

## EFFECTIVE JOB DEVELOPMENT Strategies for Working with the Chronically Unemployed

#### November 2014, Research Brief

Transitional jobs (TJ) programs provide experience, skill building, and earned income to chronically unemployed job seekers with the goal of helping them secure permanent, quality employment in the competitive labor market. Job development, or the process of helping to identify, cultivate, and match job opportunities for subsidized workers to transition into the unsubsidized labor market, is a core component of the TJ strategy.

This brief draws from available research, program evaluation findings, and input from experts in the field to offer promising strategies to improve job development success. We encourage employment program providers, administrators, planners, and other workforce development stakeholders to use this brief to help plan and implement an effective job development strategy and better engage with employers.



EMPLOYER ENGAGEMENT

## **Report Information**

Project team: Sarah Fishbein, Caitlin C. Schnur, Chris Warland

Report design: Sarah Sommers

Report layout: Caitlin C. Schnur

Primary author(s): Chris Warland

**Suggested citation:** Warland, C. (2014). *Effective job development: Strategies for working with the chronically unemployed.* Chicago, IL: National Transitional Jobs Network at Heartland Alliance.

#### National Initiatives on Poverty & Economic Opportunity

Heartland Alliance's **National Initiatives on Poverty & Economic Opportunity** focus on ensuring that everyone who wants to work has the tools and opportunities to do so. These initiatives are designed to address chronic unemployment through the capturing and dissemination of best practices, seeding of research on promising practices, field building activities, and policy change. We are strategically aligned and frequently collaborate with thousands of employment, training and service providers, anti-poverty, workforce, reentry, and homelessness advocates, researchers, and government officials.

One of our national initiatives is the **National Transitional Jobs Network (NTJN)**. The NTJN is a national coalition dedicated to getting chronically unemployed Americans back to work. The NTJN advances employment solutions including transitional jobs that combine wage-paid work, job skills training, and supportive services to help individuals facing barriers to employment succeed in the workforce. The NTJN opens doors to work through transitional jobs programs, research and evaluation, education and training, and policy advocacy.

## **Table of Contents**

Report Information Introduction	
Provide Adequate Resources and Support for Job Development	
Hire the Right Employees for the Job	
Use Labor Market Information to Target Sectors That Fit the Populations Served	
Assess for Skills, Interests, and Work-Readiness to Make a Good Match	
Begin Job Development on Day One	
II. Effective Employer Engagement	
Take a "Dual-Customer" Approach	
Target the Right Employers	
Effectively Engage and Network to Develop Long-Term Employer Relationships	
Make the "Business Case" for TJ to Employers	
Continually Evaluate Job Development Success	
Conclusion	11
References	

Published: November 2014

This report is available online at: www.transitionaljobs.issuelab.org/home

## Introduction

Transitional jobs (TJ) programs provide experience, skill building, and earned income to chronically unemployed job seekers, with the ultimate goal of helping them secure permanent, quality employment in the competitive labor market. This transition to unsubsidized employment is essential and integral to successful outcomes of the TJ strategy. For this reason, job development, or the process of helping to identify, cultivate, and match job opportunities for subsidized workers to transition into the unsubsidized labor market, is a core component of the TJ strategy.

Job development is also one of the most challenging aspects of TJ program delivery, especially during times of high unemployment. Available research and program evaluation findings, combined with input from experts in the field, offers promising strategies to improve job development success. Although job development is largely "demand driven," or focused on the needs and expectations of employers in the competitive labor market, success in placing job seekers into unsubsidized jobs is equally dependent on effective job readiness training, job search preparation, and job retention support.

This report shows how to integrate job development into TJ program planning and implementation as well as how to engage employers successfully.

# I. Program Planning and Implementation

It is important to consider the effective practices of successful job development delivery during the planning and implementation phases of transitional jobs (TJ) programming. From the beginning of the planning process, it is essential to dedicate adequate program resources, staff time, and administrative attention to designing and putting comprehensive job development services into practice.

#### **Provide Adequate Resources and Support for Job Development**

It is often a challenge to allocate enough resources and staff time to each of the critically important <u>core elements of the TJ strategy</u>, but to effectively cultivate employers it is absolutely necessary that adequate resources are dedicated for job development services. This means planning and budgeting for having job development professionals on staff and establishing a manageable caseload size. Evidence suggests that smaller staff caseloads yield better participant employment outcomes.<sup>1</sup>

#### Hire the Right Employees for the Job

Successful job developers have strong skills in sales and networking as well as industry knowledge. When possible, hiring job developers who have previous experience recruiting employers and who can bring employer relationships with them can strengthen the success of job development.<sup>2</sup> Agencies can further support job developers through providing professional development opportunities such as trainings, conferences, and workshops.

