Employer Engagement

How Employment Programs Economically Benefit Employers

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MEANINGFUL WORK + COMMUNITY INCLUSION

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About your Host

Mission Statement: Improving lives of people with disabilities through meaningful work and community inclusion.

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Employer Engagement

How Employment Programs Economically Benefit Employers

Dale Verstegen
TransCen
Senior Research Associate

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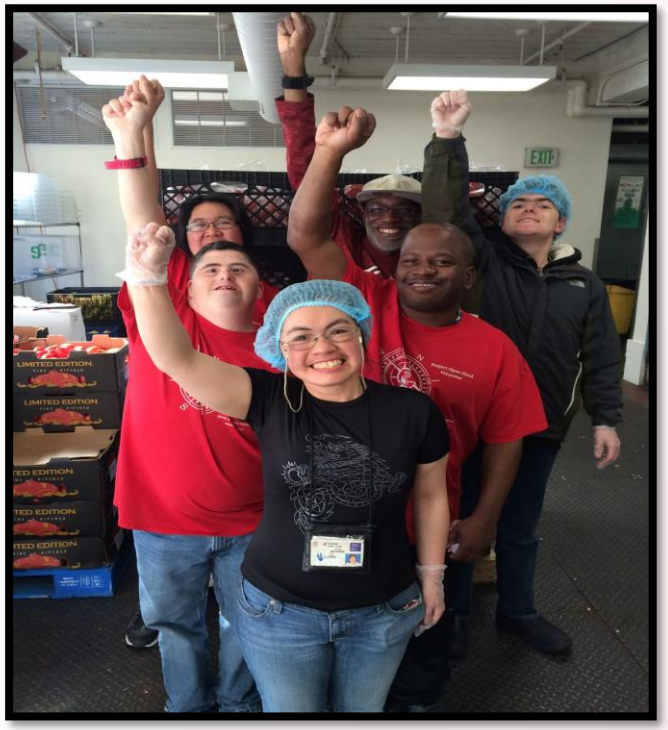
Today's Objectives



1. Review the study's design
2. Define Economic Impact
3. Describe Employer Economic Impact and Benefits to Employers
4. Describe the Economic Impact and Benefits of Customized Employment

Overview of Study

- The United States Department of Labor (DOL), Office of Disability and Employment Policy (ODEP) contracted with Economic Systems, Inc. to conduct an economic impact study of employers who have hired individuals with disabilities in customized jobs for the Employment First State Leadership Mentoring Program (EFSLMP).
- The objective of the study was to gain the perspective of employers related to employing persons with a disability (especially those with significant disabilities) and working with local employment programs, including the use of Customized Employment.

Economic Impact

- **Economic impact** measures estimate or describe the changes in business revenue, profits, personal wages, jobs and/or job duties based on an economic event.
- The **economic event**, for this study, is defined as a new employer *policy* such as customized employment, a new *project* such as a workforce integration plan, or the *presence of an organization* such as an employment program serving job seekers with a disability and the delivery of employment services within the employer's place of business.
- The **economic impact analysis** measures estimate and/or describe the change in economic activity from before to after the economic event. The increases in income may come in the form of raises and/or increased hours or operational efficiencies for existing employees, or new jobs for the unemployed.

Focus Groups

- Focus groups and interviews with employers were conducted in Iowa and Maryland. A focus group conducted in Waterloo, Iowa with four employers and a follow up interview with an additional employer who could not make the focus group meeting.
- A focus group was also conducted in Rockville, Maryland with three employers and a follow up interview with an additional employer who could not make the focus group meeting.

Employer Selection

- Experienced an operational or economic benefit from working with local employment service providers (recruiting, hiring, and job retention)
- Worked directly with one or more local employer service providers who have placed persons with a disability in their workplace
- Customized a job for an individual with a disability that meets the ODEP definition of Customized Employment
- Played a major role in the hiring, approval to hire and/or customization of one or more jobs

Employer Representation

- Deputy Executive, A National Research Institute and Hospital
- Vice President, Manufacturing Operations, Window and Door Manufacturer
- Executive Chef, Regional Medical Center
- Senior Materials Manager, Cabinet Manufacturer
- Human Resources Manager, Door Manufacturer
- Human Resources Assistant, Door Manufacturer
- Human Resources Manager, Process and Automation Equipment Manufacturer
- Office Manager, Veterinary Clinic
- Senior Human Resource Generalist, Construction Company
- Senior Recruiter, Convenience Store

