

Does Job Training Work?

The Clients Speak Out

**Eli Ginzberg, Terry Williams
and Anna Dutka**

*with a Foreword by **David Lacey***



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Foreword

When the senior author of this book, Eli Ginzberg, asked me to write a foreword, I accepted with enthusiasm and a firm sense of purpose. My conviction about the importance of this work stems from the fact that, despite more than \$100 billion spent on employment and training from 1962 to 1982, no one has ever talked to the customers—potential and actual—about their views of its effectiveness and relevance to their lives.

In my first year as President and CEO of the Philadelphia Private Industry Council (PIC), I defined our customers—both trainees and employers—as critical constituents for our work. Later in this foreword, I will describe what we learned about our customers in 1985, and what we did in response to their views of publicly financed employment and training work.

The seed for this book was planted in the Spring of 1987. At that time, the Philadelphia PIC ranked number one on four of the seven performance standards mandated by the Commonwealth of Pennsylvania. We at the PIC were doing very well, but I wanted to learn more about the trainees' decisions to participate in our programs. That decision, when positive, led to effective job placements and helped each person get on a path toward self-sufficiency. When negative, another person stood outside the local employment and training system and was still dependent on the direct and indirect income from welfare. In this context, I asked Eli Ginzberg and his colleagues—Terry Williams and Anna Dutka—to construct a research design which would answer the question, Why does a person participate in a program? Also, what factors—positive or negative—influenced this decision?

This book reports the findings of a 1987 survey of our customers. Paying attention to our customers is not a new phenomenon. In fact, this interest led, in the Spring of 1985, to a survey which has had lasting effects on our operational practices. I have summarized in the following paragraphs the key findings from PIC's 1985 customer survey.

In 1985, the Philadelphia PIC defined itself as a "training-based bridge" which connects motivated, interested people with employers who want to hire productive, effective employees. As a training-based

bridge, PIC has two key customers—the trainees and the employers. Both customers count, but each has its own particular needs. The PIC pays attention to our trainees' needs by developing and implementing programs and services which respond to them. Our employment and training business is set up to deliver productive, effective people to our employer-customers. Although most successful private sector businesses endeavor to be customer-sensitive, most, if not all, employment and training organizations rarely think along these lines. Even when they do, their interest is focused primarily on the trainee. At the Philadelphia PIC, we focus on both customers. We need the trainee and the employer to have a successful, well-functioning employment and training system and business. Exclusive focus on one alone does not lead to an effective delivery system.

If we need both the trainee and the employer, then we must ask, "What do our customers want from the PIC?" When we asked our trainees, they said:

- *First*, they wanted the payoff of a job. For them, that was the real test of the value of any training program. Would the training lead to a job?
- *Second*, they sought quality and dependability. They favored programs where they learned marketable skills and could depend on the training provider to work with them and assist them with their job search activities.
- *Third*, they preferred the location of the training site to be near their residence. Most Philadelphians have a strong preference for living, training, and working in the same community.
- *Fourth*, they insisted on a reduction in the number of problems confronted during the process of enrolling in a program. Also, they requested a reduction in the time between a trainee's expression of interest in a program and enrollment.

From our trainees' perspective, these four "wants" represented "make or break" factors for their participation in a PIC-sponsored program.

In a similar manner, we asked our employers the same question. Their responses were:

- *First*, they are interested in hiring productive, effective people—people who can "do a job."
- *Second*, all new hires must have sound basic skills—reading, math, and English language skills at an eighth grade level.

- *Third*, they prefer people who have good work habits and a positive attitude toward work. It is a major plus if a person can work effectively alone or as a member of a work team.
- *Fourth*, they disliked an approach to employers which over-emphasized their social responsibility. They were interested in new hires who could do a job and wanted to work with PIC on that basis.

For employers and trainees alike, it is important to ask, "What do you want?" In the asking of the question, we have learned much about our customers. This learning has caused us to refine and fine tune our operations, and to work differently. Of equal importance is PIC's response—the delivery of programs and services. Having asked the question of our customers, what did PIC intend to do about their respective and well-defined needs?

Listening to our customers has led the Philadelphia PIC to take new and different approaches to employment and training work. Some of our new initiatives—responsive to our trainees' needs—include:

1. *The PIC Referral Center (PRC) Network*. We have established the PRC network to act as our recruitment and referral agent. There are thirty-eight community-based PRCs and these earn an average of \$20,000 per annum for this work. In 1987–1988 alone, the top three PRCs earned more than \$40,000 each. The major advantage of the PRC network is its accessibility to the people who want to work. Every prospective trainee has a PRC located within a short distance of his home. Overall, the PRCs account for 70 percent of our enrolled trainees.
2. *Keep Philadelphia Working (KPW)*. KPW is a musical revue—combining entertainment and information—used to promote PIC's summer employment program called Phil-A-Job. This revue quadrupled our enrollment rate in the high schools.
3. *One-Stop Training*. We have selected training providers capable of delivering a comprehensive employment and training program at a single site. One-Stop Training provides basic educational skills, work preparation, and occupational skills. One-Stop Training yields a higher placement rate (84 percent in 1987–1988) and a more consistent retention rate (mid-70s to low-90s) after initial employment than conventional methods.

