

A FOCUS ON EMPLOYMENT RETENTION:

A meta analysis of three pilot programmes designed to support benefit recipients to take-up and retain employment

Prepared for:



Prepared by:
Nan Wehipeihana & Rebekah Pratt

March 2002

TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
1 Background	6
1.1 Meta Analysis Objectives	6
1.2 Methodology	7
1.3 Meta Analysis Limitations	7
2 Overview of the New Zealand evaluation & research reports:	9
3 Barriers to Employment Retention	17
3.1 Key Barriers to Employment Retention	17
3.2 Financial issues	18
3.3 Family responsibilities	18
3.4 Adjusting to paid work	19
3.5 Internal Agency Issues	20
3.6 Dynamics of the Labour Market	21
4 Implementation of pilot projects	23
4.1 Employment Retention Projects	23
4.2 Pilot Specific Issues	26
5 Future directions	27
6 Areas for further investigation	28
7 Conclusions	30
8 Bibliography	31
9 Appendix - A summary of pre-employment, retention and advancement strategies	32
10 Appendix - A summary of the new zealand pre-employment, retention and advancement strategies	33

EXECUTIVE SUMMARY

Introduction

The barriers associated with employment retention, for people moving off benefit and into paid work, are well documented in the New Zealand¹ and international literature² and are often identified as relating to financial difficulties, family life demands, particularly childcare, and labour market conditions. International research suggests that job retention can be as low as 29 to 44 percent over the 12-18 month period following initial employment.

The Department of Labour commissioned a meta analysis of three pilot projects, supplemented by findings from a further two New Zealand research projects and a limited scan of international literature, with the aim of consolidating current information about the issue of employment retention for people who have moved off benefit.

Objectives

The primary objective of the meta analysis was to inform any new pilots which may be developed and to provide a framework of “critical success factors” to guide future development of post-placement support programmes in the Ministry of Social Development (MSD).

Methodology

The meta analysis draws on the evaluation reports of three pilot projects the Post Placement Support Pilot³ (PPS, 2002); The Into Work Pilot⁴ (IWP, 2001); and In Work Support⁵ (IWS, 2001) - targeting Maori and Pacific people. In addition findings from two New Zealand research projects Qualitative Evaluation of the Shorter-term Outcomes of the DPB/WB Reforms⁶ and Investigation of the Reasons Why Clients

-
- 1 McDonald, J. (2002). *Literature Review: Post Placement Support*. Unpublished report, Centre for Operational Research and Evaluation, Ministry of Social Development; Wellington.
 - 2 Rangarajan, A. (2000) *Staying On, Moving Up: Strategies to Help Entry Level Workers Retain Employment and Advance in Their Jobs*. Mathematica Policy Research; Princeton, New Jersey & Rangarajan, A. (2001) *The Road to Sustained Employment: Lessons From A U.S. Job Retention Initiative*. Mathematica Policy Research; Princeton, New Jersey.
 - 3 Centre for Operational Research and Evaluation, Ministry of Social Development, (2002) Evaluation Report on the Post Placement Support Pilot for Newly Employed Sole Parents. Unpublished draft report, Ministry of Social Development; Wellington.
 - 4 Centre for Operational Research and Evaluation, Ministry of Social Development, (2001) Evaluation of the Into Work Pilot. Unpublished report, Ministry of Social Development; Wellington.
 - 5 Matariki Research, (2001). In-work Support for Maori and Pacific Clients. Unpublished report prepared for the Centre for Operational Research and Evaluation, Department of Work and Income; Wellington.
 - 6 Saville-Smith, K. and James, B. (2001) Qualitative Evaluation of the Shorter-term Outcomes of the DPB/WB Reforms. Unpublished report, Centre for Research, Evaluation and Social Assessment; Wellington.

Leave Employment to Return to Benefit in Auckland South⁷ are also noted. Further, the meta analysis notes key evaluation lessons from transition-to-work and employment retention programmes run in the United States.

Meta Analysis Limitations

The project parameters reflected the limited timeframe assigned to this task, and the purpose of the work as a document intended to facilitate future policy discussion about the provision of employment retention services in New Zealand.

Barriers to Employment Retention

Employment retention issues fall into two main types; systemic issues (such as organisational capacity, systems and processes to deliver a responsive service) and individual needs (namely overcoming personal, familial and work place barriers). Gaining a clear sense about what type of issue is being addressed provides guidance as to the appropriate place to target intervention. In addressing employment retention, some interventions will need to be addressed at an organisational level whilst others will focus on providing support to individual issues of development (such as career advice and job matching).

There is a range of issues identified in the evaluation and research reports, and the international literature, which act as barriers to employment retention. These include financial issues, family responsibilities, adjusting to paid work, labour market factors and delivery of government services.

A key finding was that barriers to employment retention are a complex series of factors that combine in multiple ways.

In terms of **financial issues**, there is a range of financial factors that singularly, or in combination, heighten the sense of financial vulnerability and insecurity experienced by many who move off benefit and into employment. Without financial security – that is, a regular (known) income, that can be relied upon - there is an increased likelihood of returning to benefit. In addition, an exit interview is critical to ensuring the receipt of financial assistance and should cover future entitlements or assistance measures. Dedicated personnel are likely to be required if exit management interviews are to be a goal of MSD.

In terms of **family responsibilities**, childcare is a key issue in relation to employment retention and calls for approaches that address issues of supply (access and availability) and as well as cost/affordability. There is a also need to improve awareness of the range of measures available to support low-income working families.

In terms of addressing **adjustment to work** barriers, support needs to be delivered over a long-term time frame and not solely at one single point in time, with the timing of support being critical. The period immediately prior to leaving benefit is an important milestone and an exit interview should ideally be undertaken during this period.

7 Lennan, M. (2000). Investigation of the Reasons Why Clients Leave Employment to Return to Benefit in Auckland South. Unpublished report prepared for the Department of Work and Income; Wellington.

In terms of addressing **labour market** barriers, there is a need to support workers while they are in work and to facilitate access to employment related advice to minimise the relinquishing of employment as a means of coping with work/employer related issues. Support needs to go beyond pre-employment and transition to work phases of employment retention and to address work place and employer related factors as well as begin to look at career advancement opportunities. If work 'does not pay' that is, it is not financially viable and is proving detrimental to family well being, then support needs to be provided to help people to find new positions or as a last resort assist them to return to benefit.

In order to access measures of financial assistance, benefit recipients and low-income working families are dependent on the services provided by key government agencies such as MSD and IRD. One barrier to employment retention relates to issues within agencies, particularly MSD and IRD. These issues are typically around internal systems that make it difficult for people to access service and obtain entitlements.

In order to address **government agency service delivery** issues, there is a need to enhance the internal systems of MSD, such as improving the exit management process and making the accommodation supplement process clearer. A reoccurring theme was the need to improve the interface between MSD and Inland Revenue, particularly improving access to IRD services for Family Assistance clients.

Conclusions

The New Zealand and the international literature, with one exception, offer no tested and proven approaches to address the issue of employment retention. There are indications however, from the Portland Oregon, Welfare to Work programme that the better the job match, to an individual's needs, including level of income, interest and skills, the more likely that employment retention will be achieved. This finding suggests that investing in pre employment interventions that attempt to maximise the match between individual people and jobs should be further explored.

The most significant finding from the international literature is the need to treat the objective of employment retention as a continuum of intervention as opposed to a set of discrete services. Namely, seeing services as existing upon a continuum --> pre-employment--> retention--> career advancement--> and ideally integrating pre and post employment services. This suggests that while discrete service components may be delivered separately they need to be developed and implemented as part of an integrated service approach. Evidence from the New Zealand pilots suggests that this is extremely difficult to achieve in practice.

