



# Strategies for Implementing OJT Simply and Effectively

## An On-the-Job Training Brief and Resource Guide

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# STRATEGIES FOR IMPLEMENTING OJT SIMPLY AND EFFECTIVELY: AN ON-THE-JOB TRAINING BRIEF AND RESOURCE GUIDE

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# INTRODUCTION AND OVERVIEW

On-the-Job Training (OJT) can be an extremely effective strategy for helping businesses ensure that they have workers with the specific skills and competencies needed to meet their production and service needs. Simultaneously, OJT can assist a range of individuals—from the long-term unemployed to individuals recently dislocated from their jobs in high-skill occupations—secure and retain employment. OJT was an allowable activity in the Workforce Investment Act (WIA) and is also allowable in the recently enacted Workforce Innovation and Opportunity Act (WIOA). However, in many local areas, use of OJT has been very limited. One key factor that has contributed to low utilization of this training strategy is the concern by both businesses and the public workforce system that OJT is complex in both its administration and implementation. To help address this concern, the U.S. Department of Labor’s Employment and Training Administration (ETA) developed this Brief and Resource Guide to provide local Workforce Development Boards (Local WDBs), American Job Centers (AJCs), and affiliated service providers with specific strategies for implementing OJT simply and effectively. This guide includes specific tactics used in local workforce areas around the country to implement OJT, addresses key misconceptions about OJT, highlights the benefits of OJT for businesses, Local WDBs, and clients, and identifies critical aspects of OJT that are strongly aligned with key elements of WIOA. Finally, the appendix includes an array of tools used by Local WDBs to support the simple and effective implementation of OJT. These are strong examples of the kinds of tools that Local WDBs, AJCs, and affiliated service providers in other areas could develop to help support the effective implementation of OJT.

Readers should be aware of the following key parameters as they review this report:

- This is a technical assistance resource and not formal guidance. The public workforce system and its partners can use this resource to help support the effective implementation of OJT.
- This resource is designed to supplement the wide range of existing resources that ETA has released on OJT, such as the OJT Toolkit (<https://ojttoolkit.workforce3one.org>), and does not replace those resources. Readers are encouraged to access those other existing resources as well.
- This document includes a summary of key parameters of the WIOA statute and Notice of Proposed Rule Making (NPRM). Please note that this is not a substitute for reviewing the statute and NPRM, and readers should consult these source documents for information on the rules and regulations related to OJT.
- This document focuses specifically on OJT, which was authorized and funded through WIA formula funds, and which will now be funded and authorized through WIOA. There

are other Federal and state grants that fund OJT and have provisions similar to WIA and WIOA OJT. Although some of those other Federal and state grants are referenced here when leveraged by local workforce areas, this document focuses on OJT as funded through WIA and WIOA formula funds.

## PART I: OVERVIEW

In utilizing On-the-Job Training as a strategy for training and employing clients and serving businesses, it is important for Local WDBs, AJC operators, and other affiliated service providers to clearly understand the intended purposes of OJT, its rules, roles, and responsibilities. Having a better understanding of OJT can lead to more effective utilization of OJT, enhanced business engagement, and ultimately stronger outcomes for both businesses and clients.

### I.A Intended Purpose of On-the-Job Training

OJT is:

- **Among the menu of business services** that Local WDBs can utilize to address the critical workforce needs of local businesses while helping clients improve their skills and attain and retain quality employment.
- **A form of work-based training provided to an eligible WIOA client** (e.g., Adult, Dislocated Worker, or Youth) upon entry into employment and while engaged in paid work. Under certain conditions, an incumbent worker may qualify for OJT (see, **I.C Summary of Key OJT Eligibility Requirements**).
- **Delivered by an eligible business**, which acts as a training vendor under the terms of a legal contract and approved training plan (see, **I.C Summary of Key OJT Eligibility Requirements**).
- **Customized to address specific gaps in the trainee’s knowledge or skills** that are inhibiting his or her ability to perform assigned job duties fully and adequately. After accounting for the skill requirements of the specific job and the trainee’s academic and occupational skill level and work experience, an individualized training plan is formulated to identify key competencies that the trainee needs to attain in order to perform the job fully and adequately.
- **Limited to the time needed to resolve skill gaps and improve job performance and productivity to a satisfactory level.** Training time differs by trainee, job, and skill, based on the level of skill deficiencies and complexity of skill requirements. One common feature of the training plan is to attribute a particular number of training hours or percentage of training funds to resolving a particular skill deficiency. Although WIOA does not set specific limits on formula funds, other Federal monies (such as National Emergency Grants) and some state and Local WDB policies establish guidance or prescribed caps on the amount of time and/or funds that may be spent on OJT.

