10 obtained all their business services through contractors and another 6 obtained some of their business services through contractors. Twelve of these 16 local areas that obtained all or some of their WIA business services through competitive contracts rolled those services into a larger contract that also included WIA Adult and Dislocated Worker job seeker services. Respondents from some of these local areas reported that they contracted with the same provider to offer job seeker and business services because of the administrative costs associated with developing and approving a new contract and because the size of contract only for business services would likely be too small to attract qualified contractors to bid for it. Others stated that they used the same contractors to ensure good communication between business services representatives and job seeker staff members.

However, 4 of the 16 local areas procured business services only through contracted organizations that did not provide services directly to job seekers, but instead specialized in working with employers (such as chambers of commerce). In these four areas, WIA administrators reported that they chose to do so because they felt that the capacities and skills contractors needed to work effectively with businesses were different from those needed to work with job seekers.

In seven study local areas, the LWIB administrative agency provided all business services. LWIB staff offered two primary reasons for this approach. First, some LWIB administrative agency staff members reported that they wanted their own staff members to be directly involved to ensure the quality of the services. One senior administrator reported that he had recently brought all business services “in-house” because he and his local board were disappointed with how a contractor had handled those services previously. A second common reason was that in many of these areas, LWIB staff members also provided all job seeker services, and for efficiency reasons, did not want to contract out separately for business services.

In the six areas where contractors as well as LWIB staff members provided business services, LWIB staff members typically managed the local area’s WIA business services or took the lead on working with the area’s largest businesses.

**Table 2. Employers of WIA business services representatives in study local areas**

<b>Employer</b>	<b>Number of local areas</b>
<b>Contractor(s) only</b>	<b>10</b>
<b>LWIB administrative agency only</b>	<b>7</b>
<b>LWIB administrative agency and contractors</b>	<b>6</b>
<b>No dedicated WIA business services representatives<sup>a</sup></b>	<b>5</b>
<b>Number of study local areas</b>	<b>28</b>

Source: WIA Gold Standard Evaluation qualitative data collection, 2012 and 2013.

<sup>a</sup> These five local areas did not have WIA-funded staff members who dedicated at least half of their time to directly serving businesses.

In 19 of the 28 study local areas, at least some WIA business services representatives were located at AJCs. According to local area staff, locating business services representatives at centers facilitated communication between them and job seeker staff, particularly regarding which WIA job seeker participants would be most suitable to meet employer recruitment needs.

In 12 local areas, at least some WIA business services representatives—mostly those who worked for the LWIB administrative agency—were located at the LWIB administrative offices. LWIB respondents in several of these local areas noted that locating business services representatives at LWIB offices allowed LWIB leadership to be better informed about and have more control of the operation of business services.

In only four study local areas were WIA business services representatives located at neither AJCs nor LWIB administrative offices. In two of these local areas, they were stand-alone business services centers (although in one of these local areas, these centers were typically located in another suite in the same building as the AJC), which included meeting rooms, computers with Internet access, printers, fax and copy machines, and temporary office space, all of which could be used only by business customers. WIA administrators in these local areas said they located business services representatives in other

locations at least partly because they felt strongly that businesses—with their own unique needs—should have their own dedicated spaces.

### Strategies for working with businesses

**Specialization.** In 16 study local areas, WIA business services representatives specialized by geographic area, industry or sector, and/or function; they did not specialize in the other study local areas. According to WIA administrators, specialization avoided duplication of effort by staff members, such as contacting the same businesses multiple times for services.

The most common of these specialized staffing approaches (used by 10 local areas) was to assign business services representatives to cover particular geographic regions. Administrators noted that this was a particularly useful approach in geographically large local areas so that business services representatives would not spend too much of their time driving long distances to meet with businesses.

