

**Win, Lose or Draw?  
Do Employers Benefit From Hiring Workers Through Boston-Based  
Job Training Programs?**

by

Patricia J. Libby

B.A. Spanish  
Tufts University, 1979

Submitted to the Department of Urban Studies and Planning in partial fulfillment of the requirements for the degree of

Master of Science  
in  
Urban Studies and Planning  
at the  
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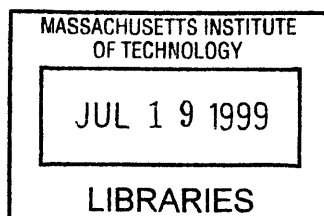
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ROTCH

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### ABSTRACT

In the movement to "change welfare as we know it," traditional job training programs in Massachusetts have inadvertently come under siege. State law-makers are eschewing job training in favor of work-first policies -- mandating most public assistance recipients work or volunteer a minimum of twenty hours per week in exchange for benefits. Job training must be done as additional time permits and within the confines of a well-documented shortage of day-care subsidy slots (eliminating training options for all but the most resourceful welfare mothers). But will welfare recipients find success in getting and keeping a job without support from job training programs?

Boston's most prominent nonprofit training providers have been supplying local employers with a steady source of workers for well over a decade. One assumes firms hire training program graduates because they are good workers yet, how can we be sure?

This study, which focuses on Boston's largest employment sector -- the health care industry -- illustrates that firms do derive substantial benefits when hiring workers from local job training programs. These benefits include workers that are well trained, highly motivated, bring special skills to the workplace, and are cost-effective to hire. While every employer surveyed did not claim each one of these benefits, all perceived tangible advantages to working with Boston-based training programs and valued their relationship with them.

It is worth noting that job training programs engage a more diverse clientele than the universe of welfare recipients (recipients comprise roughly 30-50% of trainees). However, since the training population is exclusively low-income, lessons can be extrapolated as to the effectiveness of training programs with the larger public assistance population.

Thesis Supervisor: Langley Keyes  
Title: Ford Professor of City and Regional Planning

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## I. INTRODUCTION

This research project was designed to assess whether and, if so, how, Boston firms benefit by hiring workers through nonprofit job training programs.<sup>1</sup> I wondered about employer perception of these workers versus those they hired on the open market. My objective was to understand if and how employers were profiting from hiring workers referred by job training programs.

I thought this question particularly interesting question in light of recent changes to state welfare regulations which severely curtail the ability of recipients to participate in job training programs. This is not to say that training programs are comprised exclusively of public assistance recipients, however, welfare recipients do comprise, on average, between 30-50 percent of training program participants according to local program operators. In fact, the income guidelines to receive public assistance and those determining eligibility for participation in federal-funded job training programs are fairly close. For example, income eligibility for welfare is \$1,050 per month for a recipient family of three. To be eligible for federally-funded job training, the maximum income amount for the same family is \$1,372 per month.<sup>2</sup> Therefore, even though the entire universe of job training participants is not wholly comprised of welfare recipients, the lessons learned about the effectiveness of job training programs from the

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<sup>1</sup>Nonprofit training programs for the purpose of this study refer to those tax-exempt organizations that are receiving funding from the City of Boston to conduct job training activities with low-income men and women.

<sup>2</sup>According to the Job Training Partnership Act guidelines.

employer perspective, might shed some light on public policies related to allowing (if not encouraging) welfare recipients to participate in job training programs.

### **Original Hypothesis**

Boston's most prominent job training programs have been providing local employers with a steady source of trained workers for roughly ten years. Given this track record, one could assume that firms hire training program graduates because they are good workers. However, research was needed to find out whether this assumption was indeed true. From the start I was unsure what I would find. Would my research reveal that firms believed such workers were more burdensome to incorporate into the workplace? Would these workers require more training, oversight, flex-time, and/or have other requirements that exceeded those of employees hired on the open market? Perhaps firms were hiring program graduates out of a sense of public duty, moral obligation, or because they thought there were public relations benefits to doing so.

On the other hand, in a tight labor market such as the one we are currently experiencing, firms might be benefitting by having access to a pre-screened, eager, and well trained workforce that in most instances, has been provided to them at no additional cost.

My hypotheses were that firms benefit substantially from hiring these workers in several ways. I suggested:

1. That firms believe these workers are more motivated as a whole;
2. That training program graduates help employers meet affirmative action goals;
3. That program graduates possess unique skills such as native bilingual ability that adds significant value to the positions they hold within firms; and
4. That firms are saving money by hiring workers through publicly-funded job training programs.

As the reader will see, research findings from a survey of local employers supported all the original hypotheses (albeit to varying degrees). Significantly, this research suggests that firms do believe they receive many significant benefits when hiring workers through job training programs.

This study focused specifically on Boston's largest employment sector -- the health care industry. It showed that health care employers derive substantial benefits when hiring workers from local job training programs. These benefits include workers that are well trained, highly motivated, bring special skills to the workplace, and are cost-effective to hire. While every employer surveyed did not claim each one of these benefits, all reported tangible advantages to working with Boston-based training programs and valued their relationship with them.

## **II. LITERATURE REVIEW**

### **GETTING A PIECE OF THE PIE:**

#### **FITTING INTO THE AMERICAN LABOR MARKET**

Like the familiar refrain from Dickens classic work, *A Tale of Two Cities*, Americans today are facing "the best of times and the worst of times." Our national economy has experienced unprecedented growth during the past twenty years; yet its beneficial effects are being felt only by the wealthiest 20 percent of us (Van Horn, 1996; Levy, Murnane, 1992; Howell, 1994). We are turning into what some have dubbed an "hour-glass" economy -- a country where the middle class is a shrinking minority squeezed between the rich and poor. According to Carl E. Van Horn, "Since the early 1970s, the incomes of 80 percent of the nation's households have not kept up with inflation despite a rising share of dual-income families and even three-job households. Median incomes fell nearly five percent in the last 16 years [from 1981-1996] after taking inflation into account. " (Van Horn, 1996; Uchitelle, 1994; Lewin, 1994). The profusion of "Help Wanted" signs may be embellishing our collective impression of the opportunities that exist: jobs may be plentiful but by and large, they are not those that contribute to individual prosperity.

Massachusetts mirrors the national trend. According to a 1997 report prepared by Massachusetts KIDS COUNT depicting poverty here during the mid-1990s, the state ranks third highest in average family income while "more than one out of every ten Massachusetts residents lives in



poverty (1997 income below \$16,050 for a family of four)" (Mishel, Bernstein, and Schmitt 1997).

During the mid-1990s, 11% of those living at or below the poverty line in Massachusetts were working full time; 40% had part time work. "Among poor families with children who received welfare benefits, a significant proportion -- slightly over 40% -- included a parent who worked at least part of the year" (Lazare, 1997). Working full time at minimum wage, (\$5.25 per hour), a family of three would fall \$2,000 below the federal poverty level (TEAM Education Fund, 1997). In Massachusetts, like in the rest of the nation, work is no insurance against poverty and many working families with low-wage earners are losing ground even in a so-called "robust" economy.