- **A resource for defraying the extraordinary costs of training** and supervising the trainee. OJT funds are disbursed to a business in the form of a wage reimbursement. Reimbursement rates differ by funding source, but generally go up to 50 percent of wages during the designated training period (under DW NEG grants, reimbursement can rise up to 90 percent of wages). New under WIOA, reimbursement may be increased up to 75 percent of wages under certain circumstances (see **I.D Top Five Changes under WIOA**).
- **Adaptable to a wide range of occupations and skill needs.** OJT can support skill building in a whole host of occupations, from entry-level to highly skilled. Regardless of the position, there is almost always some skill that can be acquired or enhanced through OJT.
- **An effective strategy for (re)employing a diverse array of WIOA clients.** OJT can provide an entry point into a particular industry for a low-skilled adult or older youth lacking prior work experience, as well as a re-entry point for a dislocated worker who needs to close a specific skills gap in order to continue along his/her career path. OJT can support rapid re-employment of individuals affected by mass layoffs and can also help avert layoffs when technological or production enhancements change skill requirements. A recent study found that OJT participants were more likely to be re-employed than WIA clients who did not receive training or who received other forms of occupational training.<sup>1</sup>

## I.B Common Misperceptions of On-the-Job Training

OJT is:

- **NOT a “one-size-fits-all” training program:** Just as no two people share the same skills, experiences, and career goals, and, generally, no two jobs are exactly alike even within the same occupational area, each On-the-Job Training plan must be unique and tailored to the specific training needs of the trainee and should not mirror the hours and skills of past training plans developed for the same business or for the same occupation.
- **NOT a work experience program:** On the first day of employment, an OJT trainee should be able to contribute productively at work while engaged in training to acquire or

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<sup>1</sup> Park, Jooyoun. 2011 *Does Occupational Training by the Trade Adjustment Assistance Program Really Help Reemployment? Success Measured as Matching*. Washington, DC: U.S. Department of Labor, Employment and Training Administration.

enhance his/her skills up to the business's specifications for the job. OJT is not intended for individuals who are not ready to work and lack employability skills.

- **NOT an incentive for agreeing to hire a wholly unqualified, unskilled individual:** On the onset of employment, an OJT trainee should possess some amount and level of requisite skills, which will be enhanced/supplemented through training.
- **NOT a wage subsidy:** Service providers should not execute OJT contracts with businesses that would otherwise not be able to afford to hire the client. A business should have sufficient resources to cover all the payroll expenses of hiring an OJT trainee. Although OJT funds are disbursed to a business as a percentage of the trainee wage rate, the business, Local WDB, AJC Operator, and affiliated service provider must consider OJT as a form of reimbursement for additional expenses incurred in training and supervising the trainee (e.g., reduced productivity of supervisors during training or costs incurred by training staff).
- **NOT a source of cheap labor:** In agreeing to hire an OJT trainee, a business must agree to compensate the OJT trainee at the same wage rate (including periodic increases) and benefits (including health insurance and worker's compensation) that it provides to other employees or trainees in similar occupations who have similar training, experience, and skills. A trainee must be paid an hourly wage (not a stipend) that equals or exceeds minimum wage.
- **NOT a source of temporary labor:** A business should demonstrate a commitment to retaining a trainee who successfully completes the OJT program and provide him/her with an appropriate/comparable wage and benefit levels. Local areas should not execute future OJT contracts with a business with a history of failing to retain OJT trainees.
- **NOT allowed to be used to encourage or support business relocations resulting in layoffs at another U.S. locale:** A relocated business must be in operation for at least 120 days before a service provider may offer WIOA funded business services, including customized training, skill training, OJT, or company specific assessment of job applicants. A State may develop a pre-award review protocol for relocating businesses.

