

Research and Evaluation Brief

Facts, figures, and insights for workforce development practice and policy

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BEST Benefits: Employer Perspectives

About the BEST Initiative

The BEST (Building Essential Skills through Training) Initiative, was created through a collaborative partnership between the Massachusetts Departments of Workforce Development, Education, and Transitional Assistance, the Division of Employment and Training¹, and Commonwealth Corporation. The first round of grants were made in February 2002.

The BEST Initiative supports industry-driven partnerships, addressing the workforce development needs of Massachusetts businesses by building workers' skills through education and training. With this initiative, the state's adult education and job training agencies joined together to support regional proposals that gave front-line workers a foundation of skills to achieve career mobility, while reducing persistent job vacancies in key sectors.

The BEST Initiative was also designed to help address the front-line workforce development needs of Massachusetts employers, industries, and sectors, particularly those industries and sectors experiencing or anticipating skill shortages. In particular, BEST intended to improve basic foundational or occupational skills of Massachusetts' workers, support employment and career mobility, and provide opportunities and resources to regional industry teams to develop and implement innovative workforce development models that drive systemic change.

This brief looks at the findings from the BEST initiative's first round of funding, in which six regional projects were funded.

Purpose of the Survey

The BEST Request for Proposals suggested that projects include methods to evaluate their effectiveness in meeting desired employer outcomes. The employer outcomes for businesses included increased productivity, improved operational efficiency, improved product quality, improved skill levels, individual skill certifications, improved employee recruitment and/or retention, and advancement within the industry.

The survey gathered information on the business impact of the BEST Initiative on the local projects' employer partners. It further aimed to quantify this impact.

Key Survey Questions

The survey was designed to assess the value to the business in the following areas of inquiry:

- Education and training
- Career ladder efforts
- Partnerships with other sector companies
- Value to employees
- Return on investment
- Improved company profitability
- Cost reductions

REPORT FOCUS

An employer survey looks at how successful the BEST initiative was in meeting the needs of employer partners

1. Now the Division of Unemployment Assistance and the Division of Career Services.

Report Released: July 2004

Author: Cathryn Lea (Commonwealth Corporation)

100% of the responding employers expressed the intent to continue their involvement in workforce development in the region.

- Participation in further BEST projects
- Involvement in workforce development activities in the region

A qualitative response and quantitative rating was solicited. Businesses answered questions using a ten-point scale, ranging from one to ten, with ten representing the highest value to the employer.

Methodology

The survey was sent to all of the project coordinators, who sent the survey directly to participating employers. Responses were sent to Commonwealth Corporation.

Approximately 37 employers were directly engaged in the local partnerships. Twenty-six employers responded, representing a response rate of 70%.² The employers whose data are presented here represent the following industries:

- Health Care: 7 hospitals
- Finance: 3 banks
- Manufacturing: 12 manufacturers (including biomanufacturing)

Key Findings

Survey responses indicate that BEST:

Met Employer Expectations: Nine out of 10 (90.9%) of responding employers reported that BEST met their expectations. The mean rating was 7.81 out of a possible 10 points. The median rating was 8.00.

Was Valuable to the Companies: 95.5% of the responding employers reported that the BEST education/training was valuable to their companies. The mean rating was 7.52. The median rating was 7.00.

Employers Valued Participation with Other Companies: 100% of responding employers reported that their participation with other companies in the sector was valuable to their company. The mean rating was 8.10. The median rating was 9.00.

Was Valuable to Employees: Nine out of 10 (90.9%) of the responding employers reported value to their employees. The mean rating was 7.71. The median rating was 8.00.

Value of Career Ladder Efforts: 72.7% of the responding employers reported that their companies' participation in BEST Career Ladder activities was valuable to their company. The mean rating was 5.94. The median rating was 6.00.

Return on Investment: 68.2% of the responding employers reported a measurable return on this investment for the time and financial resources devoted to BEST.

Improved Profitability: 45.5% of the responding employers reported that they were able to attribute improved company profitability to participation in BEST education/training/career ladder efforts. The highest reported level of cost reductions (40.9%) was in the "decreased turnover for participating employees."

Cost Reductions: 45.5% of the responding employers reported that they were able to attribute cost reductions to participation in BEST education/training/career ladder efforts. The mean rating was 6.64 and the median rating was 7.00.

Participation in Future Rounds of BEST: 95.5% of the responding employers expressed their desire to participate in future rounds of BEST.

Future Participation in Workforce Development: 100% of the responding employers expressed the intent to continue their involvement in workforce development in their region.

Findings By Industry

Manufacturing employers reported considerable return on investments, improved profitability and cost reductions. In banking, cost reductions were reported in many categories. In hospitals, on the other hand, far fewer employers reported any return on investment, improved profitability or cost reductions.