A big part of the problem is simply the high cost of living in Massachusetts and in Boston in particular, where fair market rents for two bedroom apartments are \$839 per month (Massachusetts KIDS COUNT, 1997). Taking that and other factors into consideration, Wider Opportunities for Women and the Women's Educational and Industrial Union developed a "Self-Sufficiency Standard for Massachusetts" (September, 1998).<sup>3</sup> In the study they sought to answer the question, "How much money does it take for families to live and work without public or

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<sup>3</sup>According to the report's authors "The Self-Sufficiency Standard is set at a level that is, on the one hand, not luxurious or even comfortable, and on the other, is not so low that it fails to adequately provide for a family. Rather, the Standard provides income sufficient to meet minimum nutrition standards, for example, and to obtain housing that would be neither substandard nor overcrowded. It does not however, allow for longer-term needs, such as education, retirement, purchase of major items such as a car, or major emergency expenses."

private assistance or subsidies?' They determined that a single individual living in Boston would have to earn \$7.52 per hour to meet her basic needs -- \$2.27 above the current minimum wage. According to their analysis, a single adult with one pre-school aged child would require a salary of \$15.28 per hour. For example, the annual cost of childcare in a daycare center for a Boston four year old was \$7,904 -- over three-fourths the average minimum wage salary (Dodson, et al. 1998). Those wages are difficult to match in a state where wages do not seem to keep pace with inflation. "Between 1989 and 1994, the typical worker saw a 4% drop in his or her real (adjusted-for-inflation) hourly wages, and the earnings of the lowest-paid workers (those just above the minimum wage) fell by more than 9 percent "(Mishel, Bernstein, and Schmitt, 1997).

A big part of the problem is the changing nature of jobs in our so called "booming" economy which has traded better paying manufacturing jobs for service and retail jobs. "In 1982, manufacturing was the second-largest employer in Massachusetts and accounted for one job in every four. By 1995, manufacturing had declined 30%, accounting for only one job in six" (Sum, 1996). Today, 46% of Massachusetts' poorest families are working in the service sector; 29% are working in retail sales (Lazare, 1997). Economist Chris Tilly tells us that "involuntary" part time workers comprise 18% of the workforce -- a percentage that has increased despite the relative health of the local economy (1996).

## **What Happened to the American Labor Market?**

The bifurcation of the American labor market into well paying and poorly paying jobs has been attributed to a number of factors. Public welfare theorists have looked at the role that institutions play in controlling labor markets. They argue that absent a national wage regulation system overseen by a combination of employer federations, workers, and the state, America's labor unions are outflanked -- leaving them much more vulnerable to erosions in benefits and wages unlike their European counterparts. (Esping-Andersen, 1990; Stevens, 1998; Freeman, 1994). Others have argued that globalization is causing an integration of lower wage labor markets with more industrialized countries leeching jobs to poorer ones (Rodrik, 1997; Esping-Andersen, 1990; Howell, 1994).

There is also a group of social theorists who has looked at societal effects in an attempt to understand labor market disparities as well as to ask the broader question of why some people are able to succeed in the working world while others struggle to be in the competition at all. Jencks (1979) for example, has researched the effects of family background as it relates to variance in occupational status and earnings to conclude that people from economically advantaged communities do considerably better than those of lesser socio-economic backgrounds. Darity and Mason (1998), and Arrow (1998) point to racial and gender discrimination in hiring and job promotions across occupations as key to wage and employment discrimination, while Heckman (1998) argues against this position, pointing to an apparent "skills gap" as the culprit (the skills gap being the gap between the skills possessed by

individuals and the skills employers are seeking). Loury (1998) agrees with both arguments; he acknowledges the effects of discrimination as having real effects on employment while agreeing with Heckman that the skills gap is an equally important part of the equation. Danziger and Holzer (1998) are additional proponents of the skills gap theory, arguing that there is a gross mismatch between jobs that people are qualified for and the jobs that are available. They assemble data that point to an "aggregate mismatch" of nine-fifteen percent but a more pointed mismatch for welfare recipients of 30-40 percent (Holzer, 1998). A third social factor discussed in the literature is the issue of social networking leading to job opportunities, a theory posited by Arrow (1998) and Holzer (1996).

On the ground level, the question facing social policy-makers and practitioners (in this case, job training providers) is how to convert these findings into programmatic responses that will lead individuals to decent-paying jobs? There is arguably little that state policy-makers can do to institute a national wage-setting system that provides workers with more leverage in labor negotiations (although some would reasonably retort that raising the minimum wage, indexing it to inflation, and/or establishing local living wage ordinances would be several important steps in this direction). Nor is there much that state policy pundits can do to stem the tide of globalization or to mitigate racial prejudice. However, state policy makers can make job training programs readily accessible to the poor, and job training programs can address two of the issues raised here: they can attempt to alleviate the so called "skills gap," and they can create new forms of social networks which can help individuals obtain employment. In short, job training programs, at their most effective, can potentially make a big difference in leveling the

playing field. It stands to reason that one critical measure of their success is whether employers feel they are benefitting from hiring graduates of these programs and therefore, keep hiring them.

### **But What Do Employers Really Want?**

Capelli (1997) discusses the distinction between hard and soft skills or, cognitive and non-cognitive skills, and the emphasis different employers place on each. Hard or cognitive skills are simply basic math and literacy skills, delineated most often relative to the competency level of a high school graduate. Soft or non-cognitive skills are best defined as behavioral skills -- how well does one interact with colleagues, superiors and customers? Is the employee conscientious, motivated, persistent? Does s/he demonstrate leadership? It is generally agreed that employers look for a balance between hard and soft skills although, what that balance is is subject to change according to the needs and work place practices of individual employers (Capelli, 1997; Osterman, 1995; Heckman, Roselius and Smith 1998). That dynamic complicates the issue of how job training programs should be preparing their charges for the work force. It is noteworthy that the U.S. Department of Labor attempted to develop a standard set of workplace competencies -- both cognitive and non-cognitive -- however, while these standards have been incorporated into the design of many training programs they have not been widely recognized by the private sector (The Secretary's Commission on Achieving Necessary Skills, 1992).

Holzer engages in a thorough analysis of the issue in his recent book What Employers Want, (1996) which resulted from a Multi-City Study of Urban Inequality of which Boston was one of the sites. He finds evidence that employers today are looking for higher levels of cognitive skills than they have historically, *and in addition* they are also seeking higher levels of social skills.

Against this back drop, the carrot and stick of equal employment opportunity looms for welfare recipients who are subject to a work-first mandate and strict time limits.<sup>4</sup> The social safety net that was once called "public assistance," has metamorphosed into "transitional assistance," and like the program's title, the rules have changed. Regulation highlights state that recipients are limited to a life-time benefits cap of five years; benefit cycles terminate after 24 consecutive months; and after a 60 day initiation period, 20 hours of work -- either paid or voluntary -- is required.<sup>5</sup> Assuming the best of circumstances -- a tight labor market with increasing demand for low-skilled labor -- people leaving welfare or trying to fulfill their work requirements while receiving benefits, will be forced to compete with already employed workers for the best quality low-wage jobs in the service industry, or occupations in clerical, blue-collar and sales.<sup>6</sup>

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<sup>4</sup>It should be noted that "About two-third of the people who start receiving AFDC leave within two years. About half of all those who leave do so because they find jobs. However, many of those who leave subsequently return...about three-fourths [of the caseload]..consists of long-terms recipients who will receive welfare for at least five years in their lifetime." Bloom (1997)

<sup>5</sup>From Massachusetts General Law Chapter 5 of the Acts of 1995. Please note that exceptions are available in certain extreme circumstances such as those parents who are caring for children less than 6 months in age, or children or adults who are disabled.