## I.C Summary of Key On-the-Job Training Eligibility Requirements

**An individual may engage in OJT if he/she:**

- **Qualifies for and enrolls in WIOA services,** including Adult, Dislocated Worker, or Youth services. A business may make a "reverse referral" in which it refers a job applicant to an AJC or affiliated service provider to determine eligibility for WIOA training services. A youth, up to the age of 24, may qualify for OJT if it is incorporated into an individual



service plan that is designed to support the attainment of a secondary school diploma or its recognized equivalent, entry into postsecondary education, and career readiness.

- **Was not previously employed in the same job for the same business.** A business may not terminate an employee and seek to rehire him or her for the same position as an OJT contract. A business may rehire an individual on an OJT contract for a different job that requires different skills.
- **Needs to enhance skills to retain employment or attain a self-sufficient wage.** A business may use On-the-Job Training to enhance the skills of an incumbent worker, due to the introduction of new technologies, introduction of new production or service procedures, or reassignment to a new job that requires additional skills, workplace literacy, or other appropriate purposes identified by the Local WDB. In that manner, OJT can help to avert layoffs.
- **Has a justified need for training.** WIOA stipulates that service providers conduct an “interview, evaluation, *or* assessment, and case management” to determine whether an individual would be unable or *unlikely* to obtain or retain self-sufficient employment if only offered WIOA-funded career services. Under WIOA, self-sufficiency is achieved when the individual earns wages that are comparable to or higher than wages from previous employment. As part of the justification for training, service providers must determine that an individual possesses the appropriate skills and qualifications to successfully participate in training.

**A business may engage in OJT, if it:**

- Is a public, private nonprofit, or private-sector establishment.
- Hires the OJT trainee onto the company payroll at the start of training.
- Assigns the OJT trainee productive work.
- Provides the OJT trainee wages and benefits comparable to other employees or trainees in similar occupations who have comparable training, experience, and skills.

**A business is ineligible for WIOA formula funds, including OJT, if it:**

- Has a history of failing to provide meaningful, appropriate training to previous OJT trainees.
- Has a history of failing to retain successful OJT trainees and provide wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are performing the same type of work.

- Has laid-off employees in the United States and is in the process of relocating to a new locale. A business may qualify for OJT assistance after a 120-day waiting period following relocation.
- Will displace/partially displace incumbent workers with OJT trainees.

## I.D Top Five Changes under WIOA

The passage of WIOA provides a good opportunity for Local WDBs, AJC operators, and affiliated service providers to reconsider their use of On-the-Job Training. Some local areas have been hesitant to use OJT for a variety of reasons. However, a number of aspects of WIOA may now make OJT a more attractive training strategy:

- 1. No prescribed sequence of service for qualifying for or engaging in OJT:** WIOA bundles core and intensive services into the new category of career services and eliminates the WIA requirement that clients receive at least one intensive service (now known as individualized career services) prior to enrolling in OJT or other forms of training. Moreover, under WIOA, service providers may approve training (including OJT) for an individual on the basis that he/she would otherwise be *unlikely* to achieve self-sufficiency—rather than having to demonstrate his/her inability to achieve self-sufficiency (e.g., through an exhaustive job search and after the receipt of career counseling). Furthermore, under WIOA, local areas must prioritize WIOA Adult-funded career and training services to public assistance recipients as well as other low-income individuals and individuals with deficiencies with basic skills.
- 2. WIOA authorizes a Governor or Local WDB to increase reimbursement up to 75 percent,** upon consideration of the following circumstances—including the characteristics of the participant, the size of the business, the quality of business-provided training and advancement opportunities—or other factors, such as the number of employees participating in OJT, relation of the training to the competitiveness of a participant, and wage/benefit levels during and upon completion of training. Based on the criteria, above, enhanced reimbursement rates could be ideal for hard-to-serve clients, small businesses, and career pathway programs.
- 3. WIOA’s new performance measures align well with the outcomes of effective OJT contracts.** WIOA establishes a new set of common measures for Title I, II, III, and IV programs: Retention of unsubsidized employment after second and fourth quarters, median earnings of participants in unsubsidized employment after the second quarter, effectiveness in serving businesses, and attainment of recognized secondary or postsecondary credential if, and only if, the participant enters or retains employment or