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Employer Characteristics

- Each employer had been working with one or more local employment service providers for a number of years and had employed a number of employees with disabilities over time
- They each worked with Employment Specialists who understood and could articulate the concepts of Customized Employment and had success matching job candidates to the required tasks and culture of these worksites
- Employers were ‘internal champions’ for Customized Employment and were able to articulate how flexible employment strategies and alternative sources of labor benefited their organizational culture, overall operation and bottom line
- All employers adopted some form of quality improvement process

Findings

- Reduced Cost
  - Recruit
  - Hire
  - Train
- Reduced Turnover and Absenteeism
- Improved Workplace Culture
- Opportunities to Expand Placements
- Opportunities for Advancement for Employees with Disabilities
- Increased Productivity

Reduced Cost

- Job developers can create opportunities for employers to make better job matches resulting in savings of employer time and resources in the hiring process
- Employers reported significant costs associated with recruiting, hiring and training employees who turnover, particularly in part time positions. Employers indicated that it can take 8 to 12 weeks to go through the hiring and training process and can cost anywhere from $3,000 to $7,000
- Employers reported a cascading effect on current employees when there was high turnover or vacant positions, which impacted both productivity and job satisfaction – both of which declined and required an inordinate amount of time to focus on the hiring and training of new employees.
- Inefficiency and job dissatisfaction occur when higher paid employees have to fill in to do lower skill tasks due to job vacancies.

Reduced Cost – Employer Quotes

- “Somebody helps you match the jobs. The quality of the hire I would say is improved.”
- “I mean, we wouldn't hire a professional recruiter for filling an entry level position, but if companies had to use a recruiter to fill those positions, those are pretty steep fees.”
- “We’re 25 employees, we don’t have HR. I’m HR. I just happen to be the one that gets to do it, it’s not that it’s my background. So being able to hire quality individuals and to have our specific labor needs matched a lot of times is a plus.”
- “It's the increasing of the available workforce, increasing available labor that is of benefit to us.”

Reduced Cost of Turnover and Absenteeism

- Employers reported higher attendance and retention rates for the employees with a disability
- Employers also reported savings in benefits and costs to retrain new employees based on lower turnover and absenteeism rates among employees with disabilities
- Employers were able to quantify a reduction in employee turnover.
- Employers who tracked the cost of hiring new employees (screening, recruiting, training, etc.) could quantify annualized savings in hiring costs due to a more stable workforce.
- Employers reported that hiring individuals with disabilities increased unit/workplace cohesiveness as employees supported their co-workers with disabilities. The resulting increase in morale contributed to lower turnover.

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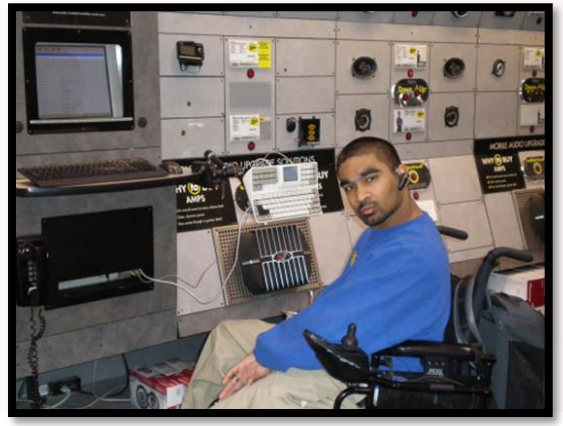
Reduced Cost of Turnover and Absenteeism – Employer Quotes

- “I would say turnover is significantly lower for this group, especially if you go and make an investment and make an accommodation. You’re going to keep that person, they’re not going to leave.”
- “It’s a repetitive job and easy for them versus an 18 year old high school graduate that wants to change the world. They don’t want to stand and sand cabinets for 8 hours or show up at all.”



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Improved Workplace Culture and Retention

- The hiring of persons with a disability including customized employment was reported to improve workplace culture, morale and communication.
- Employers reported that accommodating and supporting employees with ‘differing abilities’ made them work and communicate as a team in ways they normally wouldn’t and made them a ‘better company’.
- Employers reported the presence of people with disabilities in customized positions heightened morale and had a positive impact on turnover of employees without disabilities.

