Locally **Grown**

Key Strategies for Expanding Workforce Services

Sheila Maguire

A Publication of Public/Private Ventures

Working Ventures

Prepared for The Rockefeller Foundation's Initiative on Organizational Capacity Building

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P/PV

Public/Private Ventures is a national nonprofit organization that seeks to improve the effectiveness of social policies and programs. P/PV designs, tests and studies initiatives that increase supports, skills and opportunities of residents of low-income communities; works with policymakers to see that the lessons and evidence produced are reflected in policy; and provides training, technical assistance and learning opportunities to practitioners based on documented effective practices.

Working *Ventures*

Working Ventures seeks to improve the performance of the workforce development field by providing practitioners and policymakers with the knowledge and tools needed to operate effective employment programs. We support the field by documenting effective employment strategies and practices, convening practitioner workshops and providing resources to encourage program innovation.

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Snapshots: Three Organizations Ready to Grow

In Denver, Colorado

It was only after several meetings with the local county's director of social services that it became clear to Laurie Harvey, executive director of Denver's Center for Women's Employment and Education (CWEE), that the county wanted CWEE to take nearly half of its welfare caseload.[1] For the county, the choice had been an easy one: CWEE had a 15-year track record of helping women get off welfare, and the county social services department, under newly passed welfare reform legislation, was responsible for helping thousands of women make that transition. Since CWEE had been founded with the explicit mission of helping women free themselves from the poverty that accompanies welfare, it might have seemed like a natural fit, but Harvey had campaigned against the new law and had serious reservations about its "work first" approach.

In Brooklyn, New York

When welfare reform hit New York City, Michael Rochford, executive director of St. Nicholas Neighborhood Preservation Corporation, had a strong sense that his organization was well positioned to provide the links to immediate jobs required by the legislation's work first provisions. A couple of years earlier, Rochford had written to the Human Resources Administration (HRA), New York City's welfare agency, sharing St. Nick's conviction that a connection to immediate jobs should be included in the welfare application process and that welfare offices should transform themselves into employment offices. But St. Nick's workforce effort—eight people in a storefront in one of the organization's housing developments—was a small fish in a large pond. "We were just one small community-based organization," recalls Rochford. "We knew that we had to work with other organizations if we were to have any influence, if we were to get HRA's attention."

In Macon, Georgia

A few years before welfare reform, Jim Stiff was headed from Washington, DC to Macon, Georgia, with a vision of turning Macon's struggling Goodwill operation into a leading workforce organization. When the US Department of Labor issued its first request for proposals (RFP) under the welfare-to-work program, Stiff saw an opportunity and told Wendi Copeland, his director of workforce development: "We need to ask the board for $17,000 for a consultant to write a proposal. I want to go for that grant." Copeland was concerned: The $17,000 Stiff sought was a considerable investment, the board was quite conservative and this would be the third attempt by the newly assembled management team to go for growth. The first, an effort to take over a beautiful residential campus for people with mental retardation, had failed by one vote of the campus' board. The second, a bid to become the primary service provider delivering the county's welfare services, had been unsuccessful, too. This new attempt, to get federal funds to establish "Job Connection" resource centers alongside each Goodwill retail store, was a long shot. But if it succeeded, Goodwill would have the resources it needed to realize its vision of becoming the region's premier workforce development agency.

Three organizations poised for growth: two with the desire to grow, and one with the desire and the opportunity. Set in different parts of the country, each is a unique story with its own plot and cast of characters. But all share a common outcome—rapid growth in their workforce services:

- CWEE grew from serving 100 or so people in 1997, when it first met with the county's director of social services, to 500 in 2003—a fivefold increase. Along with the growth came a change in name—to the Center for Work Education and Employment, reflecting an expanded mission to serve not only women but other low-income workers.
- St. Nick's established a new division, Williamsburg Works, that by 2003 provided job-related skills training, including computer and English classes, to 1,200 people and placed 350 in jobs—a significant increase over the 100 people it placed through its old Job Match service in that Brooklyn storefront.
- From 1999 through 2004, Goodwill's Macon operations, now Goodwill Industries of Middle Georgia and the Central Savannah River Area, brokered the employment of more than 6,400 people through its Job Connection program and created 400-plus jobs in its retail stores.

Growing Programs

A common conundrum that has long faced the social sector has been how to stimulate the growth of small "boutique-like" programs that affect just a few lives into programs that can affect the lives of many. The guidance available to practitioners, funders and public officials on this subject has focused primarily on how programs spawned in one community can be replicated in other locales.

In the business world, this approach has been successful. Stories abound of how an enterprise that began in one community eventually grew into a national or international chain. Management literature is full of successes like Starbucks, that little coffee shop in rainy Seattle that now serves customers in more than 8,500 locations around the world, or the three stores in Atlanta that have grown into the Home Depot chain, which now provides 22 million Americans with home-improvement supplies each week.

For some social programs, this approach, commonly known as replication, offers an important avenue for expanding their work. The Nurse-Family Partnership (NFP), a pilot program that led to substantial improvements in the health and well-being of low-income mothers and their children, now operates in 22 states and reaches 20,000 women—a victory for replication and the women it serves. Yet, even with these successes, replication in the social sector has been painfully slow.[2] In the world of workforce development, only a few providers have taken this path.[3]

Yet nowhere is the need more pressing for effective programs to expand their services than in workforce development. Even in the best of times, the available funding is inadequate to deal with the number of people who need services. Good use of resources is essential. Workforce funding, historically unstable and politically driven, has in recent years become performance based, adding further fiscal pressures, particularly in small organizations. Programs start up and close down as contracts wax and wane, causing staff turnover and often short-changing the organizational learning curve.

In recent years, many organizations have ventured into the field, attempting programs that link unemployed and low-skilled people to jobs. Some of them, struggling to find enduring solutions to poverty, have concluded that helping people find work is a strategy that they cannot afford not to pursue. For others, welfare reform, with its increased dollars and attention to the importance of work, has spurred them on to growth.

Programs that help the unemployed, the underemployed and the never-employed climb over the barriers between themselves and a job are harder to develop than it might first appear. Designing programs that attract and involve employers is even more difficult. Programs that effectively create such bridges need to make their services available to the many who need them. Lastly, for nonprofit workforce organizations to become players—recognized as such by both policymakers and employers—they must be able to deliver at scale.

In a study of intermediaries involved in welfare-to-work programs, nonprofits far outnumbered the for-profits involved.[4] But for-profits served 250 percent more people. For nonprofits to get the added value that many believe they bring to their work, they too must be able to build large operations.

This report looks back at how three organizations grew their workforce services—primarily in response to welfare reform legislation—over a three- to five-year period. It examines how these organizations, rather than replicating their services in other communities, “scaled up” to serve more job seekers in the communities in which they began their work. The report is intended for workforce development leaders and managers who are interested in pursuing growth in their own communities, as well as for policymakers and funders interested in identifying and funding organizations in which it would be smart to invest. The report examines how three organizations struggled to ensure that the core elements of the program that led to their success remained intact, and how they harnessed the resources needed for growth, built critical alliances and developed relationships, leadership and staffing to support expansion. Based on interviews with staff, board members, funders and job seekers from each organization, we first tell their individual stories and then share their hard-won wisdom, laying out a set of common principles that appear to underlie their success.

The **Stories**

Center for Women's Employment and Education

Making an Evolutionary Leap

CWEE's Roots

In 1982, a decade before the cry went up to "end welfare as we know it," CWEE in Denver was founded with the mission of helping women avoid or get off and stay off welfare. CWEE (pronounced "SeeWee") was modeled after National Women's Employment and Education (NWEE), which had begun in Texas with a grassroots effort, "Let's Get Off Welfare," during which 600 women in San Antonio marched to the Texas Department of Public Welfare, returned their checks and demanded jobs instead. The local Chamber of Commerce and Kiwanis Club took up their cause, and several months later, hundreds of women had jobs.

Inspired by the success of this campaign, NWEE began working with interested groups across the country, sharing its experiences through a series of handbooks and on-site consultations. The NWEE model stressed strong employer connections, a professional setting and a working rapport with single low-income mothers. A group of women in Denver became involved and, in 1982, CWEE was launched and quickly became one of Denver's leading community-based organizations involved in what today is called "workforce development."

Welfare Reform Hits the National—and Local—Scene

As computers were making their way onto office desks across the country, transforming the work environment of the 1980s, welfare reform was also gaining momentum. In 1985, the Family Support Act established a federal funding stream called Job Opportunities and Basic Skills (JOBS) to help women find alternatives to welfare. Through this legislation, CWEE was able to provide child care and transportation for many of its participants. States also began developing their own strategies for moving women from welfare to work, Wisconsin's Work First among them. With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 and its Temporary Assistance for

Needy Families (TANF) program, work first came to dominate the welfare reform effort. As a result, the Departments of Social Services in Denver and Adams County (linked to neighboring Denver by an industrial strip) faced the task of moving 5,000 women from welfare to work.

The Dilemma

Welfare reform was CWEE's mission. It had already helped more than 2,200 women on welfare move to work—to jobs in 300 businesses in the Denver area. At its retreat that year, the board had established growth as a priority. But work first in many ways ran counter to the emphasis on basic and technical skills that were enshrined in the CWEE model. Nevertheless, work first was where the money was going to be, and the women CWEE was serving were already facing the ticking clock of welfare eligibility. So, like many organizations, CWEE was poised and determined to become involved in the new welfare reform strategy, despite reservations about the legislation's "rapid attachment" provisions.