<sup>6</sup> Although it is a worthy topic, it should be noted that this thesis will not engage in a discussion of the strategies being used to help people move from welfare to work.

Prior to changes in the Massachusetts Welfare laws, a small percentage of public assistance recipients were able to get help with skill building and job finding as a result of their participation in job training and placement programs.<sup>7</sup> However, the aforementioned changes to the law make it virtually impossible for welfare recipients to participate in training or higher education programs.<sup>8</sup> The existing paradigm is for recipients to enter a One-Stop Career Center, where they will get help in finding a job or be placed in a "Welfare to Work Program" designed to provide placement, on-the-job coaching, and follow-up (see footnote 8 for an explanation of this program). Significant skills training is not a program component.

It is impossible to know how welfare recipients will and are faring under this system -- it is too soon to tell. It would seem that lack of formal skills training would be an impediment to stable and well paying employment -- a fact echoed in a March 1999 study released by the Educational Testing Service (*The Boston Globe*, March 11, 1999). *"The economy is strong enough to absorb everyone now on welfare, but two-thirds of welfare mothers lack the skills to escape poverty."* (Ibid).

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<sup>7</sup>The number of welfare recipients anticipated to participate in workforce training is expected to diminish under the reform laws which mandate 20 hour per week of paid or volunteer work over and above enrollment in any continuing education program. It should be noted that "As of June, 1997, there were 2,350 welfare recipients in basic education programs, 1,950 in skills training, 600 in supported work, 1,900 in two-year community colleges, and 700 in four-year college programs" (Moscovitch, 1997).

<sup>8</sup>Recipients can receive job training in lieu of their work requirement if an individual has been on welfare for more than thirty months or is within twelve months of benefits ending and possesses two or more of the following barriers: 1) Does not have a high school diploma or GED, or has a reading and math level which is below 9th grade; 2) No recent work history 3) Needs substance abuse recovery services. These programs are run directly by select employers.

Many studies have sought to evaluate the effectiveness of job training programs from the perspective of the individuals participating in them -- this study was designed to evaluate whether employers feel satisfied with the work force they hire through employment and training programs, and goes a step further in trying to measure employer benefits. Hearing from the private sector provides us with a unique perspective on the relative importance of employment and training programs and their role in the open market.

This thesis builds upon the research to date by assessing, from the employer perspective, the benefits of hiring workers through publicly-funded job training programs. It is important to note that not all workers hired through these programs were former public assistance recipients, however, we can be assured due to program guidelines and funding requirements, that all program participants were low-income.<sup>9</sup>

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<sup>9</sup>Boston-area training programs have a variety of eligibility guidelines however, all publicly-funded programs are mandated to serve low-income individuals.



### **III. HOW THE STUDY WAS DESIGNED AND CONDUCTED**

My first task in beginning this project was to design a survey instrument that would get to the heart of employer perceptions of training program graduates. To do so I researched other employer questionnaires paying particular attention to that used by Holzer et al, in the aforementioned Multi-City Study of Urban Inequality. I then developed a semi-structured survey instrument (i.e., one that has both closed and open-ended questions (Denzin (1989) which I was fortunate to be able to review with several prominent researchers in the field of labor economics, most notably Professors Chris Tilly and Paul Osterman (from University of Massachusetts at Lowell and MIT respectively). Professors Aixa Cintron and Paul Levy of MIT also provided valuable critiques. The survey was intended to be, and was in fact, administered during the course of telephone interviews. I chose this method of administration because a) I felt employers would perceive a telephone interview to be more time-efficient than a face-to-face interview and would therefore, be more likely to cooperate b) my analysis of the literature indicates that telephone interviews are equally effective to face to face interviews (Groves, 1979; Rogers, 1976)) and c) I have significant experience conducting telephone interviews wherein I generate a simultaneous transcript of the conversation taking place -- therefore, it was and is a tool I am quite comfortable using. The survey instrument and the responses to it are enumerated in the section entitled "The Interviews," which begins on page 21 of this document.

As the instrument was being completed I contacted the Boston Private Industry Council (PIC) to obtain a listing of federally-funded adult skills training programs located within the City of

Boston. The PIC's list contained the names of seventeen organizations -- all nonprofit agencies. To enlist the participation of these organizations, I approached the Chair of their trade organization, The Job Training Alliance of Massachusetts, Inc. (JTA), who agreed to send out a letter asking each group to cooperate with my study by providing contact names and telephone number of employers who had hired program graduates during the 1998 calendar year. Ultimately, nine of the seventeen training providers (58%) forwarded this information.

I can only speculate as to why the remaining eight training programs chose not to participate.<sup>10</sup> Several voiced concerns about confidentiality, saying they did not share their employer lists with anyone (I assume for fear of poaching, that is, for fear that other employment and training programs would use those contacts for their own benefit). Others promised repeatedly to send lists and did not. I assume this was due to either extreme workplace pressures attributable to the changing nature of program and funding requirements and/or to simple disorganization. Others did not return my telephone calls. The organizations that chose to participate did so with apparent eagerness -- each stating a high level of interest in learning the results of the research.

What follow is a chart containing a brief profile of the organizations that participated in this study.

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<sup>10</sup>It is important to note that the organizations that did not participate in this study possess similar characteristics to those that did in terms of training program size, target population, years in existence, and training program type. In addition, I had access to the complete list of employers who hired training graduates from all seventeen programs. This assured me that my employer sample did not deviate in any real way from the list as a whole.

<b>Provider Agency</b>	<b>Program Type</b>	<b>Program Length</b>	<b>Entry Requirements</b>
American Red Cross	Certified Health Care Assistant	4 months	*7th Grade English *6th Grade Math
Asian American Civic Association	Office Systems	4 months and 5 months	*Advanced to intermediate English *Clerical experience preferred *Basic math skills
Boston Technical Center	Cable Installation Medical Secretary	3 months	For Cable Program: *Good math skills *Good interpersonal skills *Valid Driver's Lic. *Able to lift 75 lbs.  For Medical Sec: *8th Grade Reading *6th Grade Math *Typing/Clerical Skills a plus
Jewish Vocational Services	Computerized Office Skills for Accounting and Medical	4 months	*6th Grade Reading *Math score on TABE
La Alianza Hispana	Certified Nurse's Aide and Home Health Aide	2 months	*7th Grade Reading *7th Grade Math *Advanced to Intermediate English
Morgan Memorial Goodwill Industries	Computer Office Skills	3 months and 4 months	*6th Grade Reading *6th Grade Math

New England Shelter for Homeless Veterans	Basic Skills training for Commercial Driver's Lic. B Drivers, Computer Support Specialist, Computer Operations and Office Specialists, Culinary Arts.	3 months, 3.5 months, 4.75 months, 4 weeks.	* Aptitude test in Math, Reading Comprehension  For CDLB: *Clean Driving Record *Lic. Driver for 3 years minimum *Must Pass Drug Screening Test *Must Pass Dept. of Transportation Physical
One With One	Entrance Medical Office	6 months	*2nd Grade English *Willingness to commit to work of program, getting a job, application process
Operation Able	Computer Office Skills	5 months	*55 years of age and older *7th or 8th Grade Reading/English *Goal of part time or fulltime employment *High School Diploma desirable

**Ascertaining Which Employers to Survey**

The list of employers hiring training program graduates that was provided to me by these organizations contained a total of 274 company names. Of these employers, the largest single industry sector represented was health care with 63 companies listed (22.9% of the total). The next largest industry sector hiring training program graduates was the finance, insurance and real

estate industry (commonly referred to as FIRE), however, this sector represented only 6.5% of the total hires or 18 companies. This information coincides with data from the Massachusetts Division of Employment and Training detailing a breakdown of employment by industry type for 1997 (the latest available figures). In it, Health Services with 73,376 jobs, is listed as the single largest employer in the Boston area. Business Services with 40,095 jobs is the second largest employment sector.