1 BACKGROUND

“Sometimes people have huge family problems to cope with and you know they are not going to stay in paid work.” (Interview with Into Work Advisor, CORE, 2001).

The barriers associated with employment retention, for people moving off benefit and into paid work, are well documented in the New Zealand⁸ and international literature⁹. These barriers are often identified as relating to financial difficulties, family life demands, particularly childcare, and labour market conditions. International research suggests that job retention can be as low as 29 to 44 percent over the 12-18 month period following initial employment.

The Ministry of Social Development has been involved in designing, implementing and evaluating three pilot projects¹⁰ that aim to facilitate the transition from benefit to paid employment and to address the barriers that impact on employment retention. In the main pilots have provided two main areas of support. Firstly improving access to entitlements through the provision of an exit interview with dedicated advisors and secondly, providing ongoing support through specialist mentors/advisors to assist people to manage any difficulties that arose that might effect their ability to remain in employment.

The Department of Labour has commissioned this meta analysis of the three pilot projects (supplemented by findings from a further two New Zealand research projects and a limited scan of international literature) with the aim of consolidating current information about the issue of employment retention for people who have moved off benefit.

1.1 Meta Analysis Objectives

The objectives of the meta analysis are to:

- Inform any new pilots which may be developed;
- Provide a framework of “critical success factors” which can guide future development of post-placement support programmes in the Ministry of Social Development (MSD);
- Assist with cost-benefit analysis of any future investment in PPS; and
- Assist case managers to make decisions about whether post-placement support is an appropriate intervention for individual clients

8 McDonald, J. (2002). *Literature Review: Post Placement Support*. Unpublished report, Centre for Operational Research and Evaluation, Ministry of Social Development; Wellington.

9 Rangarajan, A. (2000) *Staying On, Moving Up: Strategies to Help Entry Level Workers Retain Employment and Advance in Their Jobs*. Mathematica Policy Research; Princeton, New Jersey & Rangarajan, A. (2001) *The Road to Sustained Employment: Lessons From A U.S. Job Retention Initiative*. Mathematica Policy Research; Princeton, New Jersey.

10 Post Placement Support Pilot, Into Work Pilot and In Work Support (targeting Maori and Pacific people).

1.2 Methodology

The meta analysis has been conducted within specific parameters and has only considered selected research and evaluation literature as identified through negotiations between the Department of Labour and the researchers.

The meta analysis draws on the evaluation reports of three pilot projects:

- The Post Placement Support Pilot¹¹ (PPS, 2002);
- The Into Work Pilot¹² (IWP, 2001); and
- In Work Support¹³ (IWS, 2001) - targeting Maori and Pacific people.

In addition the meta analysis includes findings from two New Zealand research projects. Namely:

- Qualitative Evaluation of the Shorter-term Outcomes of the DPB/WB Reforms¹⁴ and
- Investigation of the Reasons Why Clients Leave Employment to Return to Benefit in Auckland South¹⁵.

Finally, the meta analysis notes key evaluation lessons and learnings, from similar transition-to-work and employment retention programmes run in the United States, drawing on the literature published by internationally acknowledged evaluation experts (Mathematic Policy Research Incorporation and the Manpower Research Demonstration Corporation).

1.3 Meta Analysis Limitations

The project parameters reflect the limited timeframe assigned to this task and the purpose of the work as a document intended to facilitate future policy discussion about the provision of employment retention services in New Zealand. Due to the limited timeframe available for this meta analysis the international literature search was limited to published evaluation reports and articles from the United States, that solely, or in part, focus on the issue of employment retention for people who have

11 Centre for Operational Research and Evaluation, Ministry of Social Development, (2002) Evaluation Report on the Post Placement Support Pilot for Newly Employed Sole Parents. Unpublished draft report, Ministry of Social Development; Wellington.

12 Centre for Operational Research and Evaluation, Ministry of Social Development, (2001) Evaluation of the Into Work Pilot. Unpublished report, Ministry of Social Development; Wellington.

13 Matariki Research, (2001). In-work Support for Maori and Pacific Clients. Unpublished report prepared for the Centre for Operational Research and Evaluation, Department of Work and Income; Wellington.

14 Saville-Smith, K. and James, B. (2001) Qualitative Evaluation of the Shorter-term Outcomes of the DPB/WB Reforms. Unpublished report, Centre for Research, Evaluation and Social Assessment; Wellington.

15 Lennan, M. (2000). Investigation of the Reasons Why Clients Leave Employment to Return to Benefit in Auckland South. Unpublished report prepared for the Department of Work and Income; Wellington.

moved off a welfare receipt and had been evaluated or reported on by acknowledged experts. There is no intention that this review will comprehensively cover all available literature in the area of employment retention. An in-depth review of all available literature is recommended as an area for further exploration.

The findings of this meta analysis are presented relative to the New Zealand context, and information about the ways in which international literature supports or contradicts what we know from the New Zealand context is also noted.

2 OVERVIEW OF THE NEW ZEALAND EVALUATION & RESEARCH REPORTS:

The following section provides a brief overview of the New Zealand evaluation and research projects that these findings have been drawn from, and subsequent sections note the key themes that have emerged about barriers to employment retention.

As stated previously the New Zealand literature falls into two types, the first being evaluation reports of pilot projects, and the second being general research relating to benefit recipients and employment outcomes. A total of five New Zealand reports were reviewed for this meta analysis¹⁶ and a summary of each these is presented below.

Project	Into Work Pilot
Evaluator	CORE. Ministry of Social Development, 2001
Project Description	<p>The pilot focused on delivering an enhanced exit management service and was offered to all people moving off benefit into paid work. It ran in Canterbury from 1 July 2000 – 31 December 2000 and took referrals from the seven metropolitan Service Centres and the Christchurch Call Centre. Services were provided to 417 people who were either about to exit or had already exited from the benefit to take up work. The project had two key components:</p> <ul style="list-style-type: none"> • A brochure outlining the range of low income assistance that people leaving the benefit system might be entitled to. • Referral (either via a Case Manager or Call Centre staff member) for a one-off interview with an Into Work Advisor (IWA) who provided personal assistance in managing the transition to employment.
Objectives	<p>The objectives of the Into Work pilot were to:</p> <ul style="list-style-type: none"> • increase the take-up of in-work financial assistance amongst the target group; and • improve the quality of service delivery to people leaving the benefit to take up paid employment.
Evaluation Objectives	<p>The objectives of the evaluation were to:</p> <ul style="list-style-type: none"> • examine user responses to the Into Work brochure; • identify the quality of the Into Work service delivered in the area of exit management; • identify the resources, including time, required to provide the Into Work service; • identify the Into Work service contribution to people's uptake of low income assistance; and • assess the extent to which the Into Work service is associated with improved employment retention outcomes.

¹⁶ Findings from an additional report, Wehipeihana, N. and Porima, L (2001) *The Domestic Purposes Benefit and the Widows Benefit Process Evaluation*, is also cited in this report. This reports was not extensively reviewed for this work but the findings are known to Nan Wehipeihana who was a member of the research team.