By July 1997, staff at the Denver and Adams County Departments of Social Services were making changes in the welfare system as required under the new law. Denver County contracted with a myriad of local community-based organizations, including CWEE, while Adams County entered into a collaboration with the Adams County One-Stop. CWEE staff had established strong relationships with Adams County case managers, who, focused on eligibility and benefits, had initially been reluctant to refer people to CWEE. Persistence and patience won out: when the results were disappointing—few recipients were in work activities and even fewer were in jobs—one of the case managers mentioned CWEE to Dr. Donald Cassata, Adams County's director of social services. The next day, Laurie Harvey, CWEE's executive director, was called in. "It was only after several meetings that it became clear exactly what they wanted," she recalls. Adams County wanted to hand over half its caseload, making CWEE employees the "case managers of record." In addition to increased numbers, CWEE would now provide comprehensive services in place of the county, including administering benefits, ensuring compliance and recommending sanctions. Half the welfare recipients in Adams County would become CWEE's responsibility, beginning with those who had been on welfare for between 5 and 15 years. "We sent them all the tough nuts," says Dr. Cassata. "We were confident that they could deal with them."

The Process of Change

Soon, women started arriving at CWEE every day with county referrals in hand. Few had GEDs, something that CWEE had always required. Many tested below the sixth-grade level on the Test of Adult Basic Education. For these women, attending the program was a requirement they had to meet to keep receiving their welfare checks. Before the Adams County contract, prospective participants attended two days of "pre-class" sessions designed to address problems that might prevent them from being successful during the program. This orientation helped women decide if this was the right time for them to participate. However, CWEE's contract required that it provide services to all the women who were sent—another major departure.

As staff became clear about the parameters of the new contract, the most pressing demand was serving the increased number of participants. Staff decided to double the size of each class. After patching together a basic computer lab out of old and repaired computers and turning the men's room into one for women, CWEE started 90 to 100 women on the same day. "It was chaos. And it wasn't enough. We weren't meeting clients' needs anymore," reflects Laurie Harvey. "It wasn't that the women we had served up until then didn't have significant challenges—they faced lots of crises when they were here. It was that they had decided they were ready. They had cleared things enough on their own to make a commitment to coming to class. They had thought about it and decided that this was a good time for them. I knew we needed to change, but I was concerned that we'd lose what made CWEE work, what really made a difference in women's lives."

In the 15 years since it had opened its doors, CWEE's program had evolved into a six-week course in which 60 women generally enrolled. Participants developed a personal mission statement, examined their values and set life goals. They took basic skills and computer classes and, once the six-week program was complete, could choose to go on to additional computer training, giving them the technical skills they needed to secure jobs that might offer them the chance for advancement. By 1997, staff had already turned their attention to the issue of job retention, holding brown-bag luncheons with graduates and their supervisors.

But CWEE's world had changed. With women arriving daily, starting a course every six weeks was no longer practical. To meet the work requirements of the new law, women needed to get into a program quickly. Without a screening process during which CWEE staff helped potential participants line up the support they would need to attend the program every day, absenteeism was high, and dropout rates were even higher. "Looking back at the old model," Harvey states, "it was as if we had a bus, got everyone on board, strapped them in and took them all to the same destination. If you fell off the bus or missed it, you'd have to wait until the next one came, nine weeks later."

As demands for a new model increased, various staff teams were established to develop ideas and plans for coping with them. The work of these teams drove the shape of the new curriculum. "Someone would come up with an idea, and then one or two people would go and work out what that could look like. They'd come back with a model, and we'd hammer it out," says one staff member. Change at first was difficult. "We were attached to the way we did things. But as time went on, the changes became easier, the debates shorter." Staff struggled with the new responsibilities that came with becoming "case managers of record": how to ensure that CWEE retained quality services in a positive, nurturing environment while taking on responsibility for compliance. "It (was) exhausting and exhilarating," says one staff member. Mary Anne Nickle, at the time the new program director, interviewed staff and participants alike. Years later, few remembered exactly what happened and when, but there was clear consensus that on the day the idea of continuing to repeat the same six-week program died, an individualized schedule was born.

The New Approach

In contrast to six-week cycles, CWEE began enrolling new students every Monday. Under this new system, in the job seeker's first week (called Career Exploration), everyone attends a prescribed set of classes and workshops that still reflect the importance of "inner work." Participants explore not just job possibilities, but what is important to them in their lives. They create personal mission statements and collages of their hopes for the future. By Thursday, each has met privately with a case manager who will continue to work with her until her case is closed. Students share their long-term life and career goals and agree upon a schedule of classes. Every job seeker leaves that first meeting with a one-page schedule on which her sessions are marked with a blue highlighter. These schedules, slipped into the front of three-ring orientation binders, are carried and consulted regularly by job seekers throughout the CWEE halls. "I couldn't follow one," jokes Harvey. "Staff would really have to explain it to me." Participants, however, seem to have little difficulty.

Retaining a Sense of Community

Working with the same group of women for six weeks provided opportunities for CWEE to create a community of support. In the new open-entry/open-exit model, women joined the group every week, while others left. Some rejoined once family and personal issues were dealt with. Although the new format suited many participants, who were able to pick up classes they had missed and travel at their own pace through the curriculum, staff saw the cohesiveness of the community dissipate. How could they make sure that support was built into the new model?

At first staff instituted "community support" meetings, but they were not well attended. Job seekers said the meetings seemed optional. "Few people think, 'Oh, I need support. I must go to that meeting,'" one staff member says. However, staff learned that if they could get job seekers to events where they got support as well, they began to value it. As a result, staff instituted mandatory morning assemblies and eventually added Friday-afternoon sessions at which newer members presented their mission statements. Staff took care to integrate community-building time into each class. The inner work, originally peppered through the six-week curriculum, was, after several unsuccessful redesigns, pulled up into the first week along with all the career, basic-skills and aptitude testing. Staff found that this helped build a stronger sense of community among women who began during the same week. As one staff person concluded, "It's hard to say if it's just nostalgia, and we do miss graduation, but there still is a strong sense of belonging here. We are pleased with that."

Can Clients Be Self-Directed?

Even after these modifications, there were still some assumptions that had to surface and be examined. At first, staff were particularly concerned about whether participants were self-directed enough to handle the new schedule and whether job seekers who had little workplace experience and limited success at school would do well in training environments that relied heavily on computers and their own motivation. With half the classes (GED, computer and basic skills) taught using computer-aided instruction, self-directed learning could mean languishing alone in a computer lab without clear goals and the support to achieve them. To track progress, staff worked to establish clear benchmarks for the participants themselves, as well as the staff. Computer competency emerged as a central benchmark, for example. "In the old model, we tended to treat participants like grown-up kids. With this new approach, they had to be self-directed. It made us stick more clearly to adult-education principles," says Nickle.

In contrast to the six-week computer curriculum, new software enabled participants to work at their own pace toward Microsoft certifications in the major office-suite applications. On any given day, students at all proficiency levels could be found in the lab. "I spend 80 percent of my time walking around, helping them solve problems, encouraging them to keep moving," says the computer instructor. She also started gathering impromptu small groups to review particular functions and scheduled special sessions (on mail merge, for example) that were advertised in the student lounge and on bulletin boards. Students signed up, so the sessions filled quickly. Some CWEE participants strove to acquire as many of the Microsoft certificates as possible. To get a certificate, they had to pass a web-administered, computer-based test. CWEE staff added a gold, embossed certificate to the rather perfunctory printout with authentication codes that Microsoft provides. Participants could aim for proficiency or mastery certificates in each of the applications, and these objective accomplishments provided a critical focus to the self-directed learning. There was an atmosphere of collaborative learning, with people in the lab helping each other. "It happens naturally," says the computer instructor, "and I encourage it. Except, of course, for the testing!"

Responding to the demand for increased services, CWEE's staff created an individualized curriculum that allowed them to expand their services and access funds they were initially skeptical about accepting. "We're client centered now, not curriculum centered," said the computer instructor, who had been with CWEE for more than 10 years. She is pleased about the change.

There was no doubt that there were losses involved in the choices that CWEE made, but, at the same time, there was confidence in the new direction: "We haven't lost what's always been at the core of CWEE. We've just changed with the times."

With so many of the women wanting opportunities to gain computer skills, CWEE began offering evening computer classes in the same fashion as the daytime ones. Charging a small fee, the labs were soon full on Tuesday and Thursday evenings, as well as Saturday mornings. In 2002, with Adams County turning its attention to increasing the earning power of low-income working families, CWEE won a contract to identify and recruit working parents through school districts and to bring them into the evening and weekend classes. CWEE already offered regular GED and computer classes, and it launched English as a Second Language and computer training at the One-Stop, reaching for the first time a broader group of job seekers. It also introduced classes at the Emily Griffith Opportunity Vocational School.

Finally, at an annual luncheon in 2003, CWEE announced a name change. No longer the Center for Women's Employment and Education, CWEE became the Center for Work Education and Employment, recognizing in the name its new mission to serve not only women but other members of low-income families.

St. Nicholas Neighborhood Preservation Corporation

Collaborations 'R' Us

Housing—the First Frontier

It was a hot summer night in 1974 when a fire started on Power Street in Brooklyn's Williamsburg area. By morning, 18 families were homeless. Just one of many fires across New York that summer, the Powers Street fire was memorable for the resolve it created among parishioners of the local Catholic church to rebuild on the site and stem the neighborhood's decline. With a board chaired by Monsignor Walter Vetro and made up of local residents and businesspeople, a group of activists established a community development corporation, St. Nicholas Neighborhood Preservation Corporation (St. Nick's). Its first employees—20 unemployed local residents—were workers funded under the newly passed Comprehensive Employment and Training Act (CETA). They went to work on the issues of housing, economic development and health care. Three years later, when Housing and Urban Development (HUD) finally committed the dollars to build 150 units of senior housing (Jennings Hall) on the site of the fire, St. Nick's provided services for neighborhood tenants, homeowners and the elderly. Through St. Nick's anti-redlining campaign, community banks had been persuaded to invest $25 million in mortgage funds in the area. The organization also established a community-owned neighborhood newspaper, *Greenline: North Brooklyn Community News*, which published local news and developed support for community revitalization efforts. By the time Jennings Hall was completed in 1980, St. Nick's had secured a commitment from the City of New York to begin rehabilitating tax-foreclosed buildings through the Community Management Program, and, over the next 14 years, built or rehabbed 2,000 homes in the neighborhood. In many of these, the elderly and people with special needs received home-care services.