#### Use Labor Market Information to Target Sectors That Fit the Populations Served

In order to know which businesses to engage and how to best prepare TJ program participants to apply for available positions, it is important for a job developer to identify the local industry sectors that have low barriers to entry for TJ workers (including those with criminal records), have a demonstrated demand for new workers, and offer opportunities to access higher-quality jobs. The Bureau of Labor Statistics offers valuable information on employment projections and job openings through its <u>Occupational Outlook Handbook</u>. Local or regional economic development authorities also often have useful area-specific data on labor market demand for particular industries and occupations. Another great resource is <u>O\*Net Online</u>, a comprehensive

#### Hiring the Right Employees for the Job Development Role

Heartland Human Care Services (HHCS) is a Chicago-based nonprofit that provides transitional jobs to a range of target populations including people with criminal records, people with low literacy, and public housing residents. The professionals responsible for job development and employer outreach at HHCS are known as "Business Services Representatives," and are recruited and hired based on strong sales experience and industry sector knowledge. database of job descriptions and the skills, knowledge, and training necessary for each occupation.

#### Assess for Skills, Interests, and Work-Readiness to Make a Good Match

Assessment tools are typically used to gain an initial sense of TJ participants' strengths, goals, and challenges. These tools can also be used throughout the subsidized work process to help participants build soft skills and to demonstrate to potential employers participants' readiness to enter unsubsidized employment. Ongoing assessments can measure and document work-readiness factors such as punctuality, personal presentation, and cooperation with coworkers and supervisors. It is also critical to use career interest assessments to determine which positions match a participant's abilities and goals, a practice that supports sustained employee motivation.<sup>3</sup> Successful matching also helps to ensure employers' needs and expectations are met, which is essential for building long-term relationships with employer partners.

#### **Begin Job Development on Day One**

To increase the likelihood of a timely transition to unsubsidized employment and avoid unemployment at the end of the subsidy period, program participants should begin their unsubsidized job search as soon as possible upon entering the program—and from "day one" if possible. Even participants working in subsidized positions that are expected to "roll over" into unsubsidized jobs with employer partners should receive job development services as a contingency plan in case the expected position does not materialize.

## I. Effective Employer Engagement

Successful job development depends on a job developer's ability to identify, engage, and persuade the employers that are most likely to hire candidates from that job developer's transitional jobs (TJ) program. The following are promising and evidence-based strategies for engaging employers and getting them to hire candidates from TJ programs.

#### Take a "Dual-Customer" Approach

Strong, long-term relationships with employers are key to successful job development. TJ programs should pay significant attention to cultivating employer relationships with a special focus on understanding potential employers' needs. Job developers can develop and demonstrate a deep understanding of an employer's needs by asking questions, listening carefully, and taking care to match employers with candidates whose goals, interests, and aptitudes align with what employers are seeking. Attending to both employer and employee needs through deliberate job matching supports the creation of long-term employer partnerships by ensuring that job placements are a mutually beneficial fit.<sup>4</sup>

#### **Target the Right Employers**

Program evaluations and the experiences of expert job developers show that small and medium-sized employers and locally-owned companies may find more value and benefit from the additional supports and financial incentives provided by hiring TJ participants. They may also have fewer hiring restrictions, less bureaucracy, and be more likely to recognize and value the community benefit and social purpose of hiring TJ participants. Again, it is also important to identify employers in industry sectors with a local demand for workers and that are accessible to individuals with barriers to employment including criminal records. Small employers may have more flexibility to "take a chance" on a job seeker with a criminal record whereas larger employers may have hiring policies that include blanket prohibitions against hiring them. Networking allows job developers to create long-term employment partners.

#### Making the "Business Case": How does the TJ Strategy Benefit Employers?

Businesses are understandably concerned with their bottom line. TJ job developers need to be able to communicate all the ways in which partnering with TJ programs can increase productivity, build capacity, streamline hiring, and reduce costs. For a comprehensive discussion of all the ways TJ benefits business, see our research brief, *Taking Care of Business: Transitional Jobs & Subsidized Employment Programs Benefit the Business Community.* 

### Effectively Engage and Network to Develop Long-Term Employer Relationships

Networking with current and potential employers, as well as partnership businesses, allows job developers to create long-term employer partners.<sup>5, 6</sup> Effective networking and engagement strategies include:

• Join and participate in organizations that allow access and interaction with local employers such as local Workforce Investment Boards, Chambers of Commerce, Rotary, or trade associations;

• Attend local job fairs to explain to employers what a job developer can provide to them with regard to candidates and services. Liberally distribute business cards, brochures, and fliers that detail job developer name and contact information, services provided, and other business references who have used that job developer's services in employing TJ participants;

• Research potential employers ahead of time, including job descriptions and postings, to learn the skills they look for in employees. This will allow a job developer to approach employers with a prepared plan for contact;<sup>7</sup>

• Educate potential employers about the realistic challenges and benefits of hiring TJ participants;

• Use constructive language when explaining services, such as describing employees who have experienced "challenges" instead of "barriers." For example, "We'll be in touch with you regularly to see how you're doing" may resound more with potential employers than social service language such as, "We provide follow-up services;"<sup>8</sup>

 $\bullet$  Keep track of when to follow-up with employers and what the next step is;  $^{\scriptscriptstyle 9}$  and

• Become comfortable making the "business case" to employers (see below).