Improved Workplace Culture and Retention – Employer Quotes

- “As we hired more people with a disability, we were working together better as a company.” Another employer stated: “It was wiring synapses that didn’t exist before we hired a person with a disability and we were really starting to communicate better.”
- “Co-workers wanted to be a part of these folks’ success.”
- “In the corporate world, we always talk about diversity. We don’t necessarily do it just for the diversity checkmark per se, but it does enhance the team. If you have heightened morale, it has an impact on the turnover of people without disabilities. If people like coming to work, they stay, if they dislike their job, they quit. This helps our morale and teamwork.”

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Opportunities to Expand Placements

Once these employers incorporated customized employment practices and workplace supports into their operations, they found the practice beneficial for integrating other types of employees returning to work such as:

- Additional Employees with Disabilities
- Employees Returning to Work
- Employees on Workers Compensation

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Opportunities to Expand Placements – Employer Quotes

- “If someone gets hurt or sick, you know what the Social Security numbers are on that thing, if they’re not back to work in 30 days, there’s a huge chance they will never be back. Job sharing and using flexibility of tasks help other people return to the workforce.”
- “Another upside to this whole focus is that it helps existing team members who might get injured and have to be placed on light duty. Through flexible job tasks, lost work time is reduced.”
- “I have other tasks for customized jobs teed up and ready to go.”
- “I definitely would like to look more into getting some additional help (from the Employment Specialist) or identifying and utilizing additional customizable jobs.”

Advancement of Employees with a Disability

- Employers reported expanding the number and types of tasks being done by employees in customized jobs, increasing the number of hours and wages accordingly, and providing additional training and skill development over time.
- One employer reported that two employees went from 16 hours per week to full time.
- Another employer reported that an employee in a customized job no longer needs to be supported by the employment provider and is becoming more ‘self-sufficient’.

Advancement of Employees with a Disability – Employer Quotes

- “Robin did this job for about six months and saw people putting hardware on product and she said ‘I could do that job’. We slowed down a bit, we put Robin over there and she finished every job. She was better than almost anybody we’d ever had there.”
- “In the rare circumstance where she has downtime, we have a training plan for her where she takes courses, it’s one of our metrics. She’s become more capable in a computer sense and we lay on her more hours and tasks.”

Increased Productivity

Participating employers consistently reported increased productivity as a result of using customized employment strategies and articulated specific measures of economic impact such as:

- A job can be customized by removing low skill tasks from existing employees, allowing those employees to focus on tasks requiring higher skill levels or on higher priority tasks. Entry level employees can now take over these tasks
- Reduced hours per unit (assembly line efficiency)
- Cost Savings and being able to eliminate the need for:
    - contract labor
    - use of temp agencies
    - overtime costs

Increased Productivity – Employer Quotes

- “It’s the right job for the right person at the right level.”
- “We’ve parsed the job, but we haven’t dumbed down their job. Everybody has a quota. It seems to me that it is a really effective corporate-wide strategy. Everyone’s got metrics to hit and then budgets are typically one of them, so it’s a good business decision.”
- “Some of the repetitive type of work is not trivial work, it’s really important work.”
- “It was the labor needs assessment that helped to identify tasks in our HR and Accounting Departments that freed up other higher paid individuals and eliminated our need to use a temp agency.”
- “If you peel away from a task that you are really focused on and then you come back to it in ten minutes, how much longer does it take you to get back up to speed? Are you really looking at it as closely as you can? So, not only is there increased productivity but I think quality improvement would be another key driver here.”

Increased Productivity – Employer Quotes (continued)

- “...increase in assembly line efficiency – Improved our hours per cabinet. We saved a little over $2,800 and we're not having people complain in terms of those job duties. You are getting a specialist at a generalist price.”
- “Robin put the insulation in and Robin did an amazing job. The saw operator’s productivity went up about 25%, knocking it out of the park. We were amazed.”
- “Reduced overtime costs from 24% to 13.1%, generating $5,441 in annual savings.” “We saw about a 75% reduction in overtime in some of those finishing departments where we invested heavily in some of the employees who need workplace supports.”
- Turnover was reduced for a savings of $38,400. Overtime was reduced from 24% to 13.1% for a savings of $5,441 in one department. Training time to competency went from 3 weeks on the job training (OJT) to two weeks OJT. The time to fill positions was reduced by two weeks. The position vacancy rate went from 6.1% to 4.4% for a reduction in overtime of $217,000.