Economic Development Leads to Workforce Development

CETA funds had been instrumental in launching St. Nick's, but it was the organization's involvement in economic development that would lead it back to workforce development. Williamsburg—historically a mixed use industrial area—had been affected by the decline in manufacturing. Working with local business leaders, St. Nick's organized the East Williamsburg Industrial Development Corporation (EWIDCO). Soon, EWIDCO formed an industrial-security patrol that helped reduce crime by 60 percent, organized the first neighborhood Business Improvement District in New York City (the Grand Street BID) and obtained financing to build a 14,000-square-foot retail anchor (Grand-Metro Retail Plaza). After the traditional concerns of paying taxes and meeting government regulations, finding good employees was next on EWIDCO members' list of priorities. And finding jobs for neighborhood residents was St. Nick's priority.

The members—small and midsize businesses—had been attracted to Williamsburg from Manhattan by its lower rents. Members produced a wide range of goods, from fortune cookies and jelly rolls to antique reproductions and office furniture. Yet few had human resources departments or the "people power" to do ongoing outreach to identify and screen potential employees. In 1986, the EWIDCO Job Match Service was launched, supported through a combination of New York City and state economic development funds. It placed 100 residents a year in local jobs.

With its close ties to business, by 1986, St. Nick's had established a strong reputation for placement and was encouraged to apply for the substantial resources being made available by the New York City Department of Employment's Training, Assessment and Placement (TAP) Centers, which were being set up throughout the city. These centers, many of them run by community-based organizations, were contracted to assess job seekers and either place them in employment or refer them to the network of organizations that ran skills-training programs, some up to 26 weeks long, in communities across the city. Michael Rochford, St. Nick's executive director, decided against it. "It seemed to me that it would distract us from doing what we did best—placing people in jobs," he says. The centers were required to register, assess and refer large numbers of job seekers. Rochford believed that in the final analysis very few people would actually become employed and even fewer would stay employed for very long. St. Nick's worked with FEGS, a large employment-focused agency that operated the Williamsburg TAP center, but took on only the placement portion of the services.

Growing Workforce Services—A New Priority

In 1994, St. Nick's board, staff and community residents stepped back and, through a strategic planning process, looked at where they needed to go next. With most of the city-owned buildings renovated for affordable housing, residents and staff began to focus on revitalization. Workforce development—along with youth services and health care—rose to the top. Workforce development was not new to St. Nick's, with its historic tie to CETA and the 1986 New York City grant for Job Match. The Job Match staff were also linked informally to the STRIVE program. When Rochford met one of the founders of STRIVE—then a single operation in Harlem—he found a spirit of camaraderie. STRIVE's emphasis on attitudinal adjustment fell in line with much of St. Nick's experience. But the scale of St. Nick's effort, it was felt, did not match the size of Williamsburg's problem. One third of the residents in the Williamsburg community that St. Nick's served were on public assistance. Writing to HRA, Rochford shared St. Nick's conviction that links to immediate jobs should be included in the welfare application process and that welfare offices should transform themselves into employment offices. "We were just one small CBO. They met with us, but nothing changed," recalls Rochford. "We knew that we had to work with other organizations if we were to have any influence."

Rochford knew it would be a daunting challenge to build coalitions that could command funding for growth in Williamsburg. There was conflict between the two communities—Hasidim and Hispanics—that made up most of the neighborhood's residents, despite the fact that the profiles of poverty that afflicted both was similar. They were sufficiently similar, Rochford thought, to consider a similar approach in linking residents to jobs. Both communities had many people without a high school education, both needed ESL services, both had large numbers of children in poverty and both had equal proportions of people on welfare. Once HUD released an Empowerment Zone RFP, Rochford helped organize the Greater Williamsburg Collaboration (GWC), pulling together leaders from both communities: David Pagan from Los Sures, a Hispanic-serving organization with which St. Nick's had a partnership for housing preservation, and Rabbi David Niederman from the United Jewish Organization, which had stepped out of the traditional isolation of the Hasidim to work with other community organizations to stop a proposed garbage-burning power plant from being built in the neighborhood.

But the communities that had so many common needs were also at loggerheads. The dramatic growth of the Hasidim in Williamsburg had led the established Latino community to feel as if it were being forced out. Tensions ran high, with claims from Latinos that they were victims of beatings by Hasidic volunteer security patrols. Leaders of both communities made the risky decision to work together, joining with leaders from the smaller African American community in Williamsburg. Despite being attacked by extremists from both sides, the GWC members produced a joint proposal, though they could not build a consensus for providing services jointly. Not only were there pressures from some elements in their communities, there were also genuine cultural differences: For example, the Hasidim would not consider training that involved both men and women. This resulted in three different programs, with St. Nick's assuming the administrative lead. HUD turned the proposal down, but the three leaders were determined to continue to work together and pursued support from the New York Community Trust (NYCT). The NYCT at the time was testing a new model that combined community-building and economic development with consensus-driven decision-making. The GWC was well positioned to receive such support. The persistence it had taken to find consensus paid off.

During the next year, with NYCT support, the GWC became one of three collaboratives in the city—the two others were in Mott Haven and northern Manhattan—to work together to develop more than 20 ideas for improving life in their shared communities. In an effort to develop ideas that would address the persistent problem of dependence on public assistance, the Manpower Development Research

Corporation (MDRC) was brought in to present its "Jobs First" report, one among several research reports that influenced the work first policy that now drives so much of the workforce system. The NYCT and the three neighborhood collaborations invited SEEDCO, a national community development intermediary, to develop a concept paper that outlined its approach to helping residents of Williamsburg get off welfare. The model included links to immediate employment supplemented by training. Focusing on specific sectors where there was job growth, it was envisioned that job seekers would work three days a week while taking classes at the organization two days a week. When the opportunity opened up to apply for funding under the first round of US Department of Labor (USDOL) welfare-to-work grants, the GWC applied, joining with SEEDCO and the collaboratives in the other two communities. The SEEDCO proposal won a three-year grant, and, for the first time, St. Nick's received significant and sustained resources to grow its workforce services. From two people in a storefront in one of St. Nick's buildings, the workforce staff grew to 15, and was known as Williamsburg Works (WW).

This initial effort and success at creating a timely collaboration was the foundation on which St. Nick's was to build its workforce programs. Once the initial demonstration expired, the same citywide collaboration that had developed under the USDOL grants decided to continue to work together, having developed good relations with New York City's HRA and the State Department of Labor. Under SEEDCO's leadership, the EarnFair Alliance was formed. With a membership of 15 community-based organizations, the Alliance has collectively raised $30 million and places about 2,000 people every year. St Nick's is able to access dollars that—at least in New York City, the second-largest service-delivery area in the country—it could not attract on its own.

While the EarnFair Alliance provided a base for WW operations, over the next several years a number of other collaborations also provided the resources for St. Nick's to offer additional workforce services. A collaborative relationship with the New York City Departments of Education and Youth and Community Development funded ESL, GED and computer skills classes for job seekers and incumbent workers seeking advancement. Offered with the US Environmental Protection Agency in Kearny, NJ and STRIVE, St. Nick's Environmental Remediation Training provided entree to jobs for many graduates. In addition, WW offered a commercial-driver's-license training program and certification in customer service, security and home care, as well as a wage-subsidy program. St. Nick's long-term collaboration with STRIVE yielded dividends. In 1995, St. Nick's became part of a network of organizations that had adopted the STRIVE approach and received funding from a local foundation. St. Nick's also got involved in a collaborative effort to bring information-technology training to low-income communities across New York. "'Collaborations 'R' Us' when it comes to workforce development," remarks

Rochford. St. Nick's new facility, open until 9 p.m. four evenings a week, is bursting at the seams, with 1,200 people a year walking through its doors looking for skills and connections to work. This is up from the 100 people a year that St. Nick's once served.

Goodwill Industries of Middle Georgia and the Central Savannah River Area

A Hallucination? No, a Vision.

A Rusty Organization

In 1994, as Congress was holding hearings on possible military-base closings, everyone in Macon, Georgia, was talking. Robins Air Force Base was Georgia's largest employer, and its closing would likely affect most of Macon County's 150,000 residents. With almost 90 percent of the local Goodwill's $1.3 million budget covered by contracts to provide commissary shelf-stocking and janitorial services at the base, any cutbacks would certainly affect the agency, which had served Macon since 1975. The retail end of Goodwill's business, which provides most of the balance of its budget, was not going well either. "Goodwill retail doesn't work in Macon, Georgia," was the generally accepted wisdom, and the Macon Goodwill was rated at the bottom of the Goodwill Industries International retail charts. "What I saw was an encrusted organization," says Wendi Copeland, who eventually joined the organization to head up its workforce development division. "The parts were rusted together. They clung to each other. It was in a state of dysfunction. The people weren't happy with what was, but they weren't happy with change."

But change did come in the person of Jim Stiff. Recruited through Goodwill Industries International's Executive Training Program, Stiff had been running the retail division of the Goodwill in Washington, DC. On his watch, retail sales there had grown from $1 million to $4 million, and, when a family move led Goodwill Macon's CEO to leave, the board's search committee interviewed Stiff. The message was clear. "If you want to remain a $1 million agency, I'm not coming to Georgia. You've got to be willing to turn it over to me, trust me, because we need to grow." Stiff came to an agreement with Goodwill Industries International to add Augusta and its surrounding counties to the territory for which he would be responsible. Then Jim and his family moved to Macon.