Evaluation methodology	The evaluation used a mix method approach and included interviews with the Into Work Advisors and Manager; participant feedback about the brochure and the Into Work services, administrative data to explore resource implications and monitored employment outcomes of the pilot group by comparing outcomes with a (database constructed) comparison group ¹⁷ .
Key Evaluation Findings	<ul style="list-style-type: none"> • Participants indicated that they would have found the information in the brochure very useful at the time they were starting work. However, distribution was problematic as few participants recall have seen or received the brochure. • Participants valued the interviews with the Into Work Advisors. • There were barriers to the effective delivery of exit management services including, policies and processes internal to MSD, such as Family Assistance extension payments, and the interface between MSD and the Inland Revenue Department. • The Into Work Advisors' process is resource intensive. The need to consider individual cases with no prior background or relationship with participants and difficulties accessing MSD systems contributed to the time required on preparation and administration. • It was not possible to determine the extent to which the pilot contributed to increased uptake of low income financial assistance measures. However one survey found that two thirds of Into Work participants were unaware of the availability of any assistance entitlement once their benefit had been cancelled with only 12 per cent of Into Work participants credited their Into Work Advisor with giving them information about assistance entitlement.
Lessons	<ul style="list-style-type: none"> • That a one-off intervention (Into Work) was insufficient of itself to adequately address the range of factors that impact on employment retention and therefore exit management services, whilst important, provide only a partial solution. • The tailored services delivered by Into Work Advisors were resource intensive and should therefore be reserved for selected target groups. Sole parents who had been on the benefit for more than 26 weeks are suggested a key target group most likely to benefit from the Into Work service • The interface between Inland Revenue and MSD needs to be improved through the use of comprehensive operating protocols and detailed service level agreements, designed to deliver a prompt and seamless interface.

17 Because a database constructed comparison group is not able to take account of 'other' factors which may impact on employment outcomes and it is less methodologically robust than the random assignment methods for comparing outcome employed in the international evaluations.

Project	Post Placement Support Pilot for Newly Employed Sole Parents
Evaluator	CORE, Ministry of Social Development, 2002
Project Description	<p>The PPS pilot ran from July 1999 to August 2000 in four regions: South Auckland, Hawke's Bay, Wellington and Christchurch. The pilot used two different delivery models – one with Work and Income case managers, and the other with contracted providers. Participation in PPS was voluntary, and the pilot provided support to 189 participants.</p> <p>The PPS services offered in the pilot included mentoring and support of the participant in work, and advice and help to access information and assistance as required. PPS could include help with: time management, budgeting and money management, accessing financial assistance; mediation with employers; and referrals to other agencies.</p>
Objectives	<p>PPS aimed to assist participants to manage any difficulties that might threaten their ability to retain their employment. The main intended outcome of PPS was to increase the likelihood that the newly employed sole parents who participated would remain in employment and off the benefit.</p>
Evaluation Methodology	<p>The evaluation used a mixed method approach and included interviews with internal and external PPS co-ordinators and programme participants, administrative data to explore resource implications, to identify the key support services being provided and monitored employment outcomes of the pilot group by comparing outcomes with a (database constructed) comparison group¹⁸.</p> <p>The evaluation focussed on identifying and/or assessing:</p> <ul style="list-style-type: none"> • how PPS services can be most effectively implemented; • types of PPS services that are most useful to sole parents; • resources required to provide PPS services; • the most effective method for delivering PPS services; and • the extent to which PPS was associated with participants remaining in employment.
Key Evaluation Findings	<ul style="list-style-type: none"> • Effective implementation of PPS was restricted by other services and case management processes. The limited ability of Work and Income co-ordinators to recruit participants was a significant constraint on the pilot. Recruitment was restricted by case manager concerns of negative effect on personal appraisals. • PPS co-ordinators had competing demands on their limited resources, making it difficult to engage in recruitment, exit interviewing and internal promotion of the service. • Issues of financial entitlements, employment relation issues and childcare were particularly prevalent among for participants. • PPS or a transition to work service, needs to be flexible, responsive and needs based (to meet the individualised challenges as they arise).

18 Because a database constructed comparison group is not able to take account of 'other' factors that may impact on employment outcomes it is less methodologically robust than the random assignment methods for comparing outcome employed in the international evaluations.

	<ul style="list-style-type: none"> • The evaluation indicated that Work and Income should place greater emphasis on ensuring that all clients exiting benefit for employment, receive an exit interview – either as part of PPS or a PPS type service or as part of current case management practice to ensure clients, at a minimum, are receiving all of their entitlements, and are aware of future entitlements and how to access those entitlements. • There is a need to develop an improved interface between Work and Income and Inland Revenue. • Ongoing moral and emotional support offered by contracted providers was also critical to participants to support them through stressful times, which could impact adversely on their ability to remain in employment • The ‘ideal’ PPS service would provide a mix of Work and Income delivery to ensure adequate information on financial entitlements, and delivery of support services by contracted providers. • The PPS pilot did not achieve its main goal of enhancing the employment retention outcomes for participants. • The services and support offered enhanced individual participants’ skills and knowledge about how to resolve the challenges of juggling work and family demands, employment related issues as well having the benefit of enhancing self confidence. • The evaluation suggests that despite the apparent lack of short-term employment retention outcome, PPS may result in longer-term employment outcomes.
Lessons	<ul style="list-style-type: none"> • The evaluation suggested a modified form of PPS be considered with MSD undertaking the exit management component and external providers being responsible for the ongoing support. • Exit interviews are important and greater emphasis needs to be given to ensuring all clients leaving the benefit for employment receive an exit interview.

Project	In Work Support for Maori and Pacific Clients
Evaluator	Matariki Research, 2001
Project Description	<p>An evaluation of an In Work support pilot for Maori and Pacific people. The support services were contracted out to external providers and ran from 21 May – 21 June 2001 in six sites. The pilot aimed to support clients in their transition from the benefit into full time employment.</p> <p>The main types of support providers reported offering were:</p> <ul style="list-style-type: none"> • Assistance resolving workplace difficulties (employee/employer relations), • information and assistance related to Inland Revenue services, particularly the financial assistance available. <p>Providers reported taking a ‘holistic’ approach to meeting the needs of clients and noted that family/whanau circumstances can both constrain or support clients’ ability to remain in employment.</p>

Objectives	<ul style="list-style-type: none"> • Facilitate the transition from benefit to employment for Maori and Pacific clients by providing targeted support and information • Ensure that entitlement and receipt of ongoing income assistance is maintained through this transition period (as appropriate). • An increase in the number and proportion of Maori and Pacific clients achieving stable employment outcomes • A decrease (over time) in the number and proportion of Maori and Pacific clients re-enrolling for community wage within short time frames • Ensure that clients with particular issues receive the appropriate level of ongoing assistance (from both MSD, Inland Revenue and other agencies)
Evaluation Methodology	<p>A qualitative evaluation approach was employed and 36 MSD staff and 10 providers, from the six pilot regions, were interviewed. The focus of the evaluation was on documenting the implementation and operation of the pilot with a key goal being to identify pilot strengths and areas for improvement.</p>
Key Evaluation Findings	<ul style="list-style-type: none"> • Identification, screening and referral of clients to contracted IWS providers, for the most part, worked well because dedicated MSD personnel, within the respective offices, were given the task of managing referrals. • The outcomes based funding model was seen as a financial disincentive as opposed to a financial incentive, because it exposed the provider to increased financial risk (and some providers negotiating alternate funding/payment systems). • Referral to providers can become contentious when some providers receive referrals that are outside their 'natural' catchment area and these providers are therefore seen to 'poach' clients who would otherwise be referred elsewhere. • The research raises the issue of the shortage of providers with the capability to provide services specifically targeted to Maori and Pacific peoples and suggests MSD could benefit from investigating ways of supporting new and emerging Maori and Pacific providers.
Lessons	<ul style="list-style-type: none"> • Having dedicated MSD staff to deal with referrals to PPS services supports appropriate referrals to providers. • Clearly defined and agreed processes that are understood by both parties also support appropriate referrals. • Clear communications between MSD and providers is needed to ensure that expectations, roles and responsibilities are clearly understood by both parties. • Sufficient time in the contracting process is needed to allow for procedures and systems to be established, training to occur and for effective communication and monitoring to take place.

