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AND THE JOB SERVICE

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ABSTRACT

The recruitment of highly qualified applicants is essential to the success of any selection system. A national survey was conducted to assess the extent to which manufacturing employers view public employment agencies as playing a viable role in their recruitment process. This study examined the characteristics of users and nonusers of the Job Service, the extent and nature of use, and the employers' assessment of the services provided. The data indicate that the limited success of the Job Service in increasing the number and quality of positions listed is due in large part to a failure to inspire the confidence of employers. The availability of no cost referrals was valued, but employers considered prescreening to be inadequate and criticized the quality and motivation of referred candidates. These results tend to support data and anecdotal evidence reported by other authors.

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INTRODUCTION

A criticism that repeatedly has been made in the media, practitioner publications, and sponsored programmatic evaluations is that services provided by state employment agencies are neither highly regarded, nor highly valued by employers. Similar allegations have been made about the quality of service provided to job seekers. Given these widespread charges about the efficacy of the Job Service, it is not surprising that there has been reluctance on the part of both employers and job seekers to make use of a no cost employment service. (Barron & Mellow, 1982).

The charges that most frequently surface among employers are that the employment service tends to refer inadequately screened, underqualified and inadequately motivated applicants. The employment services on the other hand, claim that their job is hampered by a lack of cooperation on the part of employers. They claim that employers only seek out their services for low-paying jobs which have been offered through other recruiting sources and have remained unfilled (Brown, 1977; Manpower, 1974).

Complaints about the quality of the services provided and the general perception that public employment agencies are not viable

recruitment sources have tarnished their image and interfered with their effectiveness in successfully meeting their goal of job placements. Nevertheless, there has been surprising little research conducted to better diagnose and assess the quality of the services provided, the validity of the charges levels against the public employment agency, or the perceptions of employers whose voluntary and ongoing use of the referral services is the obvious precursor to job placements by the agency.

PURPOSE OF THIS STUDY

During the latter half of the 1970's, the state employment agencies, under the aegis of then Assistant Secretary of Labor William H. Kolberg, embarked on several programs to improve their services as well as public relations efforts, to improve the image of the state job service offices. Paramount among the goals was to increase the number and quality of job openings listed by employers through the employment services. Kolberg identified this as the key to placements and the accomplishment of other goals of the Employment and Training Administration. To meet this objective, it was noted that employers must believe that their needs can be met by the public employment service offices (Kolberg, 1977).

The purpose of this study is to explore the attitudes of employers to their state employment services and to compare the current findings to the policy objectives which were established and programmatic evaluations that had been conducted during this period.

Specific research objectives were to assess the nature and extent of employers reliance on the employment service, the perceived quality of the assistance provided, and an assessment of the referrals provide.

PREVIOUS RESEARCH

It has been noted by numerous commentators that the employment service has been changed radically over its lifetime in terms of goals, programmatic activities, and budget (Marshall, 1973; Chadwin, 1977; Kolberg, 1977). Legislative enactments, budgetary pressures, expanding technological capabilities, differing political philosophies, and changing economic conditions have all contributed to this programmatic evolution, often in the absence of a long term strategy. Since their creation one half century ago, the primary goals of the public employment services have evolved from simply administering unemployment insurance claims, to also operating labor exchanges, developing and administering comprehensive manpower programs, as well as programs emphasizing the economically disadvantaged, and more recently back to an emphasis on labor exchanges (Kahalas and Groves, 1974).

Given the long and diverse history of the employment services, relatively little objective evaluative research has been conducted. Much of the existing documentation has been through employment service publications, most often pertaining to the employment service in a specific state. The majority of references in trade or practitioner publications as well as college level personnel and labor economics

texts tend to be based primarily on anecdotal evidence, and are typically unattributed. However, there are a small number of data based studies reported in journals as well as several R & D monographs supported by the U. S. Department of Labor and the Employment and Training Administration which are pertinent to this study (Barron & Mellow, 1982; Kahalas and Groves, 1974; Ruttenberg and Gutches, 1970; U. S. Employment and Training Administration, 1977, U. S. Department of Labor, 1978).

Together these studies offer a variety of insights and conclusions about the use and effectiveness of the public employment service. A common theme regarding the referral and job placement function of the employment service is that the job search requirement for recipients of unemployment insurance is detrimental to the overall quality and motivation of referrals, and has been a factor in discouraging employer initiated job listings. A number of writers and employers critical of the Job Service have questioned whether this is a necessary consequence, and have suggested that inadequate screening of referrals is the more significant difficulty.

Other findings which have been reported point to reluctant utilization of the public employment agencies by employers which results in late or last resort listing and selective use of the service (screening by employers of the categories of jobs which will be listed). The effect of such employer screening is that a disproportionate share of listing are jobs in low-pay, low status occupations, and the perpetuation of the image of the state job

services as being viable recruitment sources for primarily clerical and low skill, low paying, blue collar positions.