Using the contact names and company names provided, I then cross-referenced the list of health care companies in an attempt to ascertain which hired training graduates from a singular program and which hired from multiple programs. I discovered 11 companies had hired graduates from more than one nonprofit trainer, and matched those with 11 I thought had hired from only one program (later on this would not prove to be entirely accurate; some employers had hired individuals from providers who had not chosen to participate in my research, while other had hired from more than one program included within my sample even though the records did not indicate that). On the first list I also noted that four organizations had multiple contact people, that is, more than one individual at the company hired employees from job training programs. In deciding which employers to call, I made sure to utilize lists from every training provider in order to get a fairly even sample from each program.

My success in contacting individuals responsible for hiring at these companies was as follows:

Control Group #1: Employers hiring from multiple training programs

11 companies in total  
16 individuals listed  
12 individuals interviewed (representing 9 companies)

9 out of 11 companies represented in the study results

Worth noting is that all of these employers represented large hospitals or health care organizations. I define "large" as being those employing more than 300 individuals.

Control Group #2: Employers hiring from single training programs

11 companies in total  
11 individuals listed  
8 individuals interviewed

8 out of 11 companies listed represented in the study results

All of these employers represented small health care organizations.

**Totals: 17 companies, 20 individuals interviewed. The seventeen companies represented 26.9% of the total number of health sector organizations hiring individuals from Boston nonprofit training programs**

#### **IV. THE INTERVIEWS**

As the reader can see, I had considerable success securing interviews with employers who had experience hiring job training program graduates. Of the 22 companies I contacted, 20 individuals from 17 different health care organizations agreed to be interviewed. Interviews averaged 30 minutes, with the shortest being 15 minutes and longest 55 minutes. Eleven of those interviewed had job titles that included the term "Human Resource" as in Human Resource Specialist, Generalist, Regional Manager, Business Partner, Recruiter, or Manager. Others interviewed were administrators, directors and in one, case, a dietitian. Of the 20 respondents, three had not hired people from job training programs during 1998 but were included in the sample because they had hired graduates during 1997 or more recently, in 1999.

The survey instrument included a total of 25 questions which in general sought to ascertain:

1. Perceived worker performance based on non-cognitive measures;
2. Perceived worker performance based on cognitive measures;
3. Overall degree of satisfaction with hiring workers through job training programs; and
4. Perceived cost effectiveness of hiring workers through job training programs.

Each question and the results obtained are discussed below:

## **Findings**

1. Can you tell me briefly about your position, how long you've been at the company, and how you are involved in hiring?

Eight of the respondents had held their jobs for two years or less; six had held their jobs from three to five years; six had held their jobs for over five years. All were involved in direct hiring.

2. About how many job training program graduates did you hire from nonprofit training providers during the period January 1, 1998 - December 31, 1998? (by a nonprofit, I mean a community-based provider of services -- not a community college or vocational high school).

The largest number of individuals hired from training programs in a single year were 30 employees, the lowest number was one. As was stated earlier, three organizations hired no people during 1998. Of these, two hired four and ten people respectively the prior year, one hired two people during 1999.

A summary of the data on number of people hired from training programs during 1998 was as follows:



Number of Employees Hired from Job Trainers

Number of Companies

1-2

6 (including one hiring in 1999)

3-6

8 (including one hiring during 1997)

8-15

3 (including one hiring during 1997)

20 or more

3 companies

3. Was this the first time you hired people from a training program? If not, how long have you been hiring people from training programs?

Thirteen employers had either directly hired people themselves from training programs prior to 1998 or worked for companies that had done so. It is noteworthy that four companies had been hiring from training programs for more than seven and a half years (one for 22 years).

4. How many training programs did you hire employees from during 1988?

Seven hired from a single program, eight hired from two programs, and five hired from three or more job training programs.

5. Which [three] program(s) provided you with the most trainees?

As mentioned earlier, I chose employer names provided by each training program in an effort to elicit responses pertaining to each program. This ensured a fairly even reference to the job

training organizations included in my sample. In addition to the nine programs included in my sample, six others were mentioned by the employers surveyed.

#### 6. How did each agency refer people to you?

There were five categories of responses to this question; employers hired training graduates who had worked for them or their company as interns (six respondents), had attended a job-fair sponsored by a particular training program (six respondents), had received a resume directly from an individual job seeker (two respondents), had received a "resume book" from a referring training program (two respondents), and most frequently (13 respondents) developed a close-working relationship with a staff person at the training program who referred people to them.

***"They [the staff at the training program] simply fax over resumes, and once in awhile they make cold calls saying 'I have a class graduating and do you need anyone?' And once in awhile that timing is just right, when I have a job opening at an entry level." Small employer; four plus years at company.***

***"I believe it was one of the job coaches who called me actually, and said that she had some people who were looking for positions. And I set up an interview with her and after that initial meeting, you know, we established a relationship, and she then referred more people to me. With [another training provider] I was able to hire this office assistant -- she was referred by the Human Resource Department -- she was working there as a temp employee, and they said, 'she's great, do you want her?'" Large employer; 17 years at company.***

***"They just call me and they'll say 'hey, we've got some people for your unit associate job,' or secretary job, and 99% of the time, I end-up seeing that person. I work directly with the job placement coordinator. And she'll call me when they're done with their class and I'll interview them and pick the ones I want and set up an interview with a manager." Large employer; three years hiring for that company.***

***"What they do is they send you a letter and they say that their 'graduates are ready to come into the work world,' and they invite you to the job fair, and people walk around and give you their resumes and they're all really well trained....And then once they're done graduating, you get a resume book with all the grad's names. I usually call up and I say 'I really need somebody who can speak English.' We like bilingual people but we need people who can speak English clearly. And they weed people out and send people over."*** Small employer; three plus years hiring for that company.

***"If someone calls from a job training program, I know that they're going to show up everyday, I take the recommendation from the counsellor until it gets to the point when they're always wrong. I put a lot of trust in the counsellors. I know that they've been working with that person. They really want that person to work out."*** Large employer; one year at company.

7. Can you describe your relationship with the referring agency -- i.e., did you have any involvement with them in planning training, interviewing candidates, etc.?

Twelve respondents were closely involved with one or more training programs; eight were not involved at all. Five were on the board or advisory board of a training program, seven participated in workshops or mock interviews with trainees, seven hosted interns.

***"The [provider] has a board that I sit on that is made up of local Human Resource or business professionals that are trying to find out about the program. It's an interesting trend -- you don't really think of it, but with the employment the way it is -- so low right now -- you need to think of ideas to find the applicants."*** Large employer; one year at company.