continues education or training leading to a recognized credential within one year of exit. OJT is particularly well-positioned to help local areas satisfy the new measures on job retention and effective service to businesses, given its focus on placing individuals into employment, addressing the skilled workforce needs of businesses, and encouraging the retention of successful trainees. Moreover, utilizing OJT to re-employ experienced, skilled dislocated workers in high-skilled, high-wage jobs can help boost overall average earnings for local workforce areas. Finally, OJT could aid successful exits of participants engaged in secondary or postsecondary programs, if service providers couple an Individual Training Account (ITA) with an OJT to provide job placements to credential completers. Doing so would help individuals augment classroom-based learning with practical workplace skills and experiences.

- 4. WIOA encourages training that focuses on high-demand jobs and industries.** Local WDBs and AJC Operators can target On-the-Job Training placements to high-demand fields. Furthermore, WIOA requires Local WDBs to develop career pathways to postsecondary credentials and employment in in-demand occupations. Placing those who successfully complete ITA-funded training into an OJT can help support client progression along these pathways.
- 5. WIOA promotes linkage to apprenticeship:** WIOA clarifies that an OJT contract may be made with a Registered Apprenticeship sponsor to support the OJT portion of apprenticeship training for WIOA-eligible apprentices. WIOA also clarifies that local areas may use ITA funds to support the related technical instruction component of Registered Apprenticeships. Depending on the length of the Registered Apprenticeship and state/local OJT policies, these funds may cover some or all of apprenticeship training. Local areas interested in linking On-the-Job Training with apprenticeship should consider how the length of these programs align with performance measures, and take steps to help fully account for their progress. For example, Registered Apprenticeship programs often last longer than an OJT, and in those cases Local WDBs should work with the Registered Apprenticeship sponsor to explore opportunities to build interim apprenticeship credentials that align with the conclusion of the OJT training period and/or use of ITA funds for related technical instruction.

## PART II: BENEFITS OF OJT

Employers, individuals, Local WDBs, AJCs, and service providers can all realize strong benefits from utilizing OJT. Local WDBs, AJCs, and service providers may wish to review and augment this list of benefits when pitching OJT to businesses and to partners.

### II.A Benefits to Business

- Ensure new hires are trained to the **desired specifications** (e.g., workplace/job procedures and equipment) of the job.
- **Widen pool of job-ready talent worthy of hiring, despite skill gaps:** On-the-Job Training has been successfully used by businesses to hire candidates who lacked specified technical skills, but possessed strong interpersonal or other employability skills and prior work experience.
- Build skilled workforce, increasing productivity and capacity to **grow business** and create more jobs.
- **Mitigate the inherent risks and training costs** associated with hiring a new employee.
- **Minimize turnover** and associated costs of recruiting, hiring, and training new employees.
- When local hiring provisions apply on public projects, OJT can provide bidders an approach to **ensure compliance** (and lower the overall cost of the bid) if the local labor pool has skill gaps that will require training on the job.
- Provide a workforce solution to **incentivize economic development/expansion** in a region.
- **Avert layoffs** by up-skilling current employees to meet new job specifications due to technological change, introduction of new products, etc.