Project	Post Placement Support Pilot for Newly Employed Sole Parents
Evaluator	CORE, Ministry of Social Development, 2002
Project Description	<p>The PPS pilot ran from July 1999 to August 2000 in four regions: South Auckland, Hawke's Bay, Wellington and Christchurch. The pilot used two different delivery models – one with Work and Income case managers, and the other with contracted providers. Participation in PPS was voluntary, and the pilot provided support to 189 participants.</p> <p>The PPS services offered in the pilot included mentoring and support of the participant in work, and advice and help to access information and assistance as required. PPS could include help with: time management, budgeting and money management, accessing financial assistance; mediation with employers; and referrals to other agencies</p>
Objectives	<p>PPS aimed to assist participants to manage any difficulties that might threaten their ability to retain their employment. The main intended outcome of PPS was to increase the likelihood that the newly employed sole parents who participated would remain in employment and off the benefit.</p>
Evaluation Methodology	<p>The evaluation used a mixed method approach and included interviews with internal and external PPS co-ordinators and programme participants, administrative data to explore resource implications, to identify the key support services being provided and monitored employment outcomes of the pilot group by comparing outcomes with a (database constructed) comparison group¹⁹.</p> <p>The evaluation focussed on identifying and/or assessing:</p> <ul style="list-style-type: none"> • how PPS services can be most effectively implemented; • types of PPS services that are most useful to sole parents; • resources required to provide PPS services; • the most effective method for delivering PPS services; and • the extent to which PPS was associated with participants remaining in employment.
Key Evaluation Findings	<ul style="list-style-type: none"> • Effective implementation of PPS was restricted by other services and case management processes. The ability of Work and Income co-ordinators to recruit participants was a significant constraint on the pilot. In the main this related to potential participants cancelling benefit once in work (or about to commence work) and the systemic time lag between notifying Work and Income co-ordinators and date of exit. • PPS co-ordinators had competing demands on their limited resources, making it difficult to engage in recruitment, exit interviewing and internal promotion of the service. • Issues of financial entitlements, employment relation issues and

¹⁹ Because a database constructed comparison group is not able to take account of 'other' factors that may impact on employment outcomes it is less methodologically robust than the random assignment methods for comparing outcome employed in the international evaluations.

	<p>childcare were particularly prevalent among for participants.</p> <ul style="list-style-type: none"> • PPS or a transition to work service, needs to be flexible, responsive and needs based (to meet the individualised challenges as they arise). • The evaluation indicated that Work and Income should place greater emphasis on ensuring that all clients exiting benefit for employment, receive an exit interview – either as part of PPS or a PPS type service or as part of current case management practice to ensure clients, at a minimum, are receiving all of their entitlements, and are aware of future entitlements and how to access those entitlements. • There is a need to develop an improved interface between Work and Income and Inland Revenue. • Ongoing moral and emotional support offered by contracted providers was also critical to participants to support them through stressful times, which could impact adversely on their ability to remain in employment • The ‘ideal’ PPS service would provide a mix of Work and Income delivery to ensure adequate information on financial entitlements, and delivery of support services by contracted providers. • The PPS pilot did not achieve its main goal of enhancing the employment retention outcomes for participants. • The services and support offered enhanced individual participants’ skills and knowledge about how to resolve the challenges of juggling work and family demands, employment related issues as well having the benefit of enhancing self confidence. • The evaluation suggests that despite the apparent lack of short-term employment retention outcome, PPS may result in longer-term employment outcomes.
<p>Lessons</p>	<ul style="list-style-type: none"> • The evaluation suggested a modified form of PPS be considered with MSD undertaking the exit management component and external providers being responsible for the ongoing support. • Exit interviews are important and greater emphasis needs to be given to ensuring all clients leaving the benefit for employment receive an exit interview.

Project	Investigation of the Reasons why Clients Leave Employment to Return to Benefit in Auckland South
Researcher	Michelle Lennan, 2000
Project Description	Research project investigating 'churning' ²⁰ . In-depth interviews were carried out with 20 people representing Maori, Pacific and Pakeha people with a range of individual circumstances
Objectives	The aim of this project was to investigate what degree of 'churning' is occurring in Auckland South and why.
Research Methodology	In-depth interviews with 20 randomly selected people from the Auckland South region of MSD.
Key Findings	<p>Factors seen to contribute to churning include:</p> <ul style="list-style-type: none"> • Difficulty accessing affordable and suitable childcare. • Attending to the needs of older children experiencing emotional difficulties, particularly following changes to the family unit. • Job Plus Scheme-subsidised employment ended when the subsidy period finished. • Difficulties in the work place including issues related to remuneration and occupational safety and health. • The "casualisation" of labour made it difficult to remain in employment. • Low wages resulting in reduction of overall income, or becoming only marginally better off as a result of working. • The comparative value of spending time with children compared to working for a reduced income. • Age discrimination. • Inability to service debt accumulated during the period between final benefit and receipt of first wages. • Limited awareness of low income assistance entitlements. • Costs associated with working, such as transport. • Disincentives of stand down periods if re-entry to the benefit is necessary (particularly with short term work). • Difficulties in accessing financial support through Inland Revenue, such as child support. • Difficulties contacting case managers when seeking information or assistance
Lessons	Churning is the result of complex interactions of individual circumstances, including issues of childcare, finance and the labour market. Better support during the transition from benefit to employment could have been beneficial for some participants.

20 'Churning' is the term used to refer to people moving off benefit into employment and returning to benefit within a short period of time

3 BARRIERS TO EMPLOYMENT RETENTION

Employment retention issues fall into two key types; systemic issues (such as organisational capacity, systems and processes to deliver a responsive service) and individual needs (namely overcoming personal, familial and work place barriers). Gaining a clear sense about what type of issue is being addressed provides guidance as to the appropriate place to target intervention. In addressing employment retention, some interventions will need to be addressed at an organisational level whilst others will focus on providing support to individual issues of development (such as career advice and job matching).

3.1 Key Barriers to Employment Retention.

There is a range of issues identified in the evaluation and research reports, and the international literature, which act as barriers to employment retention. These include:

- Financial issues
- Family responsibilities
- Adjustment to work
- Access entitlements or services from government agencies; and
- Labour market conditions.

Whilst each of these are presented as separate barriers or themes a key finding from the literature is that barriers to employment retention are a complex series of factors that combine in multiple way.

“...there was no easy response as to why people ‘churn’, but rather a set of more complex interactions which reflective the individual circumstances of each participant” (Lennan, 2000)

“A common pattern was finding one small problem after another creeping up insidiously and culminating in a constant juggling act.” (PPS, 2002)

In the Into Work Pilot evaluation 69% of participants reported at least one type of barrier to employment retention. Likewise, international literature reports 70% of employment retention project participants experiencing anyone problem (Rangarajan, 2000).

Key finding: Barriers to employment retention are a complex series of factors that combine in multiple ways. (Lennan, 2000)

3.2 Financial issues

Financial vulnerability and insecurity is a key theme that emerges out of the New Zealand literature. This is about the cumulative effect of not having financial reserves or savings, a period of no income, potentially a reduction in net income, delays in receiving entitlements and assistance, unforeseen ongoing expenditure, new or increased levels of debt and the effect of income lost through personal or familial illness and other the associated medical costs. These factors singularly, or tandem, amplify the sense of financial vulnerability and insecurity experienced by many who move off benefit and into employment.