It has also been reported that there are differences in the effectiveness of various state employment services as well as significant intrastate differences. In addition to structural, staffing, and case load differences, the nature of the interaction with employers and the quality of prescreening have been identified as important influences on employer satisfaction with and use of the referral services of public employment agencies.

METHOD

A national survey was conducted in which the subjects of the study were manufacturing firms with a net worth of between \$500,000 and \$1,000,000 dollars. All were located in cities and towns with populations over 20,000 to increase the likelihood that all had a reasonable proximity to offices of their respective states' employment service. The subjects were selected randomly from state listings, in numbers proportionate to the relative populations of the states. A separate state specific sample was also selected to provide a basis for looking for intrastate differences in employers responses.

A questionnaire was developed and pretested at several local companies. The pretest was supplemented by interviews with respondents. The final form of the questionnaire was mailed to managers with personnel responsibility in 416 subject firms. A

follow-up mailing was used to encourage participation. A total of 141 responses were forthcoming, providing a total of 137 usable data sets.

FINDINGS

Fifty-eight percent of those responding to the survey (and seventy-four percent of state-specific sample) indicated that they had used the employment service in the preceding twenty-four months. Because of limited knowledge of non-respondents and other groups of employment agency clients, no attempt is made to generalize these results beyond the sampled population. One concern is that those employers who responded may have had relatively stronger feelings about the services provided by public employment agencies, either positive or negative. It should also be noted that a number of the questions evaluating employers' assessments of the quality of employment service functions were asked only of those respondents who indicated they had used the employment service in the previous two years. Questions dealing with the functions of the agencies were asked of all respondents.

Number of Employees and Personnel Officers

Those employers who responded to the survey and reported using the employment services tended to be larger and were more likely to have a full-time personnel officer than those companies who reported not using the services. Of the respondents who reported using the employment services 91 percent had 26 or more employees (38 percent had more than 100 employees) while only 66 percent of the employers

who did not use the services had 26 or more employees (20 percent had more than 100 employees). Of those respondents who use the employment services, 38 percent reported having a formally designated personnel officer as compared to only 24 percent of those firms which do not use these services. These findings are generally consistent with the state-specific sample, although there was not as large a difference in the number of employees, per firm between the two groups.

Primary goals of the Employment Service

Respondents were asked to identify the primary functions performed by state employment agencies, and were asked to rank order their listing. Respondents identified service to job seekers and providing screened referrals to the employers applicant pool as the most important functions of the state employment services.

Insert Table 1 about here

When the sample is broken down by users and nonusers of employment service refererals, the results differed somewhat. As is evident in the data reported in Table 1, both groups ranked servicing job seekers as the primary function. Among employers using the referrals from the employment service, providing screen referrals was identified as the second major function, while nonusers pointed to administration of the unemployment program. Nonusers also ranked the production of labor

market data as being substantially more central to the mission of the employment service than did users. In the state-specific sample, the results for both categories of employers tend to fit more closely with data reported above for the users of the employment service in the national sample.

Sources of Hires

The primary recruitment source of new employees for all respondents was walk-ins. However, for the companies that use the employment services, walk-ins are the source for less than 40 percent of their employees while of those who do not use the services, walk-ins are the source of over 55 percent of their employees. Those respondents who do use employment service referrals also are more likely to use private employment agencies, media, campus recruiting, and other methods of generating applicants than nonusers.

Contact with the Employment Service

Employers who had used the employment service in the preceding twenty-four months were asked a series of questions about their use of the employment services and the nature of their association with the agency.

The main type of contact with the employment services for all respondents who use the services was the telephone (98 percent). About two-thirds report contacting the employment services several times a year while 25 percent report a monthly contact and the

remainder talk with the services more frequently. The respondents in the state specific sample reported even more frequent contacts with 41 percent talking to the services several times a year; 24 percent with monthly contact; and 31 percent with weekly or more frequent contact.

Fifty-four percent nationally and 28 percent in the state-specific sample reported that they have never had a representative from the employment service visit their business. Eighty-eight percent nationally and 69 percent in the state sample stated that they have never visited the employment services office. Nationally 21 percent reported that they have one specific individual at the employment services that they deal with. In the state sample 34 percent report dealing mainly with one individual.

Most respondents in both the national and state samples indicated that their preference was for referrals which had preliminary screening by agency personnel. Providing a pool of applicants (without significant screening) was a second choice in both samples, while extensive screening of referrals was a distant third as a service which could be provided by the public agency that would benefit the respondents organization the most.

Employment Service Referrals

Respondents were substantially less likely to seek job service referrals for professional or managerial job openings than for other categories of jobs. As is shown in Table 2, however, there was substantial usage for skilled, low skilled, and clerical vacancies.