Attracting the Talent

Stiff knew from the beginning that attracting the talent he needed to grow the organization was going to be difficult. Macon, a midsize town in the middle of Georgia, was not an attractive location for people from Atlanta or the rest of the country. It became critical for Stiff to attract Macon's own talent. But to what? Despite changing its name from Goodwill Macon to Goodwill Industries of Middle Georgia and the Central Savannah River Area (GIMG), the organization had a significant image deficit.

Jim began by interviewing candidates at Goodwill's main office, located on the border between Blood and Crip gang territories. Candidates met Stiff in a windowless office behind heavy Pepto-Bismol-pink doors. "We had a stigma that had to be overcome," says Stiff. Looking for someone to head workforce development, he had run an ad in *The Macon Telegraph* that included a note that candidates "must have a sense of humor."

"Even though I had another job offer, I just wanted to meet whoever placed that ad," recalls Copeland. "I had no intention of working here. It was an organization with a bad reputation. After the interview, I turned down the other job. I went to work for Goodwill."

Other staff members were equally impressed by Stiff's vision. "Jim had the gumption to sit me down in the interview and tell me that he had no money in the budget for positions. If I didn't make enough money to pay my salary in the first three months, I'd be gone," recalls the senior manager responsible for contracts. "It was a four-hour interview," recalls the manager now responsible for public relations. "My husband came looking for me. And my parents complained that I was going to work for a crazy Yankee." (Stiff is from Michigan.)

The Macon team's willingness to sign up was a testament to Stiff's charisma and his ability to communicate a vision and help each person see how he or she could contribute. In those years, the competitive salaries that eventually characterized Goodwill were not in sight, just the promise that compensation adjustments would be made when the agency accomplished what it had set out to and could afford it. Stiff used his charisma to attract a strong team and, once assembled, staffers embarked on developing a strategic plan. The vision, in its details, was ambitious. Looking ahead five years, the team set goals: to increase service contracts by 100 percent; to attain a 30 percent profit margin on retail sales; to obtain $2 million in grants; and, in addition to the revenue needed to establish a presence in the new territories in and around Augusta, to increase agency revenue by 100 percent. The team also committed itself to becoming "the premier provider of workforce services in the region," increasing placements tenfold to 1,000 a year by 2001. How could the rusty organization do all this? "Vision without hard work is just a hallucination," Stiff kept reminding everyone.

Growth in Retail

Once the strategic plan was under way and the first new retail site launched, the organization had to deal with its image deficit to attract customers, something that had been successfully overcome to attract staff. Few middle-class Macon residents—the target customers—thought of Goodwill as a place to shop. Few places in the nicer neighborhoods of Macon, where the target donors lived, were willing to host donation centers, as previous ones had been poorly maintained. Through persistence, Stiff persuaded a few folks to give him a chance to establish donation centers. But drawing customers in was more challenging. He began an advertising campaign. On billboards that appeared all over town, two women were pictured, one asking the other, "Where do you shop?" As people across Macon wondered about the answer, Stiff and his employees were putting the last touches on the new Goodwill store. When the answer appeared, “At Best Kept Secrets,” the store opened, and only those who had an inside track realized that Best Kept Secrets was a Goodwill store.

The campaign worked. People came to the store and shopped. People continued to donate, and soon the store was turning a profit. “Once Jim was successful over here at the mall, he said we’re going to open another store; it was successful, and the board came along,” says Clay Murphey, then chair of the Goodwill board. During the next few years, as Best Kept Secrets did indeed become a shopping destination, with other stores opening around town, Stiff slowly reintroduced the Goodwill name, re-associating the old and poorly-thought-of brand with its new image of professionalism. “And then, when Jim said, ‘We want to go to Augusta—no one’s serving the folks over there,’ it wasn’t that difficult,” recalls Murphey. “Success breeds confidence.”

Growth in Workforce Services

Growth in GIMG’s retail operation provided the essential fuel that drove the organization’s ability to provide workforce services to the community. As new stores opened, they generated transitional jobs for those people in Macon who otherwise had few opportunities to gain the skills and experience necessary to break into the local job market. Aware through Goodwill Industries International that “One-Stop Centers” were on the way, GIMG made a commitment that, along with each retail store, it would open a “Job Connection” to help job seekers not hired into Goodwill’s transitional jobs. “Some folks think that first you have to take care of the money and then do the mission. We were committed to doing them at the same time,” says Stiff.

In step with many Goodwills across the country, GIMG decided to resume its practice of serving all people with barriers to employment, not just the disabled. (It was only after World War II, at Congress’ request, that Goodwill focused its work on disabled veterans.) With more than 65 percent of the (newly targeted) local welfare-to-work population having no work experience, staff understood that finding ways—other than through transitional jobs—to teach a work ethic would be central to Goodwill’s success. After a scan of “best practices,” Copeland and her new staff developed 32 effective practices for preparing people for work. They examined a number of “off the shelf” packages that taught people job readiness skills, but they remained unhappy with the basis on which they would build their programs. “We didn’t know what local business wanted,” says Copeland. They decided to develop a local business advisory board made up of human resources staff from Macon’s major industries.

With board members playing key leadership roles over a 15-week period, business leaders from Boeing, GEICO, Kroger and the paper industry (a key sector in Middle Georgia) developed eight key competencies, known as the Goodwill School of Work Ethic 101, to serve as the basis of Goodwill’s workforce efforts. All Goodwill and partner organization staff were involved in helping participants use the same competencies to focus their efforts and assess individual progress. The Work Ethic 101 course taken by all job seekers was also based on these fundamentals. This formal process helped develop buy-in on the part of area businesses and provide a critical framework for staff.

To keep pace with growth on the retail side, the infrastructure investment needed to live up to the commitment to establish Job Connection was considerable. When the USDOL issued its first RFP for welfare-to-work services, GIMG decided to apply. Pulling together the local political will, GIMG developed a $5.3 million proposal that would fund Job Connection and the School of Work in five communities. Every partner (Department of Family and Children Services, Division of Rehabilitation Services, Department of Labor and other local organizations) would have a desk at each of the Job Connection sites, which would become the front door through which women on welfare could access a wide range of services specifically tailored to their needs. The program was funded, and Goodwill was propelled into a leadership role in the delivery of workforce services in both Macon and Augusta.

Growth has not been a simple process. Job Connection sites have opened and then closed. Success bred confidence, and failure, wisdom. From one store in Macon in 1995, GIMG grew to have a $16.6 million annual budget, operating 18 stores, with Job Connections at 15 of them, in seven cities in Georgia and South Carolina. Perhaps more important than the numbers, GIMG became a major player in both Augusta and Macon, known by other social services agencies as a reliable partner, seen by its employees as a good place to work and viewed by community members as a place to shop and to get help in finding a job. And more plans were afoot—a capital campaign was under way to develop a Goodwill Career and Conference Center campus in what was a discount-club “big box” purchased and financed with tax-free bond funds. Once fully developed, the site was expected to create 125 jobs, 85 paid earn-while-you-learn training positions and four new self-sustaining business lines. “We can’t sit on our laurels. We just keep moving on to the next project,” says Stiff.

The **Principles**

The impetus for growth in each of these three organizations differed considerably, as did the roads they took. For CWEE, the board's interest in growth met local opportunity, and staff responded, leading to a reevaluation and reformulation of their service-delivery strategy. For St. Nick's, growth was planned: A decision made by board, staff and community residents in a formal planning session drove staff to conclude that it was only through collaboration that they could muster the required resources. For Goodwill, the impetus came from a vision-driven leader who put in place the management team and staff systems that could support growth. Different circumstances, different strategies. Yet with all these differences, certain similarities emerge:

1. Although their public contracts were tied to a clear work first philosophy, each organization was primarily guided by its own core beliefs about what is effective. They were responsive to the needs of their three customers: the job seeker, the employer and the funder. **Whoever pays the piper—in this case, the funder—does not alone call the tune.**

2. Each organization understood that the staff were the service and that organizational success was built on their ability to attract good people and to create an environment that fosters their commitment and creativity. **Your organization is as good as the staff you hire.**

3. Each organization's leaders emerged as leaders within the larger community, playing critical roles in bringing about change outside their organizations as well as within. **Focusing on the common good is not only the right thing but the smart thing to do.**

4. While public funding fueled their growth, each organization had to bring additional resources to the table—earned revenue, private grants or the capacity to absorb losses themselves—in order to be successful. **Each was more than a wholly owned government subsidiary.**

1. Core Beliefs Are the Anchor

Whoever pays the piper does not—alone—call the tune.

"Shape-shifting" to respond to the latest RFP has become an essential survival skill for workforce organizations, particularly over the past few years, as policies that provide the resources for linking unemployed and unskilled job seekers to work have changed. Flexibility is, of course, an essential capacity for organizations that must serve two customers—the person looking for a job and the employer seeking workers. Yet neither of these customers, in general, pays for services. It is another customer, most often a government agency, that pays. *In effect, practitioners must respond to the needs of three customers.* They must design and operate services that meet job seekers' needs for basic technical and job readiness training, employers' needs for qualified candidates and funders' requirements that services meet the mandates of the latest legislation. With the increased pressures of performance-based funding, having a service delivery strategy that goes beyond the dictates of the latest RFP is, these organizations have discovered, critical to success. It is vital to resist the old adage "whoever pays the piper calls the tune."

A clear philosophy—the organization's intelligence about what works and what doesn't—provides an anchor in the storms created by the demands of three very different customers. These core beliefs lay the foundation for an organization's work. They are not an articulation of the organization's mission; they are the organization's intelligence about how best to accomplish that mission. These core beliefs drive the decision about which funding to pursue, determine the program design and, when clearly communicated, allow staff—from the front lines to management—to implement the program effectively. For organizations that have replicated their programs in other locations, having a clearly articulated set of assumptions about what makes the program work has also been found to be essential.[5] So too for organizations that grow in local marketplaces. While public funding fueled the growth of these three organizations, their own core beliefs shaped that growth by filtering the demands and the often conflicting needs of their three customers.