***"I've been on their advisory board so I'd go in and make suggestions about how their program could be modified. And then also as a member of the advisory board, I also volunteered to do mock interviews, to speak with the students, to help them learn about [our company], to hear what we did for work, how to look for a job and interview, to give them some tips."***

***Sometimes I did the mock interviews on site, and sometimes they would send the student out as if the student was going on a real interview. They would really come prepared, they came***

*dressed appropriately, showed-up on time, they were really very well prepared for where they were going."* Large employer with four years hiring at that company.

*"I do mock interviews – I just did one last week. They ask for our input on the training but I've never done any direct training with them. And we have interns from them as well. And they always ask after that, 'What skills does the person need to have that they didn't?'"* Large employer; over one year at company.

8. Can you tell me the job titles of the two most recent training grad's you've hired and which agency they were referred from?

Not surprisingly, the workers hired were primarily for entry level positions. Job titles included:

Accounting Assistant	Administrative Coordinator
Benefits Clerk	Billing Assistant
Billing Specialist	Cafeteria Worker
Clerical Assistants	Data Entry Clerk
File Clerk	Front Desk Appointment Receptionist
Human Resources Assistant	Human Resource Information Systems Clerk
Member Services Representative	Nurses Aid
Office Assistant	Patient Access Representative
Patient Care Technician	Patient Services Coordinator
Program Assistant	Secretary
Senior Billing Specialist	Receptionist
Registration Coordinator	Unit Associate

9. How do you usually recruit people for those positions? (advertising, word-of-mouth, etc.)

Employers tended to use multiple strategies to recruit employees for these positions. The most commonly used method was newspaper advertising (14 respondents); and interestingly, the second most frequently used method was contacting job training programs (7 respondents) indicating that employers perceive job training programs are a reliable source of employees.

A summary of the recruitment methods used were as follows:

14 utilized newspaper advertisements

7 contacted training programs

5 utilized internal job posting

5 drew-upon "walk-in's," that is, people coming in looking for work, and employee referrals

5 contacted employment agencies

4 posted jobs on the Internet.

***"I put an ad in The [Boston] Globe and the local papers and that didn't pan out very well -- we didn't get a large enough pool of candidates. So I started going through the phone book contacting government agencies..."*** Small employer, 22 years hiring experience.

***"I call up these job training agencies and I ask "Who do you have? Who is reliable? Who is still looking? Whose English is passable?" And we do interviews that way."*** Large employer, six plus years hiring at company.

***"We get a lot of walk-ins and employee referrals. A lot of times we do go out to the training programs and we wouldn't necessarily get those candidates from running an ad."*** Large employer, one and a half years at company.

10. In general, how easy or difficult do you find it to recruit people for job title a?b?c? Would you say it's very easy, fairly easy, fairly difficult or very difficult to find qualified people for that job? [If difficult] Why?

More than half, 12 respondents said it was "fairly difficult" to recruit people for the position they had filled with a job training program graduate -- two additional said it was "very difficult."

The most frequent reason mentioned for the difficulty was finding someone with the particular skill mix (including "people" skills) they sought. The tight labor market was also mentioned.

***"It's fairly difficult because you're looking for certain skills. This particular person is doing ground keeping inside and outside, so he has to know landscaping and he has to be someone who can come inside and do carpet cleaning. And finding someone with those skills is difficult."*** Small employer; 12 years hiring experience

***"This particular position, I'm looking for someone who can wear many hats. And what I was finding when I was interviewing Office Assistants is that they might have some of the skills but they couldn't fit all of the skills. It was difficult finding someone with the computer skills but who also has had some people-service-type-skills. It's an active job -- not just a desk job. This person constantly interacts with customers."*** Large employer; 17 years at company

***"It's very difficult with unemployment being so low -- there aren't a lot of good qualified people who are responsible."*** Large employer; 2 years at company

***"In theory it should be relatively easy but because the job market is so tight, it is somewhat difficult."*** Large employer; one plus year at company.

***"Right now its very difficult. We compete against hospitals and a lot of places. It's tedious detail-oriented work and its very difficult to find people for these positions."*** Small employer; six years plus hiring.

***"It is fairly difficult because we are a day program and we can't pay a lot -- they can get more [money] from nursing homes and day hospitals. Sometimes the fact that we can't pay a lot is good though because we know once they're here, they are really happy to be here. Because of how our programs is, it's good if you can take blood pressure, pulse and weights, but you don't necessarily need to know that. You don't have to have special skills but you have to have...here we call it "it," because when you work with people who have Alzheimer's you've got to have "it." You could have no skills, but if you have the heart for it, you can make this job work for you."*** Small employer; eight years at company

A summary of the responses to this question were as follows:

2 very easy

3 fairly easy

12 fairly difficult

1 average

2 very difficult

11. What kinds of skills are you looking for in [position a,b,c]?

Sixteen of the employers interviewed were looking with people with particular "hard" skills such as computer experience, accounting skills, specific typing speed or experience taking blood pressure and pulses. Ten talked about attitudinal attributes or "soft skills", using phrases that included "strong work ethic," "positive attitude," "can-do attitude," "team player," "flexibility," "maturity." Twelve mentioned both hard and soft skill requirements.

***"A positive attitude. That might sound simple but I always tell people, 'I can train you to do any job but if you don't have the right attitude, I can't do anything.'"*** Large employer; 17 years at company.

***"That they show up everyday is a biggie -- the dependability factor -- that they have back-up if their childcare falls through -- that they understand if its snowing, they still need to come to work. I can work with you if you need computer skills but I can't teach you how to get to work on time"*** Large employer; one year at company.

***"Basically that they'll come to work -- they don't even have to have a lot of skills -- it's cleaning and transport. We're really willing to take people who want the job. A lot of people***

*say 'Oh, a cleaning job – I don't want to do that' – they put a stigma on it."* Large employer; three years at company.

*"We're looking for someone with strong customer service skills who is articulate, friendly and professional. This is the first impression of the patient when they call or come in."* Small employer; four plus years at company.

*"We need someone who has good computer and good judgement skills with patients who have health complaints. You need to decide – do you page the doctor or not?"* Large employer; two plus years at company.

*"They have to have fairly good customer service skills. They might get asked questions like 'How do I get there?' or more complicated questions like 'Why was my insurance denied?' or 'Geez, I'm having problems with my insurance, can you help me resolve it?' You have to be a good problem-solver, have good computer skills. You don't necessarily need to know about health insurance but they need to know coding."* Large employer; two plus years at company.

12. Thinking of the last person you hired for each of these positions, was s/he more qualified, somewhat more qualified, equally qualified, less qualified, or considerably less qualified than the last employee you hired on the open market?

The overriding response was that employees hired from job training programs were equal to or more qualified than open market hires. I interpret this to mean that the employers perceive the programs work effectively to either screen and/or produce good quality candidates. Of the 28 employees discussed, employers felt that 22 met or exceeded the qualifications of the open market hires.



The recorded responses to this question were as follows:

14 employees were considered to be equally qualified

4 employees were considered to be somewhat more qualified

4 employees were considered to be more qualified

1 employee was considered to be somewhat less qualified

4 employees were said to be less qualified.

1 was not sure

It is important to note that in six cases, the employer was speaking about more than one employee.

