

Administrative Effectiveness and Public Administration Practice in Midwestern State Employment Agencies

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Abstract

Researchers have examined the multiple dimensions of unemployment. Performance rates had declined significantly in a majority of CR 5 states in the 3-year period, 2007-2009. What was not known, however, was the effectiveness of the public administration practice in individual state employment agencies when addressing the economic crisis and rising unemployment. In this evaluative study, the effectiveness of each of 10 state employment agencies in the Central Region 5 of the U.S. Department of Labor Employment and Training Administration was investigated.

Problem

Historically, unemployment has been seen as an inevitable consequence of economic downturns, with the assumption that employment will only improve as the economy improves.

What was not known was the extent to which state employment agencies in the Central Region 5 had been effective in addressing rising unemployment during the 2007-2009 economic crises according to performance outcomes in the WIA Title 1-B ADWP.

Purpose

The purpose of this study was to understand the efficacy and viability of WIA performance standards negotiated by CR 5 States during the economic crisis 2007-2009.

This research extends the body of scholarly knowledge regarding public administration effectiveness in state employment agencies during an economic crisis with rising unemployment. We evaluated whether state employment agencies can help improve employment rates as determined by performance outcomes during an economic crisis.

Relevant Literature

The theoretical framework for this study was Scott's (2004) **institutional theory**, in which Scott argued that society creates institutions and processes to attend to societal needs (Scott, 2004). Institutional theory is appropriate to this study because this theory is based on the idea that, regardless of economic markets, institutions, as a manifestation of society's beliefs, act in accordance with societal demands.

Cameron, Mora, Leutscher, and Calorco (2011) hypothesized that positivity is related to organizational outcomes, while conceding that information is limited in constructing definitive hypotheses regarding which "positive practices relate to which specific indicators of effectiveness" (p. 4).

Selden and Sowa (2004) found **management factors** to be an important influence on and indicator of **organizational effectiveness**. Although management factors were not assessed here, effectiveness can be found in management factors such as performance objectives and outcomes.

Research Questions

What trends can be observed in CR 5 States' performance outcomes regarding job entrance rates in the WIA Title 1-B Adult and Dislocated Workers Program (ADWP) during the period 2007 to 2009?

What trends can be observed in CR 5 States' performance outcomes regarding retention rates in the WIA Title 1-B Adult and Dislocated Workers (ADWP) during the period 2007 to 2009?

What trends can be observed in CR 5 States' performance outcomes regarding average earnings rates in the WIA Title 1-B Adult and Dislocated Workers (ADWP) during the period 2007 to 2009?

Procedures

The 10 states' WIA Title 1-B Adults and Dislocated Worker performance data were extracted from the online WIASRD public database of individual state performance data, for the 3-year period of 2007-2009. Performance data were analyzed using paired samples *t* tests to evaluate trends regarding three variables: entrance, retention, and earnings performance rates.

Data Analysis

Performance rate was calculated by dividing the actual rate by the negotiated rate for entrance, retention, and earnings for the years 2007-2009.

Performance rates were compared using *t*-tests to evaluate trends regarding three variables: entrance, retention, and earnings performance rates.

Findings

Statistical analyses addressed performance outcomes of WIA ADWP participant entry, retention, and earnings performance rate averages in the 10 states of the CR 5 and found:

1. a significant negative entrance rate performance trend for both WIA Adults $t(9) = 3.347, p = .009$ and Dislocated Workers $t(9) = 3.095, p = .013$,
2. a significant moderate, negative retention rate performance trend for both WIA Adults $t(9) = 3.137; df = 9; p = 0.012$ and Dislocated Workers $t(9) = 4.582; df = 9; p = 0.001$, and
3. a non-significant moderate, negative earnings rate performance trend for WIA Adults $t(9) = -.319; df = 9; p = .757$ and a non-significant moderate positive earnings rate performance trend for WIA Dislocated Workers $t(9) = 2.073; df = 9; p = .068$.

Limitations

The study was dependent on the quality and validity of the secondary data in the DOL's WIASRD online database. In addition, the study was limited to the 10 CR 5 States, WIA Title 1-B ADWP program data, and the 3-year period 2007-2009. The dates were important to this research because they represented a recessionary period in the U.S. economy. The results do not necessarily generalize to other years, different programs in the WIA, or to U.S. states outside the CR 5 10-state region.

Conclusions

For measures of employment placement, the actual performance rate declined significantly across most of the states. In the case of retention, the actual performance rate declined for Adults but not Dislocated Workers. In contrast, the actual performance rate for the average earnings rate measure was inconsistent across the ten states of the Central Region 5 for both Adults and Dislocated Worker participants.

Social Change Implications

This research can inform public officials in less effective states of the employment outcomes obtained in the more effective states, to enable immediate and proactive interventions to curb problems of unemployment, particularly when economic crises occur.

The many uncontrollable variables involved meant that any differences in the states could be attributable to multiple factors, including, but not limited to, different program administration, data collection processes, and reporting practices. Future research should attempt to control for these mitigating factors.

Future research can compare administrative practices, data collection techniques, and social and economic factors and differences between states to enlarge the scope and scale of analyses.

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