Know What Counts and Keep It

When its board and executive director decided to sign the contract with Adams County and double the number of women it would serve, CWEE was, in principle, being paid to do what it had been doing for years: help women move from welfare to work. But in signing the contract and accepting public dollars, CWEE also signed away some of its ability to operate as it chose. CWEE's services had to be congruent with federal and state government policies, embodied in legislation and interpreted by the local Department of Social Services, about how best to move women off welfare.

But CWEE had a clearly articulated set of core beliefs about what best helps women move from welfare to work. The CWEE model was built on helping women decide—prior to beginning the program—if this was the right time for them. Having a GED and an interest in finding work and making a free choice to attend were the basic eligibility requirements. CWEE believed that creating a safe space and a process for women to do “inner work”—reflect, reevaluate and create a vision of the future—could help them make changes in their “outer lives.” Building strong communities of support, CWEE staff believed, was also critical to create the momentum for change in women’s lives. Despite work first policies’ emphasis on immediate employment, CWEE also believed that providing women with the technical and basic skills needed by employers, many of whom had funded CWEE at its launch, was another key component of success. These ideas were the bedrock of their model, inherited from NWEE and molded into a six-week program—the “bus ride” described by Harvey. Well-prepared for the journey from welfare to work, women stepped onto the bus with child care, transportation and support systems in place.

Yet, once it won the Adams County contract, many aspects of the CWEE model were no longer feasible. The law of the land had changed; welfare was no longer an entitlement but a time-bound benefit that would run out. The reality that women faced had changed. Women could no longer choose their own time to seek an alternative. Women could no longer take the time to put in place the support system they needed to add work to their lives. It was appropriate, CWEE staff ultimately decided, for an organization committed to assisting women with leaving welfare to change, too. Under its new contract, CWEE could no longer set educational prerequisites for attending the program, or even require an interest in finding work. What staff could do was re-create the program so that, given the new policy context and the changing needs of the women who were arriving each day at their doors, CWEE provided women with a good shot at success.

Where CWEE began this process of adapting was critical. Staff did not begin with the question of how to implement the new contract, although they needed to do that. They started with the core beliefs. Because their core beliefs were clearly articulated and understood, staff were able to adapt them to the restrictions that their new contracts imposed. CWEE adapted the program, creating a more individualized approach that gave women—and eventually men, too—the flexibility to deal with key issues that might prevent them from holding down a job while they were attending. Staff developed an approach—a modified open-entry/open-exit—that allowed women to put together a program that met each individual's needs. They reframed the approach to the inner work they believed critical to success and found new ways to build community among a shifting group of women. To provide the skills training critical to meeting employers' needs and to women's advancement—elements once embedded in the six-week program itself—CWEE opened its door in the evening and on weekends, offering a wide range of computer-skills courses. This program would go on to serve many poor working parents in Denver. With the increase in numbers and the decrease in screening, CWEE adjusted its job development approach, referring those candidates staff had confidence in to established employers and running a highly structured job club in partnership with Project WISE, a counseling group, to make sure that the inner work they considered essential continued throughout the longer job search period.

With the Adams County contract in place, CWEE returned to their core beliefs—reworking the form they took and inventing a new model that could better accommodate the women they were serving. CWEE worked for what amounted to years—in staff teams and through trial and error—adapting its model to work in a new policy environment. CWEE's core beliefs anchored its program design, allowing it to adapt but not lose what made CWEE work—"what really made a difference in women's lives," as Harvey puts it. Perhaps most telling is that, despite a downturn in the local economy, CWEE retained its previous job-placement rates.

Invest in Ideas

When welfare reform came along, with its emphasis on connecting people quickly to jobs, Mike Rochford's convictions finally met a grant opportunity. In the mid-'80s and early '90s, Rochford felt out of step with those involved in workforce development, or job training, as it was then known. "There was a strong belief among organizations that through building self-esteem and job skills, people would get into and succeed in the job market. We didn't agree. We saw the employer as our customer and knew that to get people ready for work we had to challenge many of their perceptions of themselves and of work." This core belief guided St. Nick's and led it to turn down the opportunity to grow its workforce services through the citywide effort to establish TAP centers.

Once welfare reform came along, however, the beliefs that had guided St. Nick's away from becoming a TAP center now guided it toward a new pot of public funding. The hard-won consensus that Los Sures and United Jewish Organizations of Williamsburg forged as they developed the failed Empowerment Zone proposal—and the continuing work these organizations had done on developing their own ideas through the NYCT grant—at last paid off. As the collaborators from the three New York communities—Washington Heights, Mott Haven and Williamsburg—began to work on their joint USDOL welfare-to-work proposal, St. Nick's stood in good stead with its earlier work on rethinking the approach to welfare reform. "Even at that point," Rochford recalls, "many people within the system were resisting the notion of work first. We were committed to it."

The organization's core beliefs also drove other funding decisions. Convinced that there was a strong need for ESL instruction and computer training for residents who were already working, as well as for those seeking work, staff sought funding from the Board of Education. Though the proposal was met with skepticism, the staff decided to prove they were right through action. Recruiting its first class of 35 using its own resources, WW began offering classes: "Thirty-five started and 35 finished," recalls Aida Hernandez, WW's director. "I taught the class myself." WW held classes four nights a week, with the computer lab full; the computer classes were eventually funded by the New York State Department of Education. "A huge part of our growth has been in delivering services to the Spanish-speaking population in our community. We knew it. No one believed us, so we proved it. We often fly in the face of accepted practice. We believe it's our ideas and convictions that make us strong in the end," Rochford concludes.

St. Nick's relationship with STRIVE, an organization with a clear tough-love philosophy, strengthened its own core beliefs. Some staff from STRIVE even joined St. Nick's. They have adapted the STRIVE approach, however, making it more congruent with the current leadership's understanding of what works.

Ultimately, the content of the core beliefs matters less than the fact that there are core beliefs: ideas that program managers and staff can debate. Without these core beliefs, an organization's work may well be reduced to that of a government contractor implementing policies and programs designed by others.

Practitioners on the front lines of preparing people for work rarely have the opportunity to explore ideas. Pursuing funding is, in fact, often the vehicle through which it happens. St. Nick's failed Empowerment Zone proposal laid the foundation for winning the NYCT grant, one of the few organizational investments in planning and development. This investment eventually led to the successful USDOL proposal. "It's rare that someone pays you to do the thinking that puts you ahead, but if you don't do it, then you just become reactionary," says Rochford.

Communicate Core Beliefs Throughout the Organization

Clearly articulated core beliefs also play a critical role in helping staff—those responsible for implementing programs—do their jobs effectively. Staff in workforce development organizations hold a wide spectrum of personal beliefs that affect the ways they deal with job seekers. These beliefs can sometimes support, and other times detract from, the effectiveness of their work. Judgments about job seekers' actions and backgrounds can impede staff's ability to help them find work. Harsh judgments ("He's working the system and doesn't really want a job.") or kind ones ("How can she cope with all that's going on in her life now? I couldn't.") can undermine the role that staff need to play in helping someone take the next step. A set of core beliefs, a program philosophy, beams a message to staff that helps them to assist someone who must overcome many obstacles to find a job.

When Jim Stiff arrived in Macon, not only did the viability of GIMG's business strategy need to be renewed, so did the underlying belief in why it worked. From its founding, Goodwill had been premised on an idea, a belief, that had grown into what we might call today "a service delivery strategy." Goodwill had been conceived at the turn of the 20th century by Rev. Edgar Helms, a Methodist minister in Boston's South End, who was disturbed by the lack of opportunities for his immigrant parishioners. Rev. Helms collected household goods that people had thrown away and employed men and women to repair and resell them. Money from sales paid the workers' wages, and the idea of "a hand up, not a handout" was born. This core belief may have dimmed in some locations, leaving a shell of a strategy. In others, the idea still animated the work.

Today, as much as income from the retail and contracts side drives the ability of GIMG to offer workforce services, a clearly communicated articulation of the organization's core beliefs drives the quality of its workforce services. Building upon what seems to be both Stiff's and Copeland's natural communication abilities, the underlying Goodwill philosophy has found form in a series of catchphrases or sound bites that help staff think about their role in helping people change their lives. A foundational concept—"work ethics are caught, not taught"—helps each staff person understand that his or her own work ethic is key to clients' success. Whether supervising work crews or leading workshops, staff understand that they are role models for clients working to become who they want to be. This catch phrase and the idea that underlies it are also communicated through the job descriptions: The first sentence of every one indicates that each staff person will demonstrate an excellent work ethic and model that behavior for those they serve.

Other pieces of "program philosophy" pepper the way Goodwill staff talk to one another and to job seekers, in catchphrases such as "They are captains of their own ship," "We are the lighthouse in the storm," and "We can show them the options, they make the choices." All of these sound bites provide guidance as staff approach common dilemmas. The phrases are heard across the organization, and the strong self-help philosophy that has birthed and sustained Goodwill helps guide staff as they work one-on-one with the job seekers they serve.

If Rochford, Stiff and Harvey were in the same room together, they might agree or disagree on what makes for an effective workforce development program. But they would certainly concur about the first essential: having an operational philosophy, a set of core beliefs that serves as an anchor in designing programs, that helps in making decisions about what funding to pursue and what funding to walk away from, and that guides the choices that staff make as they go about their work.

For each of these organizations, sustained growth was a result of the added value that its ideas, beliefs and convictions brought. None based its program solely on the assumptions of the latest legislation and its contract requirements. Each was aware of and valued its own beliefs and the intelligence it brought to the table. Workforce organizations that are not grounded in their own core beliefs can find themselves simply dancing to someone else's tune—likely the one who is paying the piper.