- **Hospitals** Of the seven hospitals that responded, only one (14.3%) reported overall cost savings. There was general satisfaction (71.4% to 100%) with participation in BEST in the areas of the value of BEST to the company, participation in career ladder activities, partnering with other health care facilities, value to employees, desire to participate in future

2. One project changed the survey, eliminating the portions of the survey that asked for numerical ratings of each topic area. Those four employers' surveys were eliminated from the data that was analyzed.

BEST projects and the intent to continue participating in workforce development in the region.

- **Banking** Of the three banks that responded, the highest levels of satisfaction (100%) regarding BEST were in the following areas: value to the company, meeting expectations, participation in career ladder activities, partnering with other health care facilities, value to employees, desire to participate in future BEST projects, and the intent to continue participat-

ing in workforce development in the region. Two of the three (66.7%) employers reported cost savings in 9 of the 16 cost saving categories.

- **Manufacturing/Bio-Manufacturing** Of the 12 manufacturers that responded, 83.3% reported a return on investment, and 66.7% reported improved profitability. Highest levels of satisfaction (83% to 100%) were in the areas of value to the company, participation in career ladder activities, value to employees, desire to participate in future BEST projects and the intent to continue participating in workforce development in the region.

Findings Across Industries

All employers intend to continue to participate in local workforce development. This supports the value of BEST regional collaborations for companies. Future workforce development activities will likely be strengthened through the participation of these employers.

Initially, there was employer resistance to the career ladder component of BEST. Ultimately, 76.2% of employers reported that participation in the career ladder activities was valuable to their companies.

At the onset of the initiative, project staff and industry teams were challenged by employers' concerns that company information would be compromised. Ultimately, these concerns were addressed and there was an overwhelmingly favorable response (100%) to the value of partnerships with other companies.

There were several other indications that BEST was effective for employer partners. Fourteen employers (63.6%) reported cost savings in one or more cost categories with 13 (59.0%) reporting cost savings in two or more cost categories. Fifteen (68.2%) employers reported returns on investment. Ten (45.5%) employers reported improved profitability. Twenty-one employers (95.5%) would like to participate in future rounds of BEST.

Cost Impact: BEST employer perspectives on cost reductions:

Cost Reduction Classification	% Reporting Cost Reductions
Decreased use of temporary workers	13.6%
Decreased employee recruitment costs	27.3%
Decreased turnover for participating employees	40.9%
Decreased absenteeism for articulating employees	27.3%
Increased sales	4.5%
Decreased order processing time	18.2%
Increased number of "transaction counts"	9.1%
Decreased number of steps in production or service delivery	27.3%
Reduction of "rework" or the reprocessing of tasks	18.2%
Reduction in scrap/waste	22.7%
Reduced ramp up or set-up time	9.1%
Reduced customer complaints	22.7%
Improved customer or patient satisfaction	9.1%
Fewer safety violations for participating employees	22.7%
Reduced Worker's Compensation filings for employees	13.6%
Attainment of individual or business wide certifications	22.7%
Increased sales per person	18.2%
Other measures of increased productivity defined by business	13.6%

Conclusions

Initiative Goals

The results from this survey provide evidence in support of BEST's three main goals:

Goal 1: The employer data indicate that BEST projects have addressed the needs of employers and sectors, particularly in sectors experiencing or anticipating skill shortages.

Goal 2: The majority of employers reported favorably on the BEST Initiative's value to employees, as well as on the value of career ladder efforts.³

Goal 3: BEST has engaged new employer partners in the workforce development system. These employers have reported their intent to continue their involvement. This closer alignment between the business community and the workforce development system will strengthen both. BEST projects have field-tested "regional industry teams," an innovative model of employer engagement.

Business Outcomes

The BEST Initiative was successful in achieving the goals (return on investment, improved profitability and/or cost reductions) of the majority of the participating employers (72.7%).

Employer Satisfaction

- The BEST Initiative was successful in meeting the expectations of nearly all of the employers (90.9%).
- The BEST Initiative was successful in motivating nearly all of the employers to participate in future rounds of BEST (95.5%).
- The BEST Initiative was successful in motivating all employers to continue their involvement in workforce development activities in the region (100%).

3. *In a separate report, improvements in the basic foundational or occupational skills of Massachusetts workers will be addressed.*

Survey Tool

A survey tool that could be easily completed by the business partners was identified. This tool can be used in future rounds of BEST to assess employer perceptions and satisfaction.

Review of the lack of cost savings reported by hospital partners indicates that an examination of the survey should be done to create cost saving categories more germane to hospital operations. Some of the cost savings factors, such as "fewer safety violations for participating employees," might have triggered higher response rates if the language used was more specific to health-care.

A full report of an evaluation of the Best Initiative will be made available in Fall 2004.



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Please visit the
Center for Research and Evaluation's
web site at www.commcorp.org/cre
for additional workforce development findings.