Increasing numbers of Philadelphians have benefitted from these (and other) initiatives. In short, our trainees can count on the PIC to deliver what is needed. In fact, over the past three-and-a-half years, more than

13,400 Philadelphians have been placed in permanent jobs and their annualized earnings exceed \$130 million.

PIC's approach to employers has also changed. The major changes include:

1. *A New Marketing Strategy.* PIC now markets to employers, using an effectiveness strategy rather than a guilt strategy. Employers make hiring decisions based on their assessment of a person's capacity to do a job well and completely. An employer cannot be compelled to hire, based on a social service or social responsibility emphasis. Both terms are code words for guilt. Our effectiveness marketing strategy has resulted in a 250 percent increase in the number of companies which accept PIC people. We now work with 1,500 employers, compared to 600 three-and-one-half years ago. Also, we now do a lot of "repeat" business with our employers.
2. *Employer Input for PIC Training.* In all of our training programs, we use the employer's hiring requirements as a standard for determining successful completion of the program. Also, we have established a PIC Board-appointed Program Evaluation Committee (PEC) to review all training proposals and recommend funding. The PEC is composed solely of private sector business people.

As a final comment, we invite private sector employers to participate as special advisors on new projects, e.g., the Philadelphia Youth Service Corps. The combination of these activities ensures employers that PIC graduates are prepared for work and meet their hiring requirements.

3. *An Operational Practice of Starting Small and Growing Over Time.* In responding to a prospective employer's hiring order, we prefer to start with a small number of hires and to deliver well for the employer. We have adopted this operational practice to build a strong, sustained relationship with each employer and to achieve the requisite placement outcomes.

Customer responsiveness—to both our trainees and our employers—has ensured that PIC has an effective employment and training business which delivers. This book is further evidence of our willingness to reach out to one group of our customers—PIC trainees. We have talked to those who do participate and those not yet participating. We have learned from their comments and will put in place the necessary operating conditions to make PIC-sponsored programs more attractive. For example, career preparation, and not short-term earnings, is the dominant and overriding concern of young people participating in Phil-A-Job. In 1989, we will establish a set of educational, work, and cultural choices which

will lead directly to careers. As part of the 1989 educational component, we will distribute this book and insist that the chapters on customer response be mandatory reading. Through these chapters, young people will take a critical look at their living practices and define their personal agenda and action plan for pursuing constructive choices in the future.

This work—both the book and PIC’s operational practices—points to the necessity for reaching out directly and purposefully to our customers. The PIC team which was responsible for that well-conceived outreach in 1987 was Nate Causley, Patt Irving, Deborah Johnson, and John Walsh. Their strong interest and continued involvement made, and continue to make, the difference in our outreach.

The research members of the PIC team were Eli Ginzberg, senior author, and his very able collaborators—Terry Williams and Anna Dutka. This team had significant strengths that are evident throughout this book. Eli Ginzberg has written for more than five decades about manpower issues, and had a direct connection to employment and training work for almost two decades. Eli’s perspective made it possible for him to extract the lessons to be learned in each chapter of trainee interviews and to write convincingly and authoritatively about the national policy implications in the concluding chapter.

Terry Williams has an incredible capacity to establish “instant rapport.” His warmth and good feelings about the people he interviewed drew out very frank and strongly felt opinions. Terry moved in and out of new situations and engaged every person during his interviews. Terry’s first-rate interviewing skills have made the chapters about the trainees fresh, informative, and compelling as he uses their words and dialect to tell a convincing and moving story.

Anna Dutka—a senior researcher at Columbia University’s Conservation of Human Resources—stretched everyone’s perspective during the study. That perspective, combined with her talent for pulling together the research and PIC teams into a well-functioning unit, placed the views of these Philadelphians into a more meaningful framework.

Working together, the PIC team and the research team led by senior author, Eli Ginzberg, have created a moving, compelling, and authoritative story about our customers’ interests and needs. PIC’s key customers—our trainees and our employers—are the primary reasons for, and the major beneficiaries of, this work. Based on what we have learned from both of them, PIC’s strong resolve is always to keep talking to our customers. That dialogue is essential to *keep Philadelphia working*.

David Lacey