#### Make the "Business Case" for TJ to Employers

There are inherent advantages for employers who hire TJ program graduates, but employers may need to be informed of these advantages. Job developers should assess all aspects of their program's services, identify the ways in which they may benefit employers, and perfect their "script" for effectively communicating those advantages to employers. Some advantages may include:

#### Recent work experience:

TJ participants have a recent, proven track record of success in the workplace, gained through their transitional employment. This is especially important at a time when unemployed job seekers are facing particular difficulty breaking into the job market. TJ providers serve as a reliable recent employer reference for potential unsubsidized employers. Job developers should leverage the TJ program's employer status by approaching other employers as peers ("employer-to-employer") rather than as a social service provider and emphasize that TJ participants are current employees in good standing.

#### Tax incentives:

Employers are eligible for tax credits for some newly-hired individuals, such as veterans or long-term welfare recipients, under the <u>Work Opportunity Tax</u> <u>Credit (WOTC)</u>.<sup>i</sup> TJ programs can maximize the effectiveness of WOTC as a hiring incentive by completing paperwork on behalf of employers.

#### Human resources services:

Many TJ programs effectively provide free human resources services for employers. Programs can provide employers with good job candidates through assessment and matching of participants' skills and interests to employer needs as well as by providing background checks, drug tests, and employee records that could otherwise be costly or time-consuming for employers to obtain. Programs can explicitly offer HR services to potential employers and then follow through by demonstrating their continued willingness to communicate with both employer and employee to provide support and work through problems if they should arise.<sup>10</sup>

#### **Federal Bonding:**

The Federal Bonding Program offers fidelity bonding for "at-risk," hard-toemploy job seekers, including people with criminal records, at no cost to the employer. Fidelity bonding protects employers against theft, forgery, larceny, and embezzlement. For more information, see the <u>Federal Bonding</u> <u>Program's website</u>.

#### Soft-skills training:

Entry-level employers value and express a need for employees with soft skills, and TJ programs provide participants with soft skills job readiness training.<sup>11</sup> Employers can benefit from hiring an employee from a TJ program who has recently completed job readiness training that includes the development of desired soft skills such as showing up consistently and on time, cooperating with coworkers and supervisors, and demonstrating a positive attitude.<sup>12</sup>

#### Sector-based hard skills training and experience:

Some TJ programs offer sector- or occupation-specific work experience and training, equipping TJ participants with hard skills that can be valuable to employers in relevant or related sectors. Successful job developers leverage TJ work experience and transferrable skills to identify opportunities in related sectors; for example, TJ work experience at an urban farm can be leveraged to secure employment in landscaping, food retail, and retail horticulture.

#### Supportive services benefit employers, too:

Virtually any service offered to a worker also represents a potential value to an employer. For example, if a TJ program offers ongoing transportation or child care assistance, those services can benefit employers by improving attendance and punctuality, and a service such as ongoing coaching can help improve job performance and avoid disciplinary issues.

TJ programs effectively provide free human resources services for employers.

Sector- or occupationspecific work experience and training equips TJ participants with hard skills that can be valuable to employers in relevant or related sectors.

i. As of January 6, 2014, the U.S. Department of Labor's website states: "The legislative authority for the WOTC program expired on December 31, 2013. At this time, we have no indication whether Congress may pass legislation extending authority for the program beyond December 31, 2013. However, in the past when the program's authority lapsed, Congress has retroactively reauthorized the program back to the date of expiration." For more information, please see <a href="http://www.doleta.gov/business/incentives/opptax/whatsnew.cfm">http://www.doleta.gov/business/incentives/opptax/whatsnew.cfm</a>. This information was current as of October 30, 2014.

#### **Ongoing retention services:**

TJ programs that offer evidence-based job retention services, which can positively impact long-term job retention, provide potential employers an opportunity to decrease turnover costs. In 2013, the total national turnover rate across all industries was about 15 percent,<sup>13</sup> and turnover tends to occur most frequently in entry-level positions.<sup>14</sup> The typical cost of employee turnover for positions in which workers earn less than \$30,000 per year is 16 percent of that employee's annual salary (or up to \$4,800), representing a substantial cost to employers.<sup>15</sup> Candidates that receive six months or more of retention support, at no cost to the employer, may be more attractive than other job candidates without access to such services. Learn more about <u>best</u> <u>practices for employment retention here</u>.