The next most common approach (used by six local areas) was to assign business services representatives to an industry or sector. The intent of this approach was to enable them to develop a deep understanding of the needs of the businesses within the sector. However, WIA administrators in four other local areas noted that they had either considered or even adopted this industry-specific approach to business services staffing and then dropped it because they found that it did not work well. In one case, this was due to the large geographical size of the local area, which made it infeasible for a single staff person to work with all businesses within a certain industry no matter where businesses were located. In another area, administrators reported that they did not use this approach because it was risky to have so much industry-specific expertise be held by only one business services representative. In all but two of the local areas that assigned business services representatives to specific industries or geographic industries, these staff members also served as the single point of contact for all of the businesses they worked with. Local area staff members stated that providing businesses with a single point of contact was critical because it made it easier for businesses to understand how to access services and enabled business services representatives to develop personal relationships with the businesses they worked with.

Three local areas required their business services representatives to specialize by function, such as conducting outreach to new businesses, developing OJT contracts, or helping businesses to secure financing. For example, in the local area governed by the New York City Workforce Investment Board, staff members specialized in functions such as reaching out to businesses to learn about their recruitment needs, referring job seekers to fill those needs, assisting businesses with financing, and helping businesses to understand how to sell services to city government. By specializing in just one function, business services representatives were able to develop expertise in a particular task. To ensure coordinated services, the local area developed detailed procedures about how to conduct “hand-offs” from one business services representative to another.

**Targeting.** As a way of focusing their limited resources, about half of the study local areas targeted their services—either formally or informally—to specific business types. In 12 areas, programs targeted businesses in specific high-growth industries. Respondents gave three reasons for targeting these businesses: (1) they asserted that these businesses hired the most individuals in their local areas; (2) many of these local areas focused their WIA training funds on these same industries, and thus needed to develop relationships with businesses in these industries to secure placements for job seekers who had completed their WIA-funded training; and (3) these industries were often the focus of regional economic development efforts in these areas, so LWIBs focused their business services on them to support regional economic development goals.

Another targeting strategy used in four local areas was to focus on businesses of a particular size, although local areas varied in the size of the businesses targeted. Some local areas argued that they targeted large and medium-sized businesses because they hired the most job seekers. Other local areas targeted small businesses because they typically lacked their own human resource departments and thus were assumed to need the most help with recruitment and hiring.

An equally common targeting strategy (four areas) was to focus on businesses that offered jobs at or above a certain level of wages (see box on next page). In one of these areas, targeted businesses also had to offer jobs with benefits, while in another, the jobs also had to be full-time. While in some local areas, these targeting strategies were informal, in others the provision of at least some business services was dependent on whether a business was a member of a targeted group.

## WIA-FUNDED BUSINESS SERVICES TARGETED TO EMPLOYERS PROVIDING HIGH WAGE JOBS

The EmployIndy Workforce Investment Board in Indianapolis, Indiana provided two tiers of services to their business customers:

- 1. Informational services.** All businesses could receive these services, which included information on how to use the state's public job matching website (Indiana Career Connect) and labor market information.
- 2. Partnership staffing services.** Only businesses that had posted at least one full-time, permanent job opening that paid \$13.00 per hour or more on the state's public job matching website could receive these services. As part of these services, businesses worked with an EmployIndy placement staff member and a specified business services staff member.

### Collaboration among American Job Center partners to serve businesses

WIA's partner programs—especially the ES and JVSG programs—also provided services to businesses. Collaboration by these three partners took one of three forms:

- 1. Functionally aligned business teams.** In 12 study local areas, staff at multiple partners worked in functionally aligned business services teams that assigned responsibilities to team members by function and not by staff members' program affiliation. For example, in one local area, both WIA and ES business services staff members were assigned to a team that worked directly with businesses to develop job orders or a team that screened and referred qualified job seekers to fill those job orders. The functionally aligned teams in all 12 local areas included both WIA and ES staff; 6 of the 12 study local areas also included JVSG program staff on the teams.
- 2. Coordination of work.** In seven study local areas, WIA, ES, and JVSG coordinated their business services staff members but fell short of functional alignment. In these areas, staff from different programs shared information about employer job orders and upcoming business services activities, such as networking events or job fairs, but did not specialize work responsibilities across programs by function.

- 3. Limited or no reported collaboration.** Staff reported little or no collaboration in the remaining nine study local areas, including the five with no dedicated WIA business services representatives.