Equally compelling are the explanations that were offered. These included:

***"They are equally qualified but they have more professionalism. [The program] trains them how to work in a business environment."*** Small employer; two plus years at company.

***"She's more qualified but I think a lot of that is an experience factor. She's much older than the person I had in the position before so that makes a big difference. She's had more life experience, she's more comfortable work people. I think the fact that someone goes to [this training program] says something about their initiative and work ethic."*** Large employer; 17 years at company.

***"She's more qualified because she went through the training program -- being familiar with medical terminology, wanting to work in a hospital. They've already passed the [training program] screening, they've done an internship, we have more history with them."*** Large employer; over one year at company.

13. What special skills, if any, did s/he bring to the job (for instance, bilingual skills, specific technical skills)?

Of the 28 employees hired, ten brought computer or specific technical skills to the job, nine were bilingual (three had both attributes). Bilingual ability was often referred to as a significant bonus qualification.

***"That particular person -- she was bilingual and was equally good in Cantonese and Mandarin skills as well as English -- and we were fortunate to find her. She had a lot of work experience. If she hadn't done an internship here, I don't think we would have found her. She translates for us and she's also very good at what she does."*** Large employer; four plus years at company

***"She was bilingual in Russian, and at [this hospital], after Spanish, Russian is our largest second language."*** Large employer; four years at company

***"I think it was the whole broad spectrum. She had run her own business, she knew retailing, and they [the training program] had given her computer skills. She was very detailed and organized and had a smatter of experience with human resources and payroll and accounting, and having all those was a huge win on our part."*** Small employer; twenty-two years hiring experience.

14. How would you define job title a's attitude overall -- a lot more motivated than other employees, somewhat more motivated, the same, somewhat less, a lot less?

Nineteen of the 28 employees were regarded as being somewhat more or a lot more motivated than open market hires (ten and nine responses respectively). The remaining employees were regarded as having the same attitude.

***"They are a lot more motivated – they are hard workers who want to exceed and they want to excel."*** Small employer; two plus years at company.

***"They are a lot more motivated and seem to be very appreciative and grateful that you are giving them this opportunity. They are very hard workers, very timely, very respectful, and that's what I have found to be the difference. I'm not saying that people who have come from the open market don't have similar values, but if I had to identify a theme, that would be a common theme."*** Large employer; one year at company.

***"The students from [the training program] are unbelievably motivated. I think part of it is the training – it is quite a rigorous program and I think they are screened fairly well before they start the program."*** Large employer; four years at company.

***"I would say she was 'the same' but one of the better employees – always here, on time, did her job, got everything done. When she needed a references from her supervisor, she got a recommendation to move [to a promotion] within the same building."*** Large employer; four years at company

15. How did you find job title a's basic skills, i.e., reading, math, etc., substantially below those of the open market employee hired for that position, below those of the open market person, the same, slightly better, significantly better?

Most respondents, 14 altogether, felt that the employees basic skills were equal to those of open market hires. A breakdown of responses were as follows:

17 employees were regarded to have the same basic skill level

4 were ranked to be slightly better

1 was considered to be significantly better

3 were said to be slightly below

3 were regarded as below.

Altogether this means that 22 out of 28 individuals were considered to have skills that were equal to or greater than open market hires.

16. Did job title a need remedial assistance in ways that were substantially greater, greater, the same less than or significantly less than the employee hired on the open market?

Three out of 28 individuals needed remedial assistance that was regarded as "much more", "a little more" or "greater" than open market hires.

17. Is job title a,b,c much less productive, less productive, the same, more productive, or much more productive than the last person you hired for that position on the open market?

Ten employees were perceived to be "more productive" or "much more productive" than open market hires (eight and two respectively). Twelve were determined to be equally productive.

Therefore, 22 out of 28 employees were considered to be equally or more productive than open market hired employees.

The full range of responses were as follows:

12 were considered equally productive

8 were considered more productive

3 were considered much more productive

3 were considered less productive

2 respondents were unsure

18. Was it more or less time consuming working with a job training program than hiring people through the other means you mentioned?

Eight respondents stated that it was less time consuming, nine stated it was the same, two stated it was more time consuming, and one told me it was either the same or more time consuming depending upon the situation. Therefore it was less or equally time consuming for 17 out of 20 respondents. The most common reasons cited for saving time were confidence in the person making the referral and the chance to see candidates in action in the course of internships with the company.

***"Both of those people came through an internship so in some ways it was easier. They were interns, and we have jobs, so we hired them."*** Large employer; four years at company.

***"I find it a benefit because they screen the person, they know the person, versus someone responding to an ad."*** Small employer; two years at company.

***"Really what we've tried to do is develop relationships with people at the programs so we have a certain kind of trust when they call up and say 'We have this person.' When we get a referral from a person we feel comfortable with, we are already ahead of the game."*** Large employer; one year at company.

19. Did you find other advantages or disadvantages to hiring people from job training programs?

Every person interviewed was eager to talk about the advantages of hiring people through job training programs. Seven discussed the strengths of working with a job training program, naming work readiness training, that they could call for post-placement support if needed, and an oft repeated theme was the valued relationship with the person doing the referrals. Seven employers extolled the "soft" quality of the workers they hired, using terms such as highly motivated, good ethics, loyal to the company, positive attitude. Only three of 20 respondents cited a disadvantage of hiring people from job training programs. Two commented upon the need to be wary of counsellors who were "pushing" people who might not be job ready; one complained about too much post-placement interference.

***"I can count on them in pinch if I need help, if I need to find a person in a hurry, I can make a phone call -- I don't have to waste time going through the files, and they usually have people for me right away. Plus I get to go their luncheons and their job fairs and I get treated really well. It's nice, it really is. It's a good relationship."*** Large employer; six plus years at company.

***"Well the main advantage I found was that there were other eyes I trusted looking at these candidates. If I didn't know the people who were running the program, I don't know how I would feel, but these two women, I trusted their judgement and their evaluation, so it was easier to take a chance."*** Small employer, four years at company.

***"I find they are extremely honest when describing candidates to me. I tell them what I'm looking for and they always give me the inside scoop -- this person is good but here are the issues, which I truly appreciate. So I find them extremely professional and very nice to work with and I'm not just saying that."*** Large employer; one plus year at company.

***"I think one thing that is noticeable is the work ethic of the people that we get from the program is more than superior to the candidates we hire on the open market. Their loyalty,***

***commitment, their energy, they tend to really want to improve and prove themselves and it definitely shows in their work.*** Small employer; six plus years at company.

20. Overall, how would you rate the quality of the employees you hired from job training programs versus those you hire independently -- lower than average, about the same as those you hire through other means, higher than average, you're not sure?

Nine respondents rated the quality of the employees as being higher than average, eight said they were the same, one was not sure, and two thought the employees were lower than average.

Therefore 17 out of 20 employers felt the quality of the employees was equal to or greater than those they hire on the open market.

***"I think their work ethic is stronger. I think there's an intrinsic motivation and I don't know if it's part of the training and the coaching and the development that they're getting from the training -- certainly, it's not just the skills. It says something about a person that joins an agency like that. Skill set wise, it really depends on the job -- you can't say the skill sets are higher, but they end up doing a better job because the motivation is there -- that will to learn is so strong."*** Large employer; one plus year at company

21. Would you hire more people from [named] training provider(s)?

All 20 said they would and half used emphatic terms like "definitely," and "absolutely." One response added that they would not hire again from a previous training program with which they had poor results.