#### **Continually Evaluate Job Development Success**

Establishing a network of employers partially depends on a job developer's ability to demonstrate effective employer-to-employee matching, which is a reciprocal benefit to employers and TJ participants. One indicator of successful matching that some TJ programs use is a comparison between the number of TJ participants interviewed by an employer and the number of those job candidates an employer actually hires.<sup>16</sup> Another indicator by which to evaluate job development success is the occurrence of repeat business contact with employers.<sup>17</sup> Regardless of the indicators a TJ program uses to track and evaluate its job development efforts, it is important that programs consistently use the same indicators over time in order to measure success and make program and staff improvements.

## Conclusion

The ultimate goal of transitional jobs (TJ) is for chronically unemployed job seekers to attain sustainable, stable long-term employment in the competitive labor market. In order for that to happen, TJ programs need to implement well-designed job development components staffed by effective professionals. By allocating appropriate resources, adequately training staff, addressing the needs of employers, and leveraging the strengths of job seekers, TJ programs can succeed in ensuring that transitional employment truly facilitates a transition to quality employment for those who need it most.

## References

1. Bloom, H., Hill, C., & Riccio, J. (2001). *Modeling the performance of welfare-to-work programs: The effects of program management and services, economic environment, and client characteristics*. Retrieved from MDRC website: http://www.mdrc.org/sites/default/files/full 445.pdf

2. D. Gianfrancesco [Chicago Safer Foundation], personal communication, July 15, 2010.

3. Finn, P. (1998). Successful job placement for ex-offenders: The Center for Employment Opportunities. Retrieved from U.S. Department of Justice, Office of Justice Programs, National Institute of Justice website: https://www.ncjrs.gov/pdffiles/168102.pdf; Morgan, R. (2008). Job matching: Development and evaluation of a web-based instrument to assess degree of match among employment preferences. *Journal of Vocational Rehabilitation*, *29*(1), 29-38.

4. Finn (1998); Morgan (2008); Chicago Jobs Council. (2007, June). *Frontline Focus: Job Developer Orientation*. Workshop conducted at Chicago Jobs Council, Chicago, IL; Carlson, L., Smith, G., & Rapp, C.A. (2008). Evaluation of conceptual selling as a job development planning process. *Psychiatric Rehabilitation Journal*, *31*(3), 219-225. doi: 10.2975/31.3.2008.219.225; Randall, C., & Buys, N. (2006). Entrepreneurial job development: A case study with a person with schizophrenia. *Journal of Vocational Rehabilitation*, *24*(1), 11-22.

5. Carlson et al. (2008); Becker, D.R., & Drake, R. E. (2003). A working life for people with severe mental illness. New York, NY: Oxford University Press.

6. Finn (1998); Waintrup, M.G., & Unruh, D. K. (2008). Career development programming strategies for transitioning incarcerated adolescents to the world of work. *The Journal of Correctional Education*, *59*(2), 127-144.

7. Carlson et al. (2008).

8. Finn (1998). [p. 142].

9. Chicago Jobs Council (2007, June).

10. Finn (1998).

11. Casner-Lotto, J., & Barrington, L. (2006). Are they really ready to work?: Employers' perspectives on the basic knowledge and applied skills of new entrants to the 21st century U.S. workforce. Retrieved from The Conference Board, Inc.'s website: http://www.conference-board.org/pdf\_free/BED-06-workforce.pdf

12. Moss, P., & Tilly, C. (2001). Stories employers tell: Race, skill, and hiring in America. New York, NY: Russell Sage Foundation.

13. Bares, A. (2014). 2013 turnover rates by industry. Retrieved from the Compensation Force website: http://www. compensationforce.com/2014/02/2013-turnover-rates-by-industry.html

14. Lane, J. (1999). The role of job turnover in the low-wage labor market. *The low-wage labor market: Challenges and opportunities for economic self-sufficiency*. Retrieved from the U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation website: http://aspe.hhs.gov/hsp/lwlm99/lane.htm

15. Boushey, H., & Glynn, S. (2012). *There are significant business costs to replacing employees*. Retrieved from the Center for American Progress website: http://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover. pdf

16. Gianfrancesco (2010 July 15).

17. Robbin, L. (2009, February). How to increase private sector hiring. Chicago, IL: National Transitional Jobs Network.

33 W. Grand Avenue, Suite 500, Chicago, IL 60654 | 312.870.4949 | ntjn@heartlandalliance.org | transitionaljobs.net @tjprograms | facebook.com/NationalTransitionalJobsNetwork