2. The Staff Is the Service
Your organization is as good as the staff you hire.

Workforce development is a labor-intensive industry. While a clearly articulated program philosophy frames the work of the organization as a whole, effective organizations must attract talented people, provide rewards and incentives, and create environments that foster staff creativity.

The problems that many workforce development professionals face on a daily basis are daunting. Job seekers are often overwhelmed by personal and family crises. Sometimes staff find themselves in the position of wanting more for job seekers than they can imagine for themselves or, conversely, find that the job seekers have unrealistic expectations of what the work world can offer them. Job developers, case managers, career advisors, retention specialists and intake counselors are at the heart of any workforce organization's success.

The ability of an organization's staff to build strong relationships with job seekers, assess where they are and where they want to go, connect them to a job and help them stay in it are at the core of its effectiveness. While there are some generally understood practices, much of what makes relationships successful depends upon individual staff's strengths and personal styles.

Increasingly, the effectiveness of staff at building relationships with employers is also a key measure of how well a workforce development organization performs. Staff serve as a bridge between the world of the employer and the world of the job seeker. They need to speak in the language of business, quickly understand employers' needs and match these needs to the available job seekers. Skillfully serving these two customers, job seekers and employers, defines the success of the organization as a whole.

Hire Social Entrepreneurs

"We're looking for people who are intelligent and articulate, who are going to be able to think and act as entrepreneurs. Whether they are working in retail or operations or communications or services or contracts, everyone is responsible for the whole," explains one Goodwill senior manager. At GIMG, this intangible combination of drive, compassion and commitment is referred to as the "Goodwill burn." Once someone is on board, seeing if he or she demonstrates the Goodwill burn is critical. "It's what you bring to the job. What you've got to contribute. That's what you've got to demonstrate here," remarks another manager. "You've got to ride the wave. You can't sit here and wait for it to happen. You've got to be willing to go out and try new things, move outside the perennial box that everyone wants to work in." This entrepreneurship, while obviously critical for the leadership, is also important throughout the organization. The entrepreneurship at the top is fed by entrepreneurship on the front lines.

"If you're going to do this kind of work well, you have to turn a problem on its head and be willing to try a lot of different kinds of solutions," suggests one of St. Nick's program supporters. "The staff at St. Nick's are able to do that." As the organization began to increase its workforce offerings, Rochford looked for people with experience in workforce development, plus entrepreneurial drive, a sense of ownership in the enterprise.

Public policy, labor market trends and the intractable nature of the problems associated with being poor provide many valid reasons for workforce development professionals to fail at what they do. Key to an organization's success is finding people who see opportunity where others might see impossibility. "It's not right for everyone," Copeland is quick to point out, "and it isn't a dishonor not to work out here. We help people move on with honor."

You Get What You Pay For

Pay scales at nonprofits are typically significantly lower than in the for-profit sector. Many cite the rewards of the work itself as part of the compensation, arguing that those attracted to nonprofit jobs do it for love as much as for money. Others argue that you get what you pay for and that low pay can also mean low performance and high staff turnover. In a field dependent on staff, high turnover can directly affect organizational performance.

At Goodwill, the strong demand for high performance (that "Goodwill burn") is accompanied by salaries comparable to those in local for-profit companies. Stiff believes that "the people we serve deserve nothing less than the best. We invest in people. We don't want to lose our best and brightest to the for-profit sector. We want to keep them." GIMG decided to insure against staff loss by offering competitive salaries. In the words of one frontline staff person: "You wouldn't leave Goodwill to go and work for another nonprofit; it just wouldn't pay you to do so." Many staff can also earn additional dollars based on participant placement, employment retention and wage gains. The numbers and amounts are calibrated based on the number of barriers people might have (for example, staff who work with homeless people have lower goals). The highest incentive earner made an additional $8,000 last year.

Although salaries at CWEE are comparable with those in other agencies doing similar work, Harvey believes that the comprehensive benefits package is what keeps CWEE staff-turnover rates low. With the rapid growth of the organization, CWEE found it had to offer higher salaries. "We needed a higher level of skills," Harvey says. "We needed human resources and contract-management skills. We needed to pay more." Salaries were increased for jobs in these areas as well as for job developers, among whom burnout and turnover was high.

Staff Financial Incentives

GIMG used financial incentives as an additional way to motivate staff to reach performance goals.

Summary of Performance Incentives
for Career Services employees engaged in

JOB PLACEMENT

2003/2004 Fiscal Year

In the belief job placement and retention is the responsibility of all Goodwill staff, the following performance incentives are available to Goodwill Industries of Middle Georgia and the Central Savannah River Area Career Services staff who work directly with individuals served to facilitate employment. *(Base placement and retention for staff with part-time placement responsibilities are in italics.)*

Point of Payment and Conditions	Financial Incentive
Number of job placements maintained for 2 weeks beyond monthly base*:	
Division of Rehabilitation Services/HUD (base of 4) *(base of 2)*	**$50**
Department of Family and Children Services (base of 8) *(base of 4)*	**$50**
Non-fee-sponsored (base of 10) *(base of 5)*	**$30**
Percentage of job placements maintained for 90 or more days beyond expected 80% when placements for the month in question met or exceeded goal placements. Payable upon submission of follow-up data including update of placement information.	**$25 for every full percentage point above 80%**
Percentage of job placements maintained for 180 or more days beyond expected 75% when placements for the month in question met or exceeded goal placements. Payable upon submission of follow-up data including update of placement information.	**$25 for every full percentage point above 75%**

* Individuals considered placed when have maintained a job for two weeks. Incentive payable upon submission of information regarding placements (name, address, contact phone number, barrier to employment, date and place of employment, work phone number, wage rate, summary of benefits) and confirmation of placement by Corporate Office.

This agreement may be nullified with thirty day notice; all incentive programs will be assessed and revised at the end of the fiscal year.

Foster Ownership in the Enterprise

Although pay, benefits and incentive schemes may be critical parts of attracting and keeping qualified staff, the work environment itself is also an important component of job satisfaction. Serving job seekers and employers can be rewarding as well as challenging. Staff often deal with factors that are beyond their control: job seekers' decisions to take jobs and employers' decisions to hire and fire. Creating an atmosphere that supports the workforce development professional and fosters an entrepreneurial spirit contributes to success.

At GIMG, with an overall staff of 500, creating a sense of ownership in such a large enterprise was an important part of the growth strategy. A daylong orientation, offered once a month for all new employees, was designed to help new staff feel a sense of ownership. Jim Stiff is a regular fixture, along with other senior staff. Beginning with the person who walks out to greet a donor at the staffed donation centers, through warehouse staff who sort, clean and label clothing, to sales staff at the various Goodwill shops, to instructors who train and place unemployed clients—all new workers are helped to understand their specific role in "turning a shirt into a job." This monthly orientation establishes staff's feelings of interdependence as well as giving them a good sense of where the organization is headed. New staff members are also introduced to the Goodwill Code of Ethics and receive a copy of it.

In addition to regular staff orientations, senior management also instituted an annual employee survey that provides feedback about employee concerns. Every staff member is involved in the annual strategic-planning process. An employee committee was formed, originally to select the employee of the month, but the group started planning other organization-wide events. This included an annual picnic to which everyone was invited—family and friends of both employees and clients—where senior, middle and frontline staff as well as clients could socialize. At the workforce development department level, Copeland held quarterly meetings for all 60 staff members. Marker in hand, she would discuss all the staff's questions and concerns—everything from rumors of unfair management decisions to how to deal with specific clients. These meetings are critical ways to give everyone access to senior management and to enhance the staff's sense of ownership of the enterprise.

In terms of size, CWEE occupies a position at the other end of the scale. Despite its rapid and impressive growth, CWEE remains small, with fewer than 20 staff members. Over the 15 years it operated in Denver, CWEE had attracted a core staff committed to women's transformation. CWEE provided a family-friendly workplace, a community of support for staff and participants, where, over the years, program graduates were added to the mix. Turnover among staff was low; ownership of the organization was high. Maintaining that commitment meant that staff involvement in designing the growth trajectory was essential. As much as CWEE staff kept their fingers on the pulse of participants' needs, CWEE's leadership carefully watched the staff's changing need for support. With the move to "case managers of record," staff had to balance the roles of nurturer and police officer, often having to sanction up to a third of their caseloads. When Harvey began to see an increase in turnover of case managers, CWEE added another case manager to ensure that caseloads would hover around 60 job seekers rather than 80. Soon after, CWEE brought together staff to explore ways that the organization's nurturing culture could be kept intact even as case managers had to make hard decisions about people's lives. The forum provided staff with a way to talk about managing the stress inherent in that tension. CWEE's core beliefs even extended to their approach to staff development.

3. Go for the Common Good
The right and the smart thing to do.

Leadership with a Vision for the Workforce Development Field

For CWEE, St. Nick's and GIMG, the decision to pursue growth was not an obvious one. In Denver, it entailed engaging with a government policy about which the organization was uncomfortable. In Brooklyn, growth required catalyzing a coalition that was clearly going to be fraught with friction. In Macon, after several runs at growth, the strategy that worked was just another try.

In each of these situations, the decision to pursue growth was driven by the leadership of tenacious social entrepreneurs, each with their own style and gifts. At GIMG, Jim Stiff, clearly captain of the ship, was blessed with a large dose of charisma, yet he was smart enough to build a team that thought and worked strategically toward clearly outlined goals. At CWEE, Laurie Harvey, a natural team-builder, used her skills to engage the entire team in a process of change that positioned it as one of Denver's leading welfare-to-work agencies. At St. Nick's, Michael Rochford, a risk-taker, prepared to take the heat that contentious collaborations can generate, hired strong people and gave them the room and support to grow. Each played powerful roles within their organizations, demonstrating some of the keys to effective leadership: a clear vision, strong communication, team-building, good fiscal management. But perhaps most interestingly, Rochford, Stiff and Harvey also played key leadership roles within the larger community, bringing about change outside their organizations, as well as within. It was this outward focus on larger workforce issues and the communities they served that reinforced, both directly and indirectly, their own organizations' ability to grow.