According to the WIA business services staff in the study local areas, the collaborations among business services staff from multiple programs benefited from the following:

- **Regular meetings to share information.** Functionally aligned business services teams typically held regular formal meetings where team members shared successes and challenges, jointly developed employer outreach plans, discussed planned service changes, and even created shared business services goals. For example, the functionally aligned business services team in one study local area met every morning for 5 to 15 minutes to discuss unfilled job orders and provide updates on upcoming events.
- **Tracking business contacts in a shared management information system (MIS).** Business services staff in one study local area recorded detailed notes in a common MIS every time they spoke to an employer; this reduced the likelihood that other partner staff would ask the employer the same questions.
- **Shared supervision of business services staff.** LWIB and business services staff indicated that shared supervision was particularly important for effective collaboration because the shared manager could monitor whether all team members were communicating and working together as needed.
- **Collocation.** Staff asserted that collocation promoted frequent communication that facilitated collaboration among business services staff.

### Reaching out to businesses

In nearly all study local areas, staff believed that extensive outreach was needed to serve businesses. According to LWIB and business services representatives, many employers did not know about WIA or the public workforce system and its services or, if they were aware, they were likely to have negative perceptions. Staff members reported that few businesses initiated contact with WIA business services representatives or their partner counterparts.

WIA business services representatives in nearly three-quarters of the local areas reported that they conducted



extensive outreach to businesses. To conduct this outreach, these staff members reported networking with potential business customers at business or industry-related events such as chamber of commerce meetings, industry conferences, or job fairs. They also identified potential business customers through referrals from existing business customers and by scanning newspapers, business publications, blogs, and press releases. Some also conducted media campaigns aimed at businesses, while others hosted special events for businesses, such as breakfast or lunch information sessions (see box to the right).

Typically, after making initial contact, representatives would follow up with potential business customers by telephone and, ideally, with an in-person visit. But even when they started with a phone call, some of these staff members emphasized the importance of having at least one in-person meeting with new business customers to develop rapport and sow the seeds of a long-term relationship.

During their contacts with prospective business customers, WIA business services representatives would discuss their available services and how they could help the businesses. Several noted the importance of first learning about business needs and then customizing their ‘pitch’ to focus on specific WIA services that might address those needs. According to several LWIB and business services staff members, before businesses would agree to work with them, they often had to address those businesses’ concerns about the public workforce system, such as whether the system only served low-skilled job seekers and whether receiving services would require burdensome paperwork.

Attempting to cement their relationships with new business customers, business services representatives from two local areas noted that they left either printed materials—such as brochures or flyers—or even a small gift—such as a mug or pen—to help the businesses remember the visit.

### **Training WIA-funded business services representatives**

To ensure that business services representatives had the skills they needed to work and communicate effectively with businesses, WIA administrators from nearly all local areas noted that they provided at least some kind of training for their business services representatives. In most of these areas, administrators reported that this training was provided both through formal workshops and through

## **NEW ORLEANS’ BUSINESS LUNCH AND LEARN SESSIONS**

ResCare, the contracted provider for WIA Adult and Dislocated Worker Program services for the New Orleans Workforce Investment Board, developed “Lunch and Learn” sessions as a way to market its business services to prospective business customers.

According to ResCare’s business services manager for the local area, the one-hour sessions, which included lunch, were designed for business staff with limited time and consisted of a PowerPoint presentation about the local area’s business services, including information about various tax incentives and credits available for hiring AJC customers, and a tour of the AJC’s business center (upstairs from the job seeker area of the center).

The manager said that these lunches have been popular with businesses, and business representatives who have attended have encouraged other business representatives to attend.

informal means such as shadowing more experienced business services representatives. However, staff in two local areas reported that they only provided informal training to their business services representatives; respondents from one of those areas noted that they did so because all of the area’s business services representatives had many years of experience and thus did not need formal training.

Formal trainings for business services representatives were about equally likely to be provided locally by LWIBs or by the state. The most common topic covered by these training sessions was on what specific business services were available in the local area (four areas); the duties of business services representatives (three areas); how to effectively engage employers (three areas); and how to market or ‘sell’ services to businesses (two areas).

