

## **Contingent Workforce Strategies**

The Advantage of Disadvantaged Contingents: Doing good can be good business, too

*By June D. Bel*

When one Los Angeles auction house needs help moving fine rugs and valuable antique furniture, it turns to a temporary agency whose workers are recovering addicts and former prison inmates.

What might seem to be an odd, even risky arrangement makes sense to everyone involved. The workers are eager to prove themselves, and their self-esteem grows on the job. The auction and appraisal business, Bonhams & Butterfields, knows it can count on well-trained workers. And the temporary agency that supplies them, Labor Connection, an arm of a Los Angeles-based nonprofit organization called Chrysalis, furthers its mission of boosting the dignity and earning power of people who may have little of either.

Ed Beardsley, general manager at Bonhams & Butterfields, says he's been pleased with the work ethic of the men Chrysalis sends to supplement his two-person crew. The workers help in the warehouse and set up and dismantle gallery displays. "It's been perfect for us when we need that labor," he says. "We've had virtually no problems in the five years we've been working with Chrysalis."

One Chrysalis worker did such an exemplary job that when a permanent opening occurred two years ago, he was offered the position — and has been there ever since. "He is one of our best," Beardsley says.

Providing an excellent workforce is one of Chrysalis's missions. Another is helping hard-to-employ individuals develop the career and life skills they need to become self-sufficient. Those goals dovetail for the agency, one of a handful of staffing services around the country created to place disadvantaged people in temporary jobs.

### **Investing in People**

Temporary work, it turns out, is an ideal way to help these employees find their footing in the labor force. They're able to experience the world of work a few days or a few weeks at a time without a permanent commitment, which can seem daunting to a worker who has little experience, few skills and wavering confidence.

Meanwhile, they slowly gain work experience at a variety of entry-level jobs. They're buoyed by counseling, support programs and training that teaches them how to deal with conflict and demonstrate reliability. On-site supervisors from the staffing agency can quickly resolve problems and ensure that workers receive adequate guidance.

"Most agencies wouldn't invest as much in the worker as we would," says John Plunkett, CEO and president of Harborquest, Inc., a Chicago nonprofit that provides temporary staffing. Like Chrysalis, Harborquest aims to put employees on the path to job success and help them achieve financial independence.

Businesses that take a chance on disadvantaged workers don't necessarily save money because nonprofit staffing bill rates are on par with for-profit fees. But the businesses do find workers determined to prove their worth.

"There is such a feeling of gratitude. They want to do a good job," says Gema Ortiz-Cardenas, corporate director of human resources for two Santa Monica, Calif., boutique hotels that use about 60 Chrysalis workers each year for housekeeping and banquet work. "When you bring them here, you don't have to overstress to them how important it is to do a good job."

The idea of using temporary work as a springboard to permanent employment for hard-to-employ workers piqued the interest of the National Economic Development and Law Center of Oakland, Calif., which provides support services for community organizations. In a report issued last year, NEDLC found that the staffing

industry, which is facing increasing competition, has shown little interest in disadvantaged workers because they have few skills and therefore are difficult to place.

The U.S. Bureau of Labor Statistics estimates that about 90 percent of staffing companies provide free training to their temps, but the NEDLC report found that "this training is usually not sufficient to address the needs of the hard-to-employ population."

### **Seeking Alternatives**

Hard-to-place workers get help from a variety of alternative staffing agencies. Some are supported by federal funds, but most, like Chrysalis and Harborquest, are nonprofits that charge placement fees to client companies. The programs that serve disadvantaged workers provide an array of services, far greater than what a traditional staffing agency would provide.

"Early on, we realized that if you're serving disadvantaged people, the standard staffing model won't work because the workforce has so many needs and needs so much support," says Neal Hegarty, a program officer for the Charles Stewart Mott Foundation of Flint, Mich., which funded the NEDLC study.

These workers present many challenges. Some have only a basic education. Others don't have reliable transportation or childcare. Some can't afford an interview wardrobe. Others have wrestled with drug or alcohol addiction. They may have criminal records and spotty work histories. And most suffer from crushingly low self-esteem, which can affect their ability to integrate smoothly into a workforce.

Harborquest doesn't train its labor force for particular jobs. Instead, it encourages workers to be quick learners and good communicators with a can-do sensibility. Those attributes will serve them well wherever they're sent. About 60,000 people have found work through Harborquest since its founding in 1970. It often has as many as 300 workers on its payroll.

Program participants find Harborquest through word of mouth or referrals from state agencies that handle food stamps or unemployment. They must agree to extensive pre-employment training, including at least two weeks of classroom instruction. They learn to improve listening skills and resolve potential conflicts with co-workers and supervisors. "At the heart of most of our training is attitude," Plunkett says. "We make sure people have their heads screwed on properly."