The majority of respondents listed two categories of jobs for which they were likely to seek employment service referrals. The data for the state specific sample reflected the same pattern of usage, although employers were more likely to use public agencies as a source of a single category of employees.

Insert Table 2 about here

As is shown in Table 3, the respondents were asked to evaluate job service referrals, by job category, along the dimensions of experience, skill and ability, and motivation. Respondents were also asked to rate referrals on the likelihood that they would stay with the company (have lower turnover) relative to other applicants. Across all four dimensions, employment service referrals for skilled and low skilled jobs tended to be evaluated as being somewhat inferior to applicants for the same types of jobs who were recruited in other ways. Clerical referrals on the other hand were more similar to other applicants in all four evaluation categories.

Insert Table 3 about here

The reasons given by the respondents for state employment

service applicants being unacceptable (not hired) are summarized in Table 4. The primary explanation was the lack of qualifications for the job in question, followed by lack of motivation and appearance. Among those referrals hired but later fired, the primary complaint was low motivation. Deficiencies in skills or other job needs were cited as the second factor. Data for the state specific sample were comparable to the national sample, although the mean ratings tended to be somewhat lower.

Insert Table 4 about here

Performance of the Employment Service

In general, the employers who were using the employment service did not feel very positive about the performance of the employment services. As is shown in Table 5, the state employment services were rated as either needing improvement or unacceptable by a majority of the respondents in the national portion of the survey for all response categories except for providing information on market conditions and promptness in response. The data in the state specific sample generally mirrored the national sample, although the ratings were slightly more positive.

Insert Table 5 about here

Despite the less than enthusiastic evaluation of the public employment agencies, most employers intend to continue making use of their services. The primary factors influencing the decision to use the employment services were convenience and ease of use, and the fact that there is no cost for referrals (see Table 6). The response time and EEO or governmentally mandated use were less important factors. Only eleven percent of respondents using public employment agency referrals identified quality of service or efficiency of the agency as contributing factors.

Insert Table 6 about here

EMPLOYER OBSERVATIONS AND SUGGESTIONS

The majority of respondents did not offer specific suggestions concerning ways in which the performance of the employment services could be improved. Nevertheless, the responses which were received to this open ended inquiry were generally consistent with the data which has already been discussed as well as with published findings.

Many non-users complained that unsatisfactory experiences with referrals led to their decision to rely exclusively on other recruitment methods. The most frequent complaint was that referrals are inadequately screened and perhaps as a result, these applicants tend to be unqualified and unmotivated. This criticism notwithstanding, few felt the services were capable of better screening. Several suggested that the problem is not really with the service provided, but simply that qualified applicants do not use this method for finding employment opportunities. Many of the comments questioned the motivation of referrals to actually seek work, alleging that the job search behavior was undertaken solely to maintain eligibility for unemployment insurance programs. Overall, the comments of the nonusers reflected negative feelings about the public employment services and offered few suggestions for improving referral programs.

Users comments also tended to emphasize problems with the services provided. Several commented that the offices need to become more responsive to the needs of employers. They suggested visits to the employers work site by employment service personnel so that the work setting and job requirements could be seen first hand. They also suggested that employment counselors should operate in a more professional and responsive (to employers) manner. Several observed that counselors typically demonstrate an uncaring attitude to the needs and problems of employers. Finally, the observation was made by several respondents that their experience with the employment services improved after they began dealing exclusively with one counselor.

Discussion and Suggestions

The results of this study are generally in concurrence with findings of previous data based studies as well as the descriptive works which have critiqued the employment services. Those respondents who don't use the services most often base their nonuse on bad experiences in the past and as a result are unlikely to use the services in the future. Users are typically dissatisfied with both the quality of the services received and the quality of the the referrals, but point to convenience and ease of use, as well as the fact that there is no charge for the referrals to explain their ongoing reliance on these agencies.

Employers have been generally displeased with the quality of referrals relative to applicants generated in other ways. The major exception is with clerical employees, where referrals were generally felt to be comparable to other applicants. It is possible that the requisite skills are more readily identified and evaluated, thus permitting better screening of referrals. An alternative explanation is that there are differences in the quality of the pools of job seekers among the job categories.

It is interesting that the majority of users favored preliminary screening of referrals, or providing a pool of generally qualified but unscreened applicants. (Only a small percentage favored extensive screening or formal hiring agreements.) It may well be that pessimism about the capability of the agencies to provide this level

of service leads respondents to seek referrals requiring less rigorous evaluation of candidates by the agencies. An ongoing problem identified by employers is the job search requirement of the unemployment insurance program. It is felt that this exacerbates the problem of inadequate screening of referrals, and results in wasted time and effort dealing with individuals who are not in fact serious job seekers.