There are a number of financial implications in moving off benefit and into paid employment. These include:

- The need to bridge the gap between last benefit payment and receipt of the first wage or salary payment from employment (IWP, 2001; Lennan, 2000; Saville-Smith and James, 2001).
- Meeting the initial costs associated with the transition to work and the ongoing costs of working including childcare, transport, clothing and personal grooming such as haircuts (Lennan, 2000; Rangarajan, 2000; Saville-Smith and James, 2001).
- Difficulties accessing current entitlements, delays in receiving financial assistance from MSD or Inland Revenue, and a lack of awareness about future entitlements in particular the 'net' benefit which provides financial assistance to cover unpaid sick leave creates added stress and heightens any concerns about the financial viability of working (Lennan, 2000; PPS, 2002; Saville-Smith and James, 2001).
- Unforeseen expenditure as a result of a lack of planning or recognition of the ongoing costs of employment e.g. replacement of clothing, convenience meals, vehicle maintenance and personal grooming (PPS, 2002; Saville-Smith and James, 2001).
- Increased levels of debt as a result of the individual or cumulative effect of financial difficulties (PPS, 2002; Saville-Smith and James, 2001).
- A drop in net income compared with their income whilst on benefit and or becoming only marginally better off (compared to their income whilst on benefit) (PPS, 2002; Lennan, 2000, Saville-Smith and James, 2001).

Key finding: There is a range of financial factors that singularly, or in combination, heighten the sense of financial vulnerability and insecurity experienced by many who move off benefit and into employment.

3.3 Family responsibilities

Issues relating to family responsibilities in the main relate to the care of children and young people. Key barriers identified include:

- Finding affordable childcare, particularly in the context of low levels of income

(Lennan, 2000; PPS, 2002; Saville-Smith and James, 2001).

- Limited availability of before and after school care (PPS, 2002; Saville-Smith and James, 2001)
- Arranging care for older children (up to the age of 14) who are unwilling to attend after-school care programmes (PPS, 2002; Wehipeihana and Porima 2001)
- Availability of childcare to cover 'non-traditional' hours of work (Lennan, 2000; PPS, 2002; Saville-Smith and James, 2001).
- Lack of paid sick leave to cover periods of personal illness or illness of a family member (PPS, 2002; Wehipeihana and Porima 2001)

Key findings:

- Childcare is a key issue in relation to employment retention.
- To address issues of childcare will require approaches that address issues of supply (access and availability) and cost/affordability.
- There is a need to improve awareness of the range of measures available to support low-income working families.

3.4 Adjusting to paid work

The transition from benefit receipt to paid employment often requires some adjustments to meet the demands of work (IWP, 2001, PPS, 2002). These demands often develop over time as the impact of initial barriers particularly financial take some time to take effect. The main themes that emerge evaluation and research reports (IWP, 2001, PPS, 2002; Saville-Smith and James 2001; Wehipeihana and Porima 2001) include:

- Support needs to be long term and not just at one point in time.
- The period prior to leaving benefit is an important milestone and it is during this period that an exit interview should ideally take place.
- An exit interview is critical to ensuring the receipt of financial assistance and entitlements.
- The provision of information about 'future' entitlements/assistance measures that are available to low income working families should be part of any exit interview.
- Delivery of an exit management service within the normal case management process is seen as difficult to achieve.
- Ensuring people are aware of sick leave financial assistance (NET benefit) from Ministry of Social Policy.
- The first two weeks prior to receiving the first wage or salary payment; is identified as a period of financial vulnerability and the need to have ensured receipt of entitlements and financial assistance, at the exit management stage, is seen as important in minimising potential debt and allaying fears related to

financial insecurity.

- A period of at least two months and up to six months is suggested as a possible time frame for providing ongoing support.

Key findings:

- Support needs to be delivered over a long-term time frame and not solely at one single point in time.
- The timing of the delivery of support is critical. The period immediately prior to leaving benefit is an important milestone and an exit interview should ideally be undertaken during this period.
- An exit interview is critical to ensuring the receipt of financial assistance and entitlements and should cover future entitlements or assistance measures.
- Dedicated exit management personnel or service is likely to be required if the goal of an exit management service is to be achieved.

3.5 Internal Agency Issues

In order to access measures of financial assistance, benefit recipients and low-income working families are dependent on the services provided by key government agencies such as MSD and IRD. One barrier to employment retention relates to issues within agencies, particularly MSD and IRD. These issues are typically around internal systems that make it difficult for people to access service and obtain entitlements.

In one evaluation 63% of participants reported not being aware of the available low income assistance whilst in employment (IWP, 2001) and other studies reflected similar findings (Lennan, 2000; PPS, 2002; Saville-Smith and James, 2001). The assistance not being provided included MSD staff not extending Family Support, and constraints in the approval of Work Start grants (IWP, 2001).

The literature further notes that the systems surrounding entitlements are complex for staff to understand and that staff knowledge of non-benefit entitlements is variable, particularly in relation to measures introduced as part of the 1999 Benefit Reforms (specifically assistance to cover sick leave, and the facility to freeze debt repayments to MSD. (IWP, 2001; Wehipeihana and Porima, 2001).

A specific issue that was highlighted in a number of evaluations was the difficulties associated with gaining assistance from Inland Revenue to access Family Assistance measures such as the Family and Child Support.

Key findings:

- A need to enhance the internal systems of MSD, such as improving the exit management process and making the accommodation supplement process clearer (IWP, 2001; PPS, 2002).
- A need to improve the interface between MSD and IRD
- A need to improve access to IRD services for Family Assistance clients.

A key theme that emerges here is that part of the solution towards addressing employment retention is about a focus on addressing problems created by the internal systems, as opposed to solely focusing on supporting people to overcome personal barriers.

3.6 Dynamics of the Labour Market

Much of the discussion to date has focused on the personal barriers to employment retention. However, labour market and employment related factors, which are outside the control or influence of workers, can be the underlying reason for workers not remaining in employment. Labour market factors and barriers noted in the reports (IWP, 2001, PPS, 2002; Rangarajan, 2000; Saville-Smith and James) include:

- Increased “casualisation” of the labour market. Casual employment by its very nature is work with a limited job security and with a risk of poor employment conditions, including work hours that were incompatible with family life.
- A reduction in the number of hours can result in the job no longer being financially viable.
- A change in the status of the work may see a position move from full time to part time or casual and ultimately the position is no longer financially viable.
- Lack of certainty about the number of ‘guaranteed hours’ (and therefore income) increases the financial stress and insecurity of working and often contributes to increased levels of debt due to lower than expected income resulting from a reduction or shortfall in hours.
- A change in the hours or days of employment can impact on childcare arrangements and result in the worker being unable to remain in the job if they cannot make alternate childcare arrangements.
- Exiting employment is a coping strategy employed by some workers when they feel vulnerable or mistreated in their job and do not know where to go to seek help.
- Some workers choose to remain in employment for reasons of personal pride, to be a role model for their children, to not be dependent on the state, to avoid having to go back into MSD and because of the financial implications if they faced a stand down period. Rather than seek support from MSD in situations where the job was not working out, people put up with extremely stressful situations that have deleterious effects on both them and their children.
- People employed under the Job Plus Scheme having their employment terminated by their employer at the end of the subsidy period. This placed some people in a position of not being able to retain employment and in fact potentially facing a stand down as a result of participating in employment (Lennan, 2000).