### II.B Benefits to Clients

- **Improve likelihood of retaining employment long term.** By resolving key skill gaps at the onset of employment, OJT trainees are likely to improve their job performance and satisfaction and put themselves into a better position to obtain higher wages and job promotions—all of which support long-term job retention.
- **Alternative path to skill building and employment** for individuals uncomfortable or unlikely to succeed in a traditional classroom-training program.

- **Improve chances of employment after school completion.** Clients who complete a classroom training program may still have difficulty obtaining a job in their desired field. On-the-Job Training can encourage a business to take a chance on a new graduate and help round out their academic learning through practical work-based training on job-related competencies. Some local areas pair ITAs and OJT to help ensure client success in their career field.
- Provide a **game plan for resolving skill deficiencies.** Rather than shy away or attempt to over-sell their skills during a job interview, clients can feel empowered to make the case of the value (such as employability skills and experiences) they would bring to the job, provide an honest assessment of their weaknesses, and speak to how OJT can resolve their skill gaps.
- Start a job with a **business** that has **demonstrated a commitment to training.**
- Obtain business-provided training that brings out-of-date skills up to **current standards.**
- **Earn higher wages and receive better benefits** than they may otherwise earn or receive, if they had narrowed job search only to positions in which they met all the skill requirements specified in job descriptions.
- Receive training to **improve job performance** and job security.
- **Avert layoff** and preserve long-term employability when skills mismatches emerge due to new technologies, changing job responsibilities, etc.

## II.C Benefits to Local WDBs, AJCs, and Affiliated Service Providers

- **Provides resources to build or expand business services.** Increasing the utilization of On-the-Job Training can help Local WDBs and AJCs to create a local workforce development system that serves businesses *as well as* jobseekers—a key priority under WIOA. As a crossover skills development/placement activity, OJT can be a great tool for helping expand business services and sector strategies.
- **Build/enhance reputation with business community** as a first source for recruitment, screening, and training of talent and increase (or retain) the number of businesses utilizing business services.
- **Provide a tangible benefit to small businesses,** which often lack human resources procedures and personnel to develop appropriate job descriptions, screen candidates, and onboard and train new hires.
- **Address rapid re-employment needs of dislocated workers** who are skilled and experienced and do not wish to return to school for retraining.

- **Increase likelihood that training will produce successful outcomes and bolster local area performance:** The On-the-Job Training model of immediate job placement can be an extremely effective approach to training because OJT aligns well with the WIOA performance measures on job retention, earnings, and effective service to businesses. Moreover, OJT also can support successful exits for individuals enrolled in secondary and postsecondary credential programs by providing an employment placement to credential completers. Linking OJT with Registered Apprenticeship offers one approach for working and attending school/training concurrently.
- **Satisfy employment and training needs of a range of clients, including the hard-to-serve.** The OJT model is uniquely positioned to provide an immediate job and job-specific training for a wide range of individuals, such as dislocated workers, unemployment insurance recipients, low-skilled adults, and older youth. AJCs recognized by the business community for building a strong talent pipeline through OJT should find less resistance when seeking OJT placements for hard-to-serve clients.
- **Enable clients to make a strong interview pitch and land “stretch” jobs.** When jobseekers apply for jobs in which they lack some qualifications, access to OJT funds can help them promote their employment value while proposing a game plan for addressing skill gaps. Clients who successfully obtain higher-wage jobs through OJT will help to raise the local area’s “average wage at placement” performance outcome.
- **Connect to Registered Apprenticeship** system for clients. As clearly stated in WIOA, OJT and ITA funds can be used to support Registered Apprenticeship, which should help open the door to Registered Apprenticeships for more AJC clients.
- **Attract and diversify funding sources.** Local workforce areas that build solid business relationships and report strong client outcomes through OJT should be well-positioned to compete for other Federal and state OJT grants.

## PART III. SOLUTIONS TO COMMON ON-THE-JOB TRAINING CHALLENGES

Despite the clear benefits of OJT to businesses, clients, and local workforce areas, challenges can arise to curb the appeal of the program and weaken its success. This section identifies a number of common challenges and suggests potential solutions, primarily identified by Local WDBs and service providers contacted for this research. The challenges and solutions focus on steps that Local WDBs, AJCs, and service providers can take to implement OJT simply and effectively, as well as to support other key goals in WIOA, such as support for career pathways. Solutions may be customized or adapted based on the approach used for implementing OJT in individual local areas.