The workforce development field has been viewed and operated as a highly competitive one, with each organization vying for a larger slice of the funding pie. But at the local level, workforce development providers find themselves trying to stay on top of the same local labor market, approaching the same employers, often serving the same pool of job seekers, and staying abreast of the same local interpretations and implementation of federal and state legislation.

Yet workforce organizations often work in isolation, sometimes duplicating services and unaware of what the others offer. This fragmentation, not only of services but of effective operational know-how, is a major challenge for those in the field. At the same time, in the last few years, new state and national coalitions and collaborations, both formal and informal, have emerged. Some are built around offering services jointly, others work together to safeguard members' common interests, and still others are formed to offer professional development opportunities and effective-practice information. Rochford, Stiff and Harvey each played a leadership role in building collaborations among workforce development organizations, thus broadening impact. They focused on the needs of the larger workforce community as well as on those of their own organizations. They understood that to some degree the success of their organizations lay in the success of the field as a whole. They developed collaborative service strategies and coalesced with other groups around common interests. This investment had direct and indirect returns, providing them with critical intelligence about the field and allowing them to have a sense of how well their own organizations were performing. Focusing on the common good was, for these three leaders, not only the right thing to do but the smart thing.

Build Collaborative Service Strategies

St. Nick's "Collaborations 'R' Us" approach was at the heart of its growth. Identifying welfare dependence as a common issue faced by the very different populations that make up the community and successfully catalyzing the formation of the GWC to respond to this issue was the beginning of a series of events that resulted in St. Nick's being able to capture funds for growth. Without this coalition, St. Nick's would not have been involved in the New York Community Trust's citywide effort or in turn have become part of the SEEDCO EarnFair Alliance network that eventually received the USDOL welfare-to-work grant. It took considerable time, energy, skill and a decision to risk hostility, but Rochford's leadership in the greater community led to his own organization's growth.

In Middle Georgia, too, collaborative community leadership was key to Goodwill's success. To get the sign-off on the welfare-to-work grant that was to create the infrastructure of Job Connection, it was necessary to build consensus among the partners in what was to become the One-Stop system. The Departments of Parent & Children's Services, Rehabilitation and Labor all had to be involved. Before the application, Goodwill had failed to persuade the local Bibb County administrator that Goodwill should run the local effort. Stiff's attempts to involve the county in the application could have been difficult. But as the director of Parent & Children's Services recalls, "Even when we disagreed, it was done in a way that invoked trust. No one felt criticized or threatened. There was encouragement. Jim was really interested in our success, as well as Goodwill's." The partners also recognized that Goodwill brought a great deal to the table. "They were the cornerstone. So professional, and able to turn our ideas into a flowchart, right before our eyes."

Together, Wendi Copeland and Jim Stiff built the consensus they needed. The Job Connection sites included a "partner office" with a desk, computer and phone for all the major government departments that would offer services to Goodwill clients. Likewise, as Goodwill began building the GoodWORKS! program, close cooperation with the Department of Parent & Children's Services was essential: "It was their belief in what they were doing to begin with and then their desire to cooperate and build relationships with people and their focus on really helping the customer," remarks one of Goodwill's key partners.

Goodwill began running an annual Career Connection in partnership with local Rotary International clubs—again in the lead on a collaborative event in which everyone wins. GIMG's own growth was a direct result of the leadership roles that Stiff and Copeland played in the greater workforce community.

Coalesce Around Common Interests

In contrast to the work in Brooklyn and Macon, Laurie Harvey's collaborative building efforts in Denver focused on bringing about change in the public workforce system that affected not only CWEE but others in the system. As a board member of the Colorado Association of Nonprofit Organizations, Harvey had been involved in advocacy efforts as the state drew up its version of federal welfare reform. She knew that the legislation would, in turn, shape the lives of the women she served and the organization she led.

Once welfare reform was passed at the state level, community-based organizations (CBOs) across the area threw their hats into the ring to become providers of services under the new system. "We were finding ourselves together in meetings called by the funders. We needed a place of our own to talk together about the things that were important to us," says Harvey. There was a clear imperative for CBOs to work together across traditional lines of competition. With CWEE's move closer to the public system, Harvey saw that she would need not only to advocate for changes benefiting her own organization but to work with others to develop a collective voice for CBOs involved in the employment and training system.

Collective action began with the issue of payment lags from the city. On behalf of the entire group, a few representatives went to the city auditor and demanded improvements. Though they ruffled some feathers, payment lags did decrease and, perhaps more important, the agencies gained confidence in being able to act as a group. By 1998 they held a retreat and for the first time reached a level of trust that allowed them to disclose the per-participant costs each was charging. Soon they began to see how they could act collaboratively to prevent themselves from being undercut. Fueled by the knowledge that other coalitions across the country were beginning to see some degree of success and buoyed by the Enterprise Foundation's willingness to provide administrative support, the Denver Employment Alliance (DEA) began to take shape with Harvey as co-chair. The coalition developed a "map of services" to increase cooperation and decrease duplication among member providers, who worked jointly on funding proposals and employer relations. DEA has now become a critical point of contact for the Denver Mayor's Office of Workforce Development (now called the Denver Division of Workforce Development). Harvey's leadership role in the workforce development community took time and energy, but her focus on improving conditions for providers collectively brought tangible benefits to CWEE.

Access the Intelligence of the Field

The work of building collaborations also brought less tangible benefits: access to professional development and ways to keep up-to-date with economic and policy changes and with innovative ideas to deal with change. This function, while critical for growth, is difficult to sustain in the press of day-to-day organizational responsibilities.

In Denver, although common issues with public funders catalyzed the establishment of DEA, other advantages of working together soon became clear. Program leaders began to discuss the issues surrounding quality services and developed plans for providing training for staff across organizations. Initially with the assistance of the Enterprise Foundation, DEA brought in a consultant to offer a one-day training, "Everyone is Employable." The DEA now offers an annual training conference and regular trainings to all its members. St. Nick's collaborators also provide critical support for staff development. The EarnFair Alliance holds monthly staff trainings, and periodic training events target the skills of frontline staff. Staff also have training opportunities through St. Nick's affiliation with STRIVE, which offers annual trainings for program leaders as well as regular retreats.

For GIMG, Goodwill Industries International plays a similar role as a resource for staff development, both through its annual conference and by sponsoring "Career Development Facilitator" training across the network. For GIMG, ties to Goodwill Industries International were essential, initially for screening and delivering a rising star, Jim Stiff, within the Goodwill network. Goodwill Industries International also provided Goodwill Macon with the opportunity to educate board members. Stiff nominated Clay Murphey, a local board member, to serve on the national board. "That gave me the chance to understand so much more of what was going on," he says. "I could come back and advocate with Jim, help him make changes that I understood as well." In the initial growth period, Goodwill Industries International also provided a community needs assessment that local staff used as a basis for strategic planning. As Stiff recalls, "It was through Goodwill Industries International that we knew One-Stops were coming. We knew we needed to position ourselves to become One-Stops." Likewise, Laurie Harvey's connections with other Colorado nonprofits through the Colorado Association of Non Profit Organizations (CANPO) allowed her to see the coming changes. These networks and associations provided access for these organizations to research-and-development and human-resources functions that were beyond their own capacities.

Benchmark Program Performance

Finally, two of the three organizations' affiliations with others have provided them with a way to benchmark their own performance. For a field in which performance-based contracts have proliferated, there are, in fact, few opportunities for organizations to gain a sense of how their performance measures up. Performance data collected by the funding agencies are perceived as unreliable and are often not shared regularly across contractors. Through the EarnFair Alliance, St. Nick's can gauge how well it is doing compared with other organizations operating in similar environments. Through the "Smart Stat" management information system (modeled on the New York Police Department's Comp Stat that monitors crime across the city), participating organizations use an evidence-based, data-driven process of problem solving. On a monthly basis, each program can see its outcomes along with those of every other program. Each month, executive directors meet in what is referred to as "program design meetings," during which data are shared, problems identified and solutions brainstormed. Likewise, through Goodwill Industries International, GIMG can gauge its performance compared with other Goodwills through a ranking system. Goodwills are locally incorporated institutions with a high degree of autonomy, affiliated through Goodwill Industries International with other Goodwills across the world. Each local affiliate agrees to a set of standards and procedures that ensure Goodwills adhere to basic tenets. Although they do so less frequently than the monthly meeting provided by the EarnFair Alliance, each Goodwill can benchmark its overall performance in relation to others involved in the system.

4. Bring Resources of Your Own
More than a wholly owned government subsidiary.

No report on organizational growth would be complete without addressing the critical issue of resources. With few exceptions, dollars for growth in workforce development are largely found in government coffers. Yet as practitioners know, government money comes with many strings attached, and there are long waits for payment and little flexibility around how money is spent. Landing a large government contract may pay for the direct costs of serving larger numbers of job seekers, but these funds often cannot be used for the planning and infrastructure needed to operate at those higher levels. Larger contracts can also mean the same long waits, now for larger payments. Add into the equation the move to performance-based contracts, with payments made upon enrollment and completion of the "program," and still larger amounts on placement and 30-, 60-, 90- or 180-day job retention, and landing that large government contract can become a fiscal liability. As Rochford says, "Many organizations enter workforce development. Many leave. It's hard to make it on such thin margins."