Key findings:

- A level of 'churning' is to be expected given the nature of the increasingly casualised labour market.
- There is a need to support workers while they are in work and to facilitate access to employment related advice to minimise the relinquishing of employment as a means of coping with work/employer related issues.
- Support needs to go beyond pre-employment and transition to work phases of employment retention and to address work place and employer related factors as well as begin to look at career advancement opportunities.
- If work 'does not pay' that is it is not financially viable and is proving detrimental to family well being, then support needs to be provided to help people to find new positions or, as a last resort, assist them to return to benefit.

4 IMPLEMENTATION OF PILOT PROJECTS

In order to successfully implement projects that will address employment retention there are a number of key factors to consider.

4.1 Employment Retention Projects

4.1.1 Targeting Services

Through the New Zealand literature it appears the post placement support pilots were mostly of benefit to specific groups of clients. Exactly which groups to target varies by study. One study found that the group to benefit the most was woman with children, without partners, between 20 – 39 years of age and had been on the Domestic Purposes Benefit for over 26 weeks (IWP, 2001).

Another study found that people that benefited the most from support tended to experience a drop in overall income in employment compared to benefit income, depended on assistance from Inland Revenue, had little support from family or friends, had limited information about their employment, complex family demands, limited employment experience and low self esteem or confidence (PPS, 2002)

Male clients were identified as earning more and having greater family support and therefore were less likely to benefit from support pilots (PPS, 2002). Similarly compass clients, because of the support provided by their compass co-ordinator and the ongoing relationship that clients have with their co-ordinator were seen as less likely to need or benefit from post placement support (PPS, 2002).

Identifying appropriate target groups is a useful exercise in terms of directing resources to areas of need. However the literature notes that there are significant problems due to internal systems and processes that make it difficult to accurately and efficiently target service provision. Research on targeting strategies suggests that it may be possible to identify people and job characteristics (e.g. education level, health status, starting wages, availability of fringe benefits) as guides to identify people like to have stable employment outcomes and people like to have poor employment outcomes (Rangarajan, 2000)

4.1.2 Provide support therefore that is long term, and not just at one point in time.

Firstly there is a need to support workers while they are in work, to retain work, particularly in relation to conditions of employment and workplace associated issues (as distinct from familial or non-work related issues). Support needs to go beyond pre-employment and transition to work phases of employment retention and to directly address work/employer related factors.

Significant emphasis needs to be placed on the period immediately prior to leaving benefit and the importance of an exit interview, preferably undertaken during this period to ensure receipt of financial assistance and entitlements as well as the provision of information about future entitlements/assistance measures that are available to low income working families and ex-benefit recipients (IWP, 2001; PPS, 2002).

Secondly, the first two weeks or the period prior to receiving the first wage or salary payment is identified as another period of vulnerability and the importance of receiving entitlements and financial assistance is seen as important in minimising potential debt and allaying fears related to financial insecurity.

Thirdly, a time frame of up to two months is seen as the main period of adjustment to work and the need for continued support. Finally a longer period (undefined) but about six months is suggested for ongoing support. (IWP 2001; PPS, 2002).

4.1.3 Interventions and support need to be timely.

It will be important for programs to integrate pre- and post employment services and think in terms of a “continuum”. (Rangarajan, 2001)

In designing employment retention pilots there are three points at which intervention could be targeted. These are at the pre employment stage, during the exit management process and at the post employment stage. Current evaluations have shown that the exit management process is instrumental in ensuring people are accessing full entitlements (PPS, 2002). Other evaluations have been of projects that focus only at the post employment stage.

It is worthwhile considering the use of a process that starts at the pre employment stage, focusing on work readiness and providing information about non-benefit assistance (Rangarajan, 2000). Pre employment services could aim to facilitate the development of skills such as workplace behaviour, strategies for dealing with family problems and life skills (Rangarajan, 2000).

Using the pre employment stage to promote any post employment retention services could be useful to overcome issues of referrals and increase awareness of any such service.

There are indications that the better the job match to an individual’s needs, including level of income, interest and skills, the more likely that retention will be achieved (Rangarajan, 2000; Rangarajan, 2001). Investing in pre employment intervention that attempts to maximise the match between individual people and jobs may be worthwhile. Such a project could continue to support people in finding more suitable sustainable employment post placement also (Rangarajan, 2001).

The National Evaluation of Welfare-to-Work Strategies (NEWWS) reported that the Portland programme outperformed the other 10 Welfare to Work programmes in terms of employment and earning gains as well as providing a return on every dollar the US government invested in the program.

Overview of The Portland, Oregon, Welfare to Work Programme

The Portland programme is an employment focused initiative and participation is mandatory for nominated welfare recipients.

Participants on enrolment are assigned to a ‘job club’ (which primarily focuses on job search activity and strategies) and then participants are encouraged to find work as quickly as possible. Full-time job developers also worked to place participants in unsubsidised employment. The Portland programme offered educational classes to participants whose case managers thought had a good chance of attaining qualifications (a GED certificate) quickly.

Portland case managers also encouraged participants to hold out for jobs that paid well above the minimum wage and that offered the best change for long-lasting stable employments. This contrasted with other (less successful welfare to work programmes) which stressed the value of starting off with any job, even a low-paying one, and then advancing toward more stable and better paying jobs in the future.

Of the 11 programmes, which formed part of the Welfare to Work initiative, Portland produced the largest impacts on measures of stable employment and earnings growth. A relatively strong economy and the experienced staff who implemented the Portland programme may also have contributed to the programmes success.

4.1.4 *Identify Appropriate Providers of Support*

“Clients are more willing to share with us. It’s a trust thing.” (Quote from external provider, Matariki Research, 2001)

The New Zealand evaluation literature documents the provision of post placement support through MSD run projects and through the contracting of pilots to external groups. There appear to be advantages and disadvantages with both models and an approach that incorporates the use of MSD personnel delivering the exit management services and external providers providing ongoing support is recommended as the preferred approach (PPS, 2002).

There is a need to be aware of issues that can develop in both approaches, such as internal referral issues within MSD, and the identification and referral of clients to external providers (Core 2001; CORE 2002; Matariki Research, 2001; Oliver, P., et al 2000).

4.1.5 *Making Information Available*

Making ongoing information available was a key factor in ensuring people received their full entitlements to low income assistance (IWP, 2002). This was achieved in one pilot through the distribution of a brochure, and whilst people that received it rated the brochure as very helpful, there were issues with ensuring distribution (IWP, 2001). The brochure provides offers a cost effective way of providing entitlement information. Apart from having the brochure available in MSD offices and in other public locations (libraries, Citizen Advice Bureaus etc) the option of posting the brochure to all people who cancel their benefit for reasons of employment should be explored.

4.1.6 *Exit Interview Process*

The New Zealand literature places significant emphasis on the importance of the exit interview process. The exit interview can be used to ensure that people are aware of all their entitlements and it can also be used to provide support to people accessing information and support from Inland Revenue. The exit interview also provides a point of contact when it may be appropriate to offer post employment services designed to increase employment retention. However, the exit interview has not been consistently implemented primarily due to resource constraints.

An exit interview service is critical to ensuring the receipt of financial assistance and entitlements and should be implemented either as a stand-alone service or as part of an integrated package of employment support services. In particular trying to engage with clients who, having found employment, have cancelled their benefit has been shown to be problematic. This further strengthens the argument that employment retention services should begin before a person cancels their benefit i.e. at the pre-employment stage.