### **Funding for business services**

Most of the costs of WIA business services were funded out of local WIA Adult and Dislocated Worker program formula funding. Some study local areas supplemented their use of local WIA formula funds for business services with funding from other sources such as Temporary Assistance for Needy Families, Community Development Block Grants, Rapid Response funds, or state-level WIA funding.

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Staff in about half of the study local areas (13) said that they did not have sufficient funds to provide effective business services. Nine of these 13 areas specifically noted that their lack of resources meant that they were unable to employ enough business services representatives.

Ten study local areas charged nominal fees for some business services. The services for which these local areas charged fees included: using AJC space for interviews or meetings (three areas); renting booth space at job fairs (two areas); participating in business-related seminars or workshops (two areas); conducting certain assessments of prospective new hires; developing detailed profiles of employer jobs to enable more accurate matching of qualified applicants for those positions (one area); and developing customized packages of recruitment services (one area).

Local area staff members in these 10 areas that charged fees for business services asserted that charging fees not only raised needed revenue but helped dispel businesses' notions that the quality of their services was low. However, staff members from two other local areas disagreed. In one of these areas, staff members felt that offering services for

free was a key selling point in their outreach to businesses, while the other the local area had stopped charging fees because they felt that such fees put them in competition with private staffing firms who were supposed to be their customers, not their competitors.

### **Looking forward: business services under WIOA**

Given the greater focus on businesses in WIOA, LWIBs around the country are likely to look for ways to strengthen and expand these services. For example, LWIBs may expand their employer-based training offerings since, under WIOA, the maximum allowable reimbursement to employers for OJT opportunities increased to 75 percent and up to 20 percent of local Adult and Dislocated Worker programs' formula funds can be used to fund incumbent worker trainings. Given resource limitations, the challenge for local Adult and Dislocated Worker programs will be to balance resources for job seeker services with resources for business services, so that staff can develop the strong relationships with employers that are necessary for the programs' success.

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## ENDNOTES

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<sup>1</sup> Although business services staff also assisted businesses during layoffs, those services focused primarily on helping job seekers and therefore are not discussed in this brief.

<sup>2</sup> 195(4) states that “On-the-job training contracts under this title shall not be entered into with employers who have received payments under previous contracts and have exhibited a pattern of failing to provide on-the-job training participants with continued long term employment as regular employees with wages and employment benefits (including health benefits) and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work.”

<sup>3</sup> Among customers who exited the program in Program Years 2011 and 2012 and who also received WIA-funded training, according to 2012 Quarter 4 Workforce Investment Act Standardized Record Data.

<sup>4</sup> Ibid.

<sup>5</sup> WIA 134(d)(3)(A)(ii) and WIA 134(d)(4)(A)(i) state that employed workers (incumbent workers) can only receive training services if: (1) they have already received intensive services and (2) they will obtain employment at self-sufficient wages.

## ABOUT THIS SERIES

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Through the Workforce Investment Act of 1998 (WIA), Congress allocated about \$2 billion annually for employment and training services that states and their Local Workforce Investment Areas (local areas) provided through their Adult and Dislocated Worker programs. WIA mandated that job seekers and employers have access to employment and training resources provided by more than a dozen workforce system partners through American Job Centers. At these centers, job seekers could access core services, such as information on local labor markets and job openings. In addition, eligible adults and dislocated workers could receive intensive services, such as career counseling and skills assessments, and training services. The Workforce Innovation and Opportunity Act (WIOA), which superseded WIA, made important changes to the public workforce systems but largely maintained the services provided through the Adult and Dislocated Worker programs.

This issue brief is one in a series of briefs that presents findings from the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation, which is being conducted for the U.S. Department of Labor (DOL), Employment and Training Administration (ETA). The study examines the implementation, effectiveness, and benefits and costs of the Adult and Dislocated Worker programs using an experimental design. The study occurred in 28 local areas that were randomly selected to participate. For more information about the evaluation, please visit the [project web page](#).

*This project has been funded, either wholly or in part, with Federal funds from ETA under Contract Number DOLJ081A20678. The contents of this publication do not necessarily reflect the views or policies of DOL, nor does mention of trade names, commercial products, or organizations imply endorsement of same by the U.S. Government.*