Conclusions

The economic impact of hiring individuals including customized employment positions can be quantified by:

- Decreased hiring costs
- Decreased training costs]
- Reduced turnover and absenteeism
- Improved Workplace Culture
- Increased productivity

Conclusions - continued

- Employment specialists can use this information to build a business case for their employment services including Customized Employment and develop an on-going partnership with employers (Employer Engagement Webinar #2 – July 9, 2019)

- Employment Specialists can use a similar type of survey or focus group to determine the economic impact of their employment program (Employer Engagement Webinar #3 – August 6, 2019)

Additional Resources

- Employment First Lead Center

http://employmentfirst.leadcenter.org/

- ODEP EFSLMP Initiative

https://www.dol.gov/odep/topics/EmploymentFirst.htm

- ODEP Drive Website

http://drivedisabilityemployment.org/

Contact

Dale Verstegen

dverstegen@transcen.org

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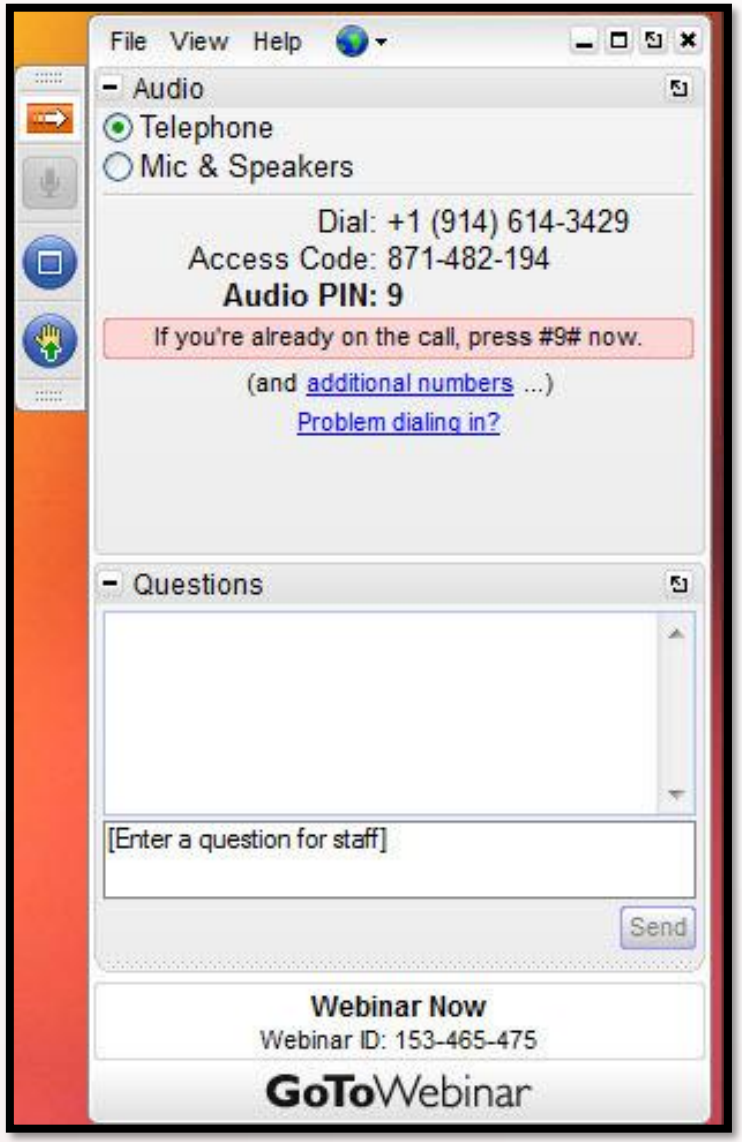

Questions

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- Email elearning@transcen.org

Upcoming Webinars:

- **Approaching Employers and Developing Long Term Partnerships**

July 9th, 2019 2:00 – 3:30 PM EST

- **Assessing the Economic Impact and Benefit of Your Employment Programs**

August 6th, 2019 2:00 – 3:30 PM EST

About TransCen, Inc.

TransCen, Inc. is a national organization offering web-based and in-person training for state agencies, school districts, provider organizations, and others interested in meaningful work and community inclusion for individuals with disabilities.

Transcen.org (301) 424-2002 Inquiries@transcen.org

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Thank You

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