Once workers are on the job — usually in entry-level positions in manufacturing, hospitality, back offices, warehouses and distribution — a Harborquest manager provides on-site supervision.

### **Support Net**

Like Harborquest, Chrysalis casts a net of support for the people it serves. Operating in Los Angeles's blighted Skid Row neighborhood, the program serves ex-convicts, recovering drug addicts, the homeless and the chronically unemployed. For people so far down, "to make it to Chrysalis is an enormous leap," says Adlai Wertman, its CEO and president.

Training includes mock job interviews, stress relief and advice on how to get and keep a job. Chrysalis also runs a payday support group to help recovering addicts resist the temptation to squander their hard-earned salaries on drugs or alcohol. Courses for former inmates address the importance of being honest about a criminal history. "Yes, some won't hire you, but the ones who will, will fire you if they learn that you lied," Wertman says.

Labor Connection, Chrysalis's staffing agency, was founded in 1991. In 2004, it placed about 450 people in 1,600 positions. They earn between \$7 and \$10 per hour in construction, park maintenance, mailrooms and other unskilled labor jobs. Assignments can last from a day to three months. Wertman says that more than 90 percent of these workers eventually secure permanent full-time jobs in the private sector.

About 80 percent of the temporary workers placed by Goodwill Staffing Services, a Boise, Idaho-based nonprofit staffing agency, have a disability such as depression or a disadvantage that may include a criminal record, says Kit Schutte, the program's account manager. The staffing agency, created in 1996, provides pre-employment training and other support services.

Last year, Goodwill placed 463 people in 637 temporary positions in the Boise area. Goodwill has 39 staffing agencies around the country, but most work with state agencies. The Boise office, which does mostly clerical staffing, places only one-fourth of its workers at state agencies.

### **Real Advantages**

The people who run these nonprofit programs claim that disadvantaged workers are better prepared for work than typical temps in the same jobs. Because these workers have so many obstacles to overcome, they have undergone extensive pre-employment screening, increasing the odds that they'll have a strong work ethic and be placed in a job where they can succeed.

Bonhams & Butterfields used a traditional staffing agency, "and their guys weren't half as good," Beardsley says. "Chrysalis has been a successful solution for us."

Alternative staffing agencies know they must provide excellent candidates if they want to compete with their for-profit counterparts. Their executives note that companies willing to take a chance on their temps aren't doing it to be generous. They need diligent workers, and most of the temps sent by do-good agencies fit the bill. "I quickly learned that prospective employers don't care about [our] motives," Plunkett says. "They need to move products. Taking care of customers is Number One."

Donna Grummer, Goodwill's vice president for Idaho services, says the same. "At the end of the day, they have a business to run, and many of our employers quite frankly don't care about our mission," she asserts. "We have to sell our business on quality."

Ideally, all hard-to-place workers would transition to full-time permanent employment, more education, self-sufficiency and dignity. But despite everyone's best efforts, a checkered past can hinder employment prospects.

Hotel workers encouraged Ortiz-Cardenas to offer a permanent job to a Chrysalis participant who shone in the housekeeping department. Though the man was an excellent worker, he had a history of violent crime. The hotel chain feared taking on the liability of hiring him and risking guests' safety if he ever reverted to violence. He wasn't hired.

A Chrysalis worker who was hired by the hotel chain six years ago is a superb worker but "still has some challenges," Ortiz-Cardenas says. He recently suffered several broken ribs when he was assaulted by his "friends," homeless alcohol abusers. The company held his job, and Ortiz-Cardenas advised him to return to Chrysalis for counseling. He has successfully returned to work. "The job he has here is everything in his life," she says.

### **Advice for Businesses**

Wertman urges executives who take on hard-to-place temporary workers to be honest about their job requirements and to consider the histories of at-risk workers. Setting workers up to fail serves no one. "If someone has 14 convictions for petty theft, don't put them in the parts department," he says. "Don't lead people into temptation."

Ortiz-Cardenas says she's careful about where she assigns Chrysalis workers on housekeeping duty. Instead of having them clean guest rooms, she sends them to public areas. "You always want to make sure you protect the customer," she says.

Georgeanna Stringan, a human resources generalist for MQ Whiteman, a Boise construction equipment manufacturer, says the company has had some former inmates from Goodwill “who slid back into old habits” and had to be let go from their temporary jobs. But she still gives 75 percent of her staffing business to the nonprofit agency because so many of its contingent workers are “very good, hard-working people who might have never gotten another chance.”

Beardsley, the auction house manager, says he has overcome his initial concerns about allowing Chrysalis workers to handle precious antiques. “In the beginning, you feel like you have to watch them more closely,” he says, noting that these workers move large, heavy items like furniture, rather than handle jewelry and coins. “But they won us over by being in a program and working so hard.”

For other businesses that use substantial numbers of temporary workers in entry-level jobs, giving a chance to agencies that help the disadvantaged can yield similarly positive results.

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