22. Do you view working with job training programs as a cost-effective strategy for filling these positions?

Nineteen out of 20 agencies viewed working with job training programs as a cost effective

strategy -- the lone dissenter said *"No, but I wouldn't just do it for cost-effectiveness -- I look at it as trying to provide people with opportunities."* Small employer; fifteen years at company

*"I would say based on the experience that I've had with the folks that I've gotten from job training programs, I would say, on average, they work out and stay longer than someone who I'm just taking from an ad."* Large employer; 17 years at company.

*"We have established relationships and they refer people to us. It reduces our costs for advertising (when we do advertise), and anyway, it doesn't add to our expense."* Large employer; over seven years at company.

*"It can be highly expensive to leave a job open and if you have to put something in The [Boston] Globe it can cost you thousands of dollars to advertise for one position. They are a source of applicants. Sometimes timing has everything to do with it, if they have a group that is graduating in March and it's January, sometimes we can't wait."* Large employer; four years at company.

*"In that I don't have to advertise, yes. And also that they keep my needs in mind -- they know what we're looking for so that even if there was no opening but they had someone who spoke Portuguese they would call me."* Small employer; 4 years at company.

23. What were your original reasons for collaborating with a job training provider the first time you engaged their services?

The reasons cited were: a tight job market (nine responses); they contacted me (four responses); to increase diversity (three). Other reasons cited were they saw it as cost-effective, commented on the quality of the program and its staff.



***"The unemployment rate and trying to find Patient Care Assistants – it was very hard in this market to find people who were trained and qualified."*** Large employer; three years at company

***"I think it just comes down to the pragmatic need to have additional candidates. I was just looking for resumes and candidates from any direction."*** Small employer; 4 plus years at company

***"To be honest, it was too expensive to run an ad in The [Boston] Globe, and the invitation for the job fair came two days after I started. And I knew we were expanding by 40 people so I said, 'it's time for me to go and see what's out there.'"*** Smaller employer; 2 years at company

***"My first experience with [program not included in study sample]. was not positive. But I got in touch with [job training program], and the woman [ the job counsellor] came in and met me, and we were doing a large hiring at the time --and it wasn't until that collaboration that I felt "Gee, these people, they are sending some good candidates,' and that kind of opened my eyes about using some of the job training programs for filling the positions."*** Large employer; seventeen years at company

#### 24. How did the result differ or dovetail with your expectations?

Ten employers commented that the experience exceeded their expectations and ten said it met their expectations. Comments included:

***"They are better than what I thought. When I first went there for the job fair, I thought truthfully that every person came up to me and said the same thing, and I thought 'Wow, what have I gotten myself into?' Once we decided...I think we needed four people and we needed them in a hurry, and they tested well, and we thought 'let's give them a shot.' And the first four came in and we were really blown away. And you're like 'Oh wow, these people are really going to be good.'"*** Small employer; two years at company

***"I think the best way to describe it is that initially I was very reluctant and I think over time with [said job training program] -- I'm just very pleased with the candidates that we've gotten."*** Small employer; over seven years at company

***"It more than meets our expectations. And the reason I say "more" – part of the bargain is that I get very good diverse candidates as well. Originally my goal was not diversity, it was to get people who were trainable. But along with that we got a lot of diverse candidates, and we can watch them grow and flourish in the company."*** Large employer; over four years at company.

***"I think the people who work there are very dedicated to what they do – they take it very seriously. They really listen to their advisory board, they modify the program to meet the employer's needs. I was really impressed and it exceeded what I expected."*** Large employer, four years at company.

25. Is there anything else you'd like to tell me about your experience?

***"All I can say is that I advocate using community service agencies because I think they benefit everyone involved with them. We benefit from the arrangements because we get to interview them and offer them a job if they meet our requirements. I've lived in Boston all my life, and I see what these programs do – it affords people an opportunity they may not get on their own."*** Large employer; over seven year at company

***"Talking with you has made me think I should work with more job training programs to see what they can do. I've been successful with the [named program]."*** Small employer; 4 years at company.

***"I would just say that of the four to five people that I have employed now that have come from job training programs, I would say that four of the five are very reliable – some of my key, strong employees. So I think that must say something about job training programs."*** Large employer; seventeen years at company

***"All I can say it has been a worthwhile experience for us to participate in these programs and I do feel that it is a win-win situation for both the clinic and the organization that is promoted the people."*** Small employer; 25 years at company

***"Once you go to them [the job training programs] you really get sucked into them. I always laugh – I came from my first [training program] graduation lunch and you're in tears, you really do get so moved by the individuals. Some of the things you take for granted – you see someone who has never had a job with benefits. It's a great feeling personally from that."*** Large employer; one year at company.

## **V. INTERPRETING THE FINDINGS**

The narrative in the preceding section described the responses I received during the course of my interviews with employers. When designing this study, I also intended to conduct a secondary analysis to assess whether employers hiring from one training program would have markedly different perceptions from employers hiring from multiple training programs. Unfortunately, my initial determination of which employers fell into these categories was incorrect due to both incomplete information and the fact that some employers had experience with job training programs not included in the study sample. The net result was that only four of the employers interviewed hired from a single job training program -- a number which did not seem sufficient to do a comparative analysis.

I also purposely interviewed three pairs of employers (six people in total) who worked for the same three companies in an effort to look at whether or not their responses would be parallel or differing. I found that different people from the same company had slightly different opinions from one another, indicating that there was no identifiably "company line" on how people hired from job training programs were viewed.

Finally, in looking at the data set, I recognized that employers could be divided into two identifiable categories: those representing large hospitals and health care corporations (11 employers), and those representing small and mid-size companies (nine employers). I therefore thought it would be useful to comment on my original hypotheses and subsequent findings in

light of both the aggregate results and the results obtained when dividing the research population into these two categories.

### **Measuring the Findings Against the Original Hypothesis**

My four hypotheses were as follows:

1. Firms believe these workers are more motivated as a whole;
2. Program graduates possess unique skills such as native bilingual ability that adds significant value to the positions they hold within firms;
3. Training program graduates help employers meet affirmative action goals;
4. Firms are saving money by hiring workers through publicly-funded job training programs.

Each of these were supported to varying degrees as indicated by the following:

#### **Hypothesis #1. Firms believe these workers are more motivated as a whole.**

According to the answers received in question 14, employers perceived that 19 out of 28 workers hired through job training programs were either "somewhat" or "a lot more motivated" than workers they hired on the open market. Several employers spoke about their perceptions that these workers possessed a strong "work ethic," that they were grateful to be working, and that they had a drive to excel.

There are several reasons why training program participants might be more motivated than open market hires. First, it is possible that job training programs look for people who are eager to learn and "cream" those who are more highly motivated than the general population. Second, people participate in job training programs because they have a desire to acquire new skills. Many have never held a steady job; others have never held a job with any "prestige." Learning new skills empowers participants, and makes them want to prove their competence to themselves, their families and their employers.

Analyzing the results for large versus smaller and mid-sized firms revealed that smaller firms were somewhat less impressed with worker motivation than large firms. The breakdown was as follows:

	<u>Larger Firms</u>	<u>Smaller Firms</u>
Equally motivated	2	7
Somewhat more	10	0
A lot more	7	2

In summary, this non-cognitive skill was highly valued by employers.