4.1.7 *Focus on Outcomes*

Through much of the New Zealand evaluation literature the outcome of employment retention was considered. No evaluation clearly identified any link between employment retention and the intervention (IWP, 2001; PPS, 2002). This lack of impact on employment retention is consistent with international literature (Rangarajan, 2001). Focusing only on the outcome of employment retention can mean that other positive outcomes that have the potential to make some long-term impact on retention are overlooked. Outcomes that need to be considered alongside

employment retention include:

- The flexibility of a service to assess and respond to individual need.
- The impact on participants' skills and knowledge relating to addressing barriers to retention.
- The effectiveness of support to enable participants to overcome personal obstacles.
- Enhancing the ability of people to successfully resolve issues that arise at the place of employment.
- To support people in overcoming issues related to the often unstable and short-term nature of work in the labour market.

These outcomes should be considered as possible objectives for any proposed employment support service.

4.2 Pilot Specific Issues

There are a number of issues that impact on pilot projects. It will be important to consider these when deciding upon the level and extent of evaluation. These include:

4.2.1 Internal promotion and support of initiatives

One of the difficulties with piloting interventions is that they are often (for cost and technical reasons) not part of the existing administrative and performance management systems. As a result, staff can be resistant towards becoming involved due to the additional workload involved and lack of formal recognition by the organisational performance management systems (IWP, 2001). In the case of the pilot that relied upon the distribution of information in a brochure format, this proved to be detrimental to the project. There is a need therefore in the design of interventions or pilots to build performance management incentives into pilot projects and to allow agencies sufficient time to develop appropriate practices to support the initiative.

4.2.2 Time to Develop and Time to Evaluate

Time must be allowed for pilot projects to develop through initial problems to become fully operational. This can take considerable time and performance over this initial period should take project development into account.

Similarly, the international literature notes evaluation time frames of three to five year duration post intervention. These time frames allow for more in-depth follow-up of participants and analysis of outcomes than has been possible with the one to two year evaluation time frames of New Zealand interventions.

5 FUTURE DIRECTIONS

To date, however, there are no proven strategies that have been shown to improve employment retention and promote advancement among welfare recipients. (Hill, Kirby and Fraker, 2001)

Addressing employment retention is an issue that is particularly challenging with no conclusive solution evident. From the New Zealand literature there appears to have been little success in positively impacting on retention. The American literature, where a far greater range of interventions has been piloted, shows similar findings (Hill, Kirby and Fraker, 2001).

Whilst the literature to date has shown limited impact on employment retention, Anu Rangarajan, an internationally acknowledged expert in the field of design and evaluation of employment retention programmes, has identified a range of lessons which are summarised below:

Key lessons from employment retention programmes to date

- Ideally programmes will integrate pre and post employment services, seeing services as existing upon a continuum of intervention.

Job retention services should start at the time of pre-placement service and must continue after placement. (Rangarajan, 2000)

- Basic, broad-based, case management service may help clients feel better about themselves and facilitate welfare-to-work transition somewhat, but without additional enhancements they are unlikely to have large effects on retention and advance.
- Programmes should be tailored to address the diverse needs of individuals. Given the wide range of issues that clients face programme staff must have access to a range of social services that can respond to client needs.
- Programmes should focus on sustained employment rather than placement and the need to maximise the initial job match is seen as an important factor that can influence the efforts of individuals to retain employment.
- Programmes should seek to involve employers because workplace issues often impact upon employment retention.

Rangarajan further identifies three areas of focus in terms of achieving employment retention. Namely, initial placement, retention strategies and advancement strategies.

A summary of the key strategies for each of the areas of focus is provided in the appendix. Also in the appendix is similar framework used to present an overview of the New Zealand context and possible strategies).

6 AREAS FOR FURTHER INVESTIGATION

Whilst the challenges that welfare recipients trying to sustain employment face are well documented, little is known about the types of programs and services that could help. (Hill, Kirby and Fraker, 2001)

There are a number of areas that could benefit from further investigation.

- Conducting a small-scale qualitative research project, interviewing key informants and people who have experienced churning. Key informants would include researchers and service providers. Research objectives would be to explore what services people would like to support job retention. Whilst many studies have focused on the barriers exist, a study that focuses on identifying what support people would like and what support people have found useful.
- The time frame limitations of this meta analysis have resulted in an initial exploratory review of NZ post placement support evaluation and research reports and a limited scan of US literature. There is a need therefore to conduct a more extensive and in-depth literature review into the issue of post employment retention. This would need to consider international contexts that may match New Zealand more closely than the USA. For example, the New Deal Innovation Fund operating in the United Kingdom has a specific stream dealing with post placement support and would be a useful place to start. Similarly, review of literature from Australia and from European countries would also be beneficial.
- Conducting a brief research project where key informants in New Zealand are consulted on the issue of employment retention. Seeking input from such informants on proposed pilots prior to implementation may also be useful.
- To gain a full appreciation of the issues that impact on employment retention a longitudinal study of two – five years length is suggested. This would allow for the full impact on interventions to be more fully understood. The New Zealand pilots to date have only run for a maximum of just over one year (in contrast to the three to five years internationally) and this may be insufficient to appropriately measure the impact on retention.
- If possible, further analysis of the Qualitative Evaluation of the Shorter-term Outcomes of the DPB/WB reforms with a focus on post placement support and employment retention may yield some useful (and comparatively low cost) information.
- A number of specific research questions need to be explored, including
 - Is churning a 'legitimate' phase within an employment acquisition and retention process. Can churning be controlled (or the number of churns reduced)?
 - Should more resources be placed on initial job matching?
 - How do inequities in the labour market impact on retention and to what extent can these be addressed by support services provided by the Ministry of Social Development and/or other government and non-government agencies.

- What are the work place issues that impact on retention? What can be done to better prepare people for the work place environment before they enter employment? What can be done, separately or in conjunction with employers to assist workers remain in employment?

7 CONCLUSIONS

The New Zealand and the international literature, with one exception, offer no tested and proven approaches to address the issue of employment retention. The key themes that emerge include:

- Making sure people receive all assistance they are entitled to.
- Ideally integrating pre and post employment services and seeing services as existing upon a continuum – pre-employment--> retention--> career advancement-->.
- Beginning the process at the pre-employment stage (with a particular focus on soft skills (work ready preparedness and interpersonal and communications skills).
- Continuing to support workers in employment to retain jobs.
- Addressing both systemic issues (MSD operating systems and service delivery) as well as personal barriers to employment retention.
- Facilitating improved access to Family Assistance Measures delivered by Inland Revenue²¹.

Finally, perhaps the most challenging finding from the international literature is to treat the objective of employment retention as a continuum of intervention as opposed to a set of discrete services integrating pre and post employment services. This suggests that while discrete service components may be delivered separately they need to be developed and implemented as part of an integrated service approach. Evidence from the New Zealand pilots trialed suggests that this is extremely difficult to achieve in practice.

21 An inter-departmental working party has been convened to address this and other related issues

8 BIBLIOGRAPHY

Bickle, N. (Date Unknown). *Progress Report on the Post Placement Support Pilot and Evaluation*. Unpublished progress report for the Minister of Social Services and Employment. Department of Work and Income; Wellington.

Centre for Operational Research and Evaluation, Ministry of Social Development, (2001) *Evaluation of the Into Work Pilot*. Unpublished report, Ministry of Social Development; Wellington.

Centre for Operational Research and Evaluation, Ministry of Social Development, (2002) *Evaluation Report on the Post Placement Support Pilot for Newly Employed Sole Parents*. Unpublished draft report, Ministry of Social Development; Wellington.