Some might argue that it is impossible to deliver quality service with the funds provided through government contracts alone. The experience of the organizations profiled here suggests that to be successful in using government dollars for growth, it is essential that organizations bring their own resources to the table and have assets of their own. This can provide the organizational and fiscal stability necessary to deal with being a government contractor.

Invest in a Flexible Fiscal Function

Given the need for multiple revenue streams, it is critical to mix and match funding sources in earned income, private grants and public contracts so that a diversity of funding does not lead to fragmented programs. With its revenue strategy being one of pursuing many different collaborations, St. Nick's 15 workforce development contracts could have resulted in fragmented programs if it were not for a fiscal function that allows managers to operate programs in ways that make sense to the job seeker. "I funnel all the contracts through a strong programmatic approach," explains Hernandez, the director.

Key to programmatic success and the outcomes that in turn generate revenue is the use of one universal assessment system, a universal case-management system and a program model that is used for both welfare and nonwelfare participants. The requirements of the most rigorous contract set the standards. In this way, St. Nick's assured that everyone gets the same initial service and the program collects the right information for all funders. "Instead of that silo [funding] mentality, we've always looked at it as a playing field," says Hernandez. However, no one underestimates the challenge this poses for the fiscal department. It is easier to charge one full-time staff person to a single contract, but taking a percentage of different staff people's time on the same contract gives the program important flexibility. "It's an administrative nightmare to spend money from various funding streams in ways that work for programs," remarks one staff person. "Everyone has to take time to account for how they are spending time." With increased scrutiny across the city and regular fiscal and programmatic audits, the fiscal department at St. Nick's made it a priority to be responsive to programmatic concerns.

With the performance-based environment in which the three programs operated, it was critical for each to align program projections and performance. Projecting the number of people who would find employment and, even trickier, the number who would keep a job for 90, 180 and 360 days, is far from a science. Optimistic program projections can lead to unforeseen fiscal crises at the end of the year when expected revenues fall short of reality. Rochford saw early on that it was essential for fiscal and program managers to work closely together. "We are working constantly to get the reporting closer to real time, so that we can see where we are," he says. Similarly, sophisticated systems have allowed GIMG and CWEE to operate their programs in ways that meet their fiscal and legal obligations and respond to program considerations, those that represent the needs of their other two customers, the job seeker and the employer.

Develop Resources of Your Own

Without CWEE's strong private funding, it would not have been able to contemplate the Adams County contract. CWEE staff knew that a larger contract meant higher expenditures and the same long waits for payment. "We knew cash flow would be an issue. We had to have our money lined up. Even though we had the promise of a big contract, we needed private money more than ever," says Harvey. Private funding had in fact been the basis of CWEE's fiscal stability for many years. When CWEE opened its doors, several frustrating experiences with government offices in Texas had convinced the national office (now defunct) that public funding was troublesome. So it was with financial support from local employers, foundations and the Chamber of Commerce that CWEE started up. With the passage in 1984 of the Job Training Partnership Act (JTPA), many CBOs in Denver applied for and won JTPA contracts. In a hotly debated board decision, CWEE followed suit and won its first public funding—a JTPA contract with the Denver Mayor's Office of Employment and Training to serve recipients of Aid to Families with Dependent Children (AFDC). But the decision to go for JTPA funding was dwarfed by the decision to sign the Adams County contract. The contract did not provide any money for enlarging the organization's infrastructure, either for more computers or more space. "We knew that the director of social service had a vision for our involvement over the long haul," adds Harvey. "If this were just a one-time big contract, it wouldn't have been worth it. The other investments that were needed were too substantial." Returning to established funders, CWEE requested increased contributions; approaching new funders, CWEE "sold" the critical need for their participation in its growth. "We aim for a 50-50 public/private mix. Without it, we couldn't do this," Harvey concludes.

St. Nick's initial grant from USDOL provided a single steady three-year stream of income for growth, but Rochford quickly saw that his organization needed to diversify to sustain that growth. Though its "Collaborations 'R' Us" strategy resulted in 15 different contracts, Rochford still found that making it financially in workforce development was a challenge. St. Nick's dealt with cash-flow issues by accessing cash advances through the EarnFair Alliance. But St. Nick's ability to stay the course has been bolstered by the organization's capacity, built on the fiscal stability of other programs, to absorb some losses, a reality that Rochford acknowledges is hard. These are the same losses that Harvey can absorb through private funding.

GIMG's growth was also made possible by bringing its own resources to the table. Contracts for janitorial services provided transitional jobs; selling used goods provided the money to hire people to repair and sell them. These services generated the profits needed to invest in the growth of the organization and its workforce services. Although Goodwill had a small contract with the Department of Vocational Rehabilitation for many years, the USDOL grant was the first major influx of government dollars. But unlike CWEE's Adams County contract, this grant was aimed at building infrastructure: putting Job Connection in place in five locations. On the other hand, Goodwill's involvement with state funding for GoodWORKS!, the enhanced transitional work model designed for welfare recipients, was more troublesome. Once the model had been successful locally, it began to attract the attention of state government. Under a contract through state DOL, Goodwill not only provided services itself but provided technical assistance on a statewide basis to others implementing the model. Long waits for payments and the dilution of the program model drove a management team decision to withdraw. Although subsequent staff layoffs were painful and program services were curtailed, the heart of Goodwill's workforce services remained in place. And it was a reminder, staff reflected, that they must not allow themselves to have one major customer on whom they come to rely, even at the program level.

All three organizations have, over time, made significant investments in building other organizational assets. In 1988, working in collaboration with the Denver Osage Initiative project, CWEE became part of an employment center with five nonprofits moving under the same roof. In the fall of 2002, they purchased their space, a key asset without which growth at the scale achieved would have been difficult. Staff and board launched a new capital campaign to renovate and maximize the space for growth. GIMG has grown its asset base steadily and significantly over the past five years with the acquisition of a number of buildings and is in the midst of a capital campaign to purchase a former supermarket so it can consolidate many of its services on a large new campus. Likewise, St. Nick's assets have grown over time, resulting in the kind of organizational stability that can frame the volatile fiscal life of the workforce development world.

Conclusion

Originally known as the Center for Women's Employment and Education, CWEE took an evolutional leap to become the Center for Work Education and Employment. Without abandoning its core beliefs for work first's rapid-attachment approach, it reshaped its program. CWEE expanded its client base by offering courses for both men and women, low-wage workers and women on welfare, as well as by staying open in the evenings and on weekends. By 2003 CWEE was serving 500 people a year.

For St. Nick's, the growth trajectory was laid out by a solid investment in ideas that resonated with its original partnership with STRIVE and were ultimately confirmed and supported by MDRC's evaluations and by welfare reform. With a strong commitment to collaboration and support from New York City Community Trust, St. Nick's has seen remarkable growth: by 2003 1,200 people were walking through its doors each year in search of the skills they need to find and keep a job.

At GIMG, a strong leader attracted the talent it took to oil the rusty organization. With its retail growth leading the way, GIMG established 13 Job Connections—centers that offer a full array of employment services. Today, thousands of Macon's unemployed and underemployed people go to GIMG to look for work.

What led to each organization's successful growth? This report outlines several key elements that are common to their very different stories. The organizations' leaders understood that whoever pays the piper does not—alone—call the tune. Each entity clearly articulated the core beliefs upon which it was built. They invested in ideas, finding ways to keep pace with thinking in the field, and communicated these ideas throughout the organization.

All three organizations demonstrated a common commitment to investing in staff. Each found a way to adhere to the often spoken but less frequently followed axiom that an organization is only as good as the staff it hires. By bringing on social entrepreneurs, fostering a sense of ownership in the enterprise and, in some cases, focusing on competitive pay and benefits packages, these organizations have harnessed staff energy to help drive growth.

Harvey, Rochford and Stiff—leaders very different in style and approach—also shared a common instinct that reaching beyond their organizations' interests to the broader interests of the field and the communities they served was not only the right thing but the smart thing to do. By coalescing around common interests and building collaborative service strategies, these organizations played critical roles in leading others in the field. The efforts they made to create and participate in outside networks paid off in terms of finding resources that strengthened their own approaches.

For all three organizations, the approach they used to find money to underwrite growth was central to their success. And for each organization, the money did indeed come from the successful response to a request for proposals. Yet a government-issued RFP often presents a dilemma for leaders of workforce development organizations. Funders, in many cases, dictate detailed terms and outline high performance goals. Applying for and being awarded a contract can provide an organization with the resources it needs to continue to offer workforce services, but will the resources be enough to get the results that job seekers, employers and funders seek? Too often, winning one of these contracts results in implementing programs just as they are outlined in the RFP, operating on "thin margins" by staffing thinly—with high caseloads or student-teacher ratios and high staff turnover.

The practitioners profiled in this report would argue that it is impossible to meet the needs of their three customers—the job seeker, the employer and the funder—by using money from the public purse alone. Government contracts, in their experience, cannot cover the costs of all the services that job seekers and employers need to reach the very outcomes those contracts require. Holding true to a clear set of core beliefs, focusing on community interests that included but went beyond their own organization's needs and making a solid investment in staff were the pathways they knew they had to tread. But without the flexibility brought by private funding, earned income or other organizational assets, these pathways would have been difficult, if not impossible, to navigate. Having "money of their own"—being more than a wholly owned government subsidiary—allowed these practitioners to shape strategies that resulted in sustainable growth and ensured that an increase in numbers did not mean a decrease in quality.

Endnotes

1 CWEE subsequently changed its name to Center for Work Education and Employment.

2 *Pathways to Social Impact: Strategies for Scaling Out Successful Social Innovations.* Duke University: The Fuqua School of Business, Center for Advancement of Social Entrepreneurship. August 2002.

3 The Center for Employment Training in San Jose has developed a national network of 33 training centers in 12 states. STRIVE Employment Services has 17 affiliates in 12 states and the District of Columbia, plus an overseas affiliate in London, U.K.

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