Hypothesis #2. Training program graduates possess unique skills such as native bilingual ability that adds significant value to the positions they hold within firms.

In response to question 13, nine workers (out of 28) were identified as being bilingual. This

qualification was regarded as having a high value to the employers who frequently described it as a "bonus" in terms of having workers who could interact with the public and/or who reflected the community in which the company was located. Bilingualism was more common in hires from job training programs than from open market hires. In addition, employers commented on the level of job-related skills that ten workers brought with them as having added value.

Hypothesis #3. Training program graduates help employers meet affirmative action goals.

There was no specific question pertaining to affirmative action and only three employers mentioned it as a specific reason for collaborating with job training programs. However, as noted in the previous section, bilingualism was considered to be an important attribute of the workers hired through job training programs. Since these workers are likely to possess native bilingual ability, we can infer that their presence in a particular company helps to diversify the workforce. In addition, one respondent suggested that diversity of the workforce turned out to be one unexpected but welcomed outcome of the collaboration with job training providers.

Hypothesis #4. Firms are saving money by hiring workers through publicly-funded job training programs.

Several of the questions asked allowed me to measure perceived savings. The most obvious, question 22, pertained to cost-effectiveness wherein 19 out of 20 employers directly stated their belief that it was cost-effective to hire workers through job training programs. In addition,

several other questions contributed to my knowledge in this area. In question 9 "How do you usually recruit for these types of positions?" I was surprised to learn that "through job training programs," was the second most popular response after newspaper advertising (seven and 14 responses respectively). Employers perceive they can go right to the source to hire qualified workers, which is a money saving measure since none of the job training programs in this study charge any sort of placement fee.

I also asked in question 18 whether employers thought it was more or less time consuming hiring from job training programs. Here 17 of 20 respondents felt it was less time consuming (eight responses) or equal to (nine responses) hiring people on the open market (it should be noted that the response "more time consuming" was given by one large employer, one small employer, and a second large employer who said it was either "the same or more depending upon the situation.") This reinforces my belief in the perception that hiring from training programs is cost-effective for employers.

The results of three other survey questions further bolsters this belief. In questions 12, 15, and 20, it was revealed that employers feel that the qualifications, basic skill level, and quality of hires are by and large equal to or better than those employees hired through the open market. From this one can infer that employers would not need to provide additional on-the-job-training to these workers over and above that provided to open market hires (and in cases where workers interned at the company, the on-the-job-training time would be considerably lessened).

The results varied somewhat for larger and smaller firms as indicated below: larger employers felt that job training graduates were more highly qualified than smaller firms (question 12).

Ranking them as follows:

	<u>Larger Firms</u>	<u>Smaller Firms</u>
Equally qualified	12	2
Somewhat more	3	1
More qualified	3	1
Somewhat less	0	1
Less qualified	0	4
Don't know	1	0

One reason for these results might be due to the fact that smaller firms do not tend to be involved in hosting interns or participating in training program workshops (only two of the nine did so). As mentioned previously, having interns on site may ultimately lead to workers who are trained in company practices and therefore perceived as being more qualified than open market hires. It should be noted that all but one large employer was an active participant with one or more job training programs. This is likely due to the fact that large companies have more human resource personnel and therefore, more staff available to participate with training programs.

In terms of basic skills, question 15, How do you find basic job skills, reading, math, etc. responses were as follows:



	<u>Larger Firms</u>	<u>Smaller Firms</u>
Same	11	6
Slightly better	3	1
Significantly better	0	1
Slightly below	3	1
Below	3	0

The division of responses regarding the overall quality of employees hired from job training programs (question 20) was:

	<u>Larger Firms</u>	<u>Smaller Firms</u>
Same	5	3
Higher	6	3
Lower	1	1
Not Sure		1

In question 23 when they were asked their reasons for collaborating with job training providers, nine employers cited the tight labor market which leads me to believe that job training programs are a particularly valuable resource for labor referrals in this competitive economic climate (and ergo, a cost-effective one).

In summary, all of the hypothesis bore out to a certain extent, however, additional information is needed to verify the affirmative action findings. A targeted question would have helped to elicit

this information. As a whole the results seem to indicate that large firms perceived they benefitted more greatly than smaller firms when hiring workers from job training programs.

### **A Final Note About the Study Sample**

It is important to remember that all employers surveyed for this study worked for health care organizations. It is possible that they may have been more predisposed to working with nonprofit training programs because many of the companies they work for are mostly nonprofit themselves, are public-service oriented, and serve a general public that at times mirrors the population hired through job training programs. I did, however, have the sense that as much as these employers were service oriented, they were equally "bottom-line" oriented and extremely competitive with one another. I suspect that survey results with another sector would lead to comparable conclusions but further research would have to be done to bear this out.

## VI. CONCLUSION

This research examined perceptions of training program graduates among a non-random sample of employers from the health-care industry in Greater Boston. Survey results show that employers are satisfied both with the quality of the workers referred to them by training providers and the quality of their interaction with training programs.

Hires from local training programs are perceived to be at least as well qualified and motivated as applicants in the open market. In addition, they contribute "bonus" skills, like bilingual ability, and result in a more diverse workforce. Survey respondents consistently pointed out that knowing of and working with training providers saves them valuable time and money, enabling them to better compete for much-sought-after entry-level workers in a tight labor market. It seems like a tight labor market encourages employers to suspend their biases long enough to try out employment and training program graduates.

The results of this study exceeded my initial expectations -- I did not think that job training programs would be so highly regarded nor enthusiasm for them so wide-spread. Clearly, the reason for their popularity has to do with the reliability of job training programs to produce a high quality workforce.

As with many academic research papers, this work begs many more questions than it answers. Further work could be done to examine whether and how different training program vary in

effectiveness, whether welfare participants participating in training programs fare as well as the general training program population, and whether training program graduates working for other industries are regarded as highly as those working for the health care sector.

Perhaps the biggest unknown questions relate to how welfare recipients do relative to those recipients who do not receive training. It would be interesting to learn how their wages, benefits, and job tenure compare to those who find jobs without training. Additionally, it would be interesting to assess how longer-term training programs, such as the ones assessed in this paper, compare to shorter-term work-readiness programs relative to wages, benefits and job tenure.

It appears that training programs have become an important labor market tool and one that I suggest should be supported wholeheartedly by both the public and the private sector. As long as we are urging people on public assistance to take an active role in the labor market, it makes sense to provide them with training that will help them get and keep jobs over the long-term. The sense of pride and accomplishment that these individuals take in their work is apparent through the accolades expressed by the employers interviewed for this study. Clearly these job training programs have produced "win-win" results for employers and employees. It is my hope these findings might sway public policy in favor of allowing job training to be counted as part of a welfare recipients mandated work requirement. I believe this would produce a better quality workforce and more stable, better-paying jobs for welfare recipients.

***"We need to move from the short-term policy decisions pursued during the first two years of welfare reform and look to some long-term solutions. Our goal shouldn't be only to move people from welfare to work but also move them to work that allows their children to move out of poverty. The only way to do that is to encourage welfare recipients to develop skills for the workplace."*** Massachusetts State Representative Anne E. Paulsen

**Special thanks to all of the individuals who agreed to be interviewed for this research**

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