The study only attempted to measure employer perceptions and attitudes about the employment services and did not evaluate the claims of employment service officials that employers do not accept sufficient responsibility for making the referral service "work". However, it is clear from this study that there is a distrust of the state employment services on the part of employers. In order to function properly the system will need the efforts of both employers and the employment service officials and employees. As noted by one author, "(a)lone among public agencies, despite its free services, the public employment service is in the embarrassing position of begging a clientele [employers] to use it." (Levitan, Mangum, and Marshall, 1981).

Based on the data and observations made by respondents, the process of regaining the confidence of employers will not take place quickly. It appears that a logical starting point must be the employment service offices. Where adequate staffing is available, one possibility would be for representatives of the employment services to

visit businesses to foster the development of improved communication and understanding. A related approach would be to assign counselors to specific businesses in order to facilitate the development of customized and more personal working relationships. Respondents have expressed positive reactions where these behaviors have evolved either formally or informally.

Perhaps the most obvious suggestion is also the most difficult to implement. Most of the employers that responded to the survey have had some experience with their state employment service and unfortunately in the majority of cases it was not altogether positive. The most frequent and important criticism ultimately concerns the quality and motivation of referrals. The burden is on the offices of the employment services to improve the quality of referral services and earn the confidence to these employers.

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TABLE 1

EMPLOYER ASSESSMENT OF PRIMARY GOALS OF THE JOB SERVICE

Function	Among Employers Using Job Service	Among Employers Not Using Job Service	All Employers
Produce labor market data	16*	34*	24
Administer unemployment insurance program	24	35	28
Serve employers through screening applicants	57	24	43
Serve all job seekers	79	56	67
Serves primarily hardcore unemployed	6	13	9
Serve primarily low skill job seekers	4	0	2

*percent of responses rank ordering each response first or second

TABLE 2

USE OF PUBLIC EMPLOYMENT AGENCY BY CATEGORY OF JOB

Job Category	Percent of national employers who have used job service in past twenty-four months who have sought employees in this category	Percent of state employers in study who have used job service in past twenty-four months who have sought employees in this category.
Professional or Managerial	29*	16
Skilled	61	35
Low Skilled	81	46
Clerical	57	33

*data expressed as a percent of usable response

TABLE 3

ASSESSMENT OF PUBLIC EMPLOYMENT AGENCY REFERRALS RELATIVE TO OTHER APPLICANTS
FOR SAME JOB TYPES BY EMPLOYERS WHO HAVE USED THE JOB SERVICE
WITHIN THE PRECEDING TWENTY-FOUR MONTHS

	Excellent	Better than Average	Average	Below Average	Unacceptable

Experience					
Skilled	0	14	45	41	0
Low Skilled	0	9	60	30	0
Clerical	0	21	55	21	3
Motivation					
Skilled	0	10	54	32	4
Low Skilled	0	3	54	41	2
Clerical	0	12	69	15	4
Turnover					
Skilled	0	14	38	34	14
Low Skilled	0	10	40	33	17
Clerical	0	20	58	17	4
Ability/Skills					
Skilled	0	0	58	38	4
Low Skilled	0	3	61	32	3
Clerical	0	4	80	12	4

*data expressed as a percent of usable responses. No opinion responses are excluded. Data for professional/managerial referrals is excluded because of low level of utilization for this category of employees.

TABLE 4

EMPLOYER ASSESSMENT OF JOB SERVICE REFERRALS
WHICH WERE FOUND TO BE UNACCEPTABLE

Not Hired

Unqualified	68*
Lack of Motivation	38
Appearance	29

Hired But Later Fired

Unmotivated	57
Unqualified	34

*percent of responses indicating that each factor contributed to unacceptability

TABLE 5

ASSESSMENT OF PUBLIC EMPLOYMENT SERVICE BY EMPLOYERS WHO HAVE USED THE SERVICE
WITHIN THE PRECEDING TWENTY-FOUR MONTHS

	Excellent	Good	Needs Improvement	Unacceptable
Function				
Providing information on market conditions	23*	40	26	12
Counseling job applicants	9	13	59	17
Screening applicants	6	18	57	20
Providing qualified applicants	6	16	65	14
Being knowledgeable about your business	11	17	60	15
Follow-up on an organization's needs	9	24	49	18
Communication with an organization	13	23	52	13
Promptness in response	12	53	25	10

*data expressed as a percent of usable responses. Responses of no basis for judgment are excluded.

TABLE 6

FACTORS WHICH HAVE CONTRIBUTED TO EMPLOYERS' DECISION TO USE
PUBLIC EMPLOYMENT SERVICE

	Percent of Responses
Convenience and Ease of Use	70*
No Cost for Service	64
Fast Response Time	27
Use Required by Government	27
Quality of Service, Efficiency of Agency	11

*percent of responses indicating that each factor was influential in employers' decision to use the public employment service