Hill, H., Kirby, G and Fraker, T. (2001) *Delivering Employment Retention and Advancement Services: A Process Study of Iowa's Post-Employment Pilot Program*. Mathematica Policy Research Inc.; Washington DC.

Lennan, M. (2000). *Investigation of the Reasons Why Clients Leave Employment to Return to Benefit in Auckland South*. Unpublished report prepared for the Department of Work and Income; Wellington.

McDonald, J. (2002). *Literature Review: Post Placement Support*. Unpublished report, Centre for Operational Research and Evaluation, Ministry of Social Development; Wellington.

Manpower Demonstration Research Co, (2001). "National Evaluation of Welfare-to-Work Strategies: How Effective are Different Welfare-to-Work Approaches? Five Year Adult and Child Impacts for Eleven Programs NEWWS." Prepared for the Department of Health and Human Services, US Department of Education.

Matariki Research, (2001). *In-work Support for Maori and Pacific Clients*. Unpublished report prepared for the Centre for Operational Research and Evaluation, Department of Work and Income; Wellington.

Oliver, P., Spee, K., Anae, M., & Wehipeihana, N. *Report on the Post Placement Support Pilot (2000)* – Unpublished report prepared for the Department of Work and Income.

Rangarajan, A. (2000) *Staying On, Moving Up: Strategies to Help Entry Level Workers Retain Employment and Advance in Their Jobs*. Mathematica Policy Research; Princeton, New Jersey.

Rangarajan, A. (2001) *The Road to Sustained Employment: Lessons From A U.S. Job Retention Initiative*. Mathematica Policy Research; Princeton, New Jersey.

Saville-Smith, K. and James, B. (2001) *Qualitative Evaluation of the Shorter-term Outcomes of the DPB/WB Reforms*. Unpublished report, Centre for Research, Evaluation and Social Assessment; Wellington.

Wehipeihana, N. and Porima, L. (2001) *The Domestic Purposes Benefit and Widows Benefit Process Evaluation*. Unpublished report, prepared for the Department of Labour, Research Evaluation Consultancy Limited.

9 APPENDIX - A SUMMARY OF PRE-EMPLOYMENT, RETENTION AND ADVANCEMENT STRATEGIES

Pre-employment (Initial Placement)	Retention Strategies	Advancement Strategies
Ideally interventions would seamlessly integrate placement retention and advancement strategies as part of a service continuum. 		
Provide soft skills (work ready, work preparation) training, eg, <ul style="list-style-type: none"> • budgetting • planning skills • awareness of in-work financial assistance 	Increase the accessibility of support service payments and services	Provide opportunities for skill enhancement
Provide career placement assistance as part of job search	Provide initial employment expenses for work-related payments and provide other one time emergency payments	Consider sectoral strategies and offer structured career advancement – job laddering – by facilitating employee movement between firms
Provide basic skills and vocational training in rapidly growing occupations and areas of high demand	Include job retention components in pre-placement workshops	
Try to place clients in jobs with employer-sponsored training and opportunities for advancement	Provide enhanced case management and counselling	
Social services supports		Create opportunities for effective mentoring or job coaching
Later agency referrals, ie, relationship management services	Consider using financial or non-financial incentives to affect behaviour or short term outcomes	
	Encourage employer involvement and try to tailor services and programmes to meet employer needs	
	Encourage work place liaison programmes	
	<ul style="list-style-type: none"> • Ensure easy access to job search assistance and placement for workers who lose their jobs or wish to find better paying employment • More sustainable employment 	

10 APPENDIX - A SUMMARY OF THE NEW ZEALAND PRE-EMPLOYMENT, RETENTION AND ADVANCEMENT STRATEGIES

Initial Placement	
Barrier	Intervention
Labour market dynamics impacting on ability to gain sustainable employment (Lennan, 2000; Saville-Smith and James, 2001).	<ul style="list-style-type: none"> Facilitate effective job matching with an emphasis on sustainable permanent employment. Counsel expectations to coach people to stay in labour market.
Developing skills through undertaking suitable training courses (Saville-Smith and James, 2001).	<ul style="list-style-type: none"> Ensure appropriate referrals of clients to courses is being undertaken. Providing career placement advice to clients with plans for skill development.
Limited knowledge of low income assistance to support client in employment.	<ul style="list-style-type: none"> Provide information, through materials such as brochures. Provide efficient exit management process where entitlements are ensured and further information regarding assistance is given.

Retention	
Barrier	Intervention
Bridging the gap between the last benefit payment and receiving their first wage or salary payment from employment (IWP 2001; Lennan, 2000; Saville-Smith and James, 2001).	<ul style="list-style-type: none"> Ensure full entitlements are granted at exit interview. Pre placement financial and budgeting skills to allow clients to prepare for this time. Provide financial and/or non financial incentives to encourage retention.
Costs of gaining and retaining employment, such as transport, clothing for work and personal grooming such as haircuts. (Lennan, 2000; Rangarajan, 2000; Saville-Smith and James, 2001)	<ul style="list-style-type: none"> Ensure entitlements to work start grants are accessed. Provide information to clients regarding entitlements for emergency expenses.

<p>Gaining appropriate affordable childcare (Lennan, 2000; Rangarajan, 2000; Saville-Smith and James, 2001)</p>	<ul style="list-style-type: none"> • Facilitate access to affordable childcare. • Provide information about childcare subsidies. • Address the need for childcare to be available in non-traditional work hours (Oliver et al 2000).
<p>Delays in receiving, entitlements particularly family assistance and child support payments through Inland Revenue. (Lennan, 2000; Oliver, et al 2000; Rangarajan, 2000; Saville-Smith and James, 2001).</p>	<ul style="list-style-type: none"> • Continue to develop and assess the quality of the interface between MSD and Inland Revenue.
<p>Increasing levels of personal debt due to ongoing costs of employment such as buying lunches, more convenience time, repair and maintenance of vehicles, personal grooming (IWP 2001, PPS 2002; Oliver et al 2000; Saville-Smith and James, 2001).</p>	<ul style="list-style-type: none"> • Ensure entitlements to low income assistance are promoted. • Provide on going support and advice regarding budgeting and entitlements.
<p>Lack of awareness about the availability of financial assistance to cover unpaid sick leave (Oliver et al, 2000).</p>	<ul style="list-style-type: none"> • Improve dissemination of information about entitlements for assistance to cover unpaid sick leave.
<p>Drop in income due to low wages compared with their income whilst on a benefit (Saville-Smith and James, 2001), or becoming only marginally better off (Lennan, 2000).</p>	<ul style="list-style-type: none"> • Provide ongoing information and support. • Facilitate access to low income assistance. • Concentrate on continued career development where stable, higher income jobs may be attained.
<p>Stress during the time of transition into employment.</p>	<ul style="list-style-type: none"> • Provide social support through external services. • Facilitate social connections between clients through group forum or mentoring.

Advancement	
Barrier	Intervention
Issues of employee rights and safety in the workplace (Oliver, P., et al 2000)	<ul style="list-style-type: none"> Facilitate access to appropriate forums, such as employment tribunal and occupational health and safety
Job Plus Scheme – employment ending with subsidy (Lennan, 2000).	<ul style="list-style-type: none"> Review the approval of employers for the scheme.
Employment unsafe, costly, unsatisfactory to client. Placement unlikely to remain stable.	<ul style="list-style-type: none"> Provide support to client to exit that job into an improved employment situation. (the Northwest Washington Regional Partnership programme)²² through continued job matching even whilst client is in employment.

22 refer <http://wtw.doleta.gov/wwwpartnerships/default.htm> for further information