Challenges	Potential Solutions
<p><b>Lack of staff capacity to identify business targets for OJT</b></p>	<ul style="list-style-type: none"> <li>• <b>Cross-train employment services staff</b> (e.g., Wagner-Peyser staff) and other partners (e.g., economic development agency staff) on an OJT sales pitch when they are promoting a menu of business and economic development services</li> <li>• <b>Empower jobseekers to include OJT</b> as a part of their self-initiated job searches. Train them on behavioral interviewing techniques, in which they make the case on the value they would bring to the business, despite their skill gaps. They can offer OJT as a strategy for filling these gaps.</li> </ul>
<p><b>Ineffective, inefficient efforts to market OJT to businesses</b></p>	<ul style="list-style-type: none"> <li>• <b>Cultivate business relationships through existing and potential partners</b>, including economic development agencies, industry associations, sector partnerships, and small business associations.</li> <li>• <b>Conduct outreach to businesses through established networks:</b> (1) regional workforce development initiatives, (2) economic development incentive award recipients, or (3) winners of competitive bids for public projects in which local hiring ordinances or community benefit agreements exist.</li> <li>• <b>Leverage rapid response activities</b> to promote OJTs to both businesses and workers.</li> <li>• <b>Focus on small businesses.</b> Unlike larger businesses that have significant human resource personnel and training budgets, small</li> </ul>

	<p>businesses have greater needs for recruiting and training assistance. AJCs can help them write job descriptions and also recruit and screen jobseekers to fill those positions. AJCs can then offer On-the-Job Training for WIOA-eligible job applicants with skill gaps. Lastly, OJT is a key resource for small businesses to defray the cost of training new hires.</p> <ul style="list-style-type: none"> <li>• <b>Consider establishing a policy that mandates that an employer utilize “first-tier” business services before undertaking OJT.</b> First-tier business services may include posting job openings on a state job bank or conducting hiring events or candidate screening at the AJC. Sequencing business services is the best way to ensure businesses consider hiring clients who do not (or should not) need an OJT to qualify for a specified job opening.</li> <li>• <b>Actively promote OJT as a second-tier service to businesses already utilizing other business services.</b> The benefit of this approach is the AJC has already proven its value to and conducted some preliminary vetting of the business. Moreover, the business is already accustomed to the paperwork requirements of public workforce system.</li> </ul>
<p><b>Business perception that OJT is bureaucratic government program</b></p>	<p>Simplify and streamline documentation and reporting for businesses:</p> <ul style="list-style-type: none"> <li>• <b>Take on as much of the paperwork as feasible</b>—including the formulation of job descriptions as well as training plans that meet the specifications of businesses and skill/training requirements of individual participants.</li> <li>• <b>Use a short checklist</b> to review OJT legal obligations with businesses.</li> <li>• <b>Reduce the length of the OJT contract</b> to 2-5 pages, putting required assurances in fine print.</li> <li>• <b>Utilize a master training agreement</b> and seek signatures annually, so Local WDBs, AJCs, and service providers can act quickly when new OJT opportunities arise. Then, all that is needed is to append new training plans to the existing training agreement, rather than initiating a new one for each new trainee. When approving a new agreement for the next program year, simply inquire if anything needs to be updated, rather than</li> </ul>



	<p>reviewing all contractual information all over again. A simple renewal process will increase the likelihood that businesses will remain active OJT “vendors” even when they do not foresee immediate OJT needs.</p> <ul style="list-style-type: none"> <li>• Whenever possible, <b>do not repeat the same legal assurances or requirements</b> in multiple forms, thereby reducing length and duplication of paperwork for businesses.</li> <li>• <b>Reduce frequency of wage reimbursements</b>, which require documentation of payroll expenses and training progress at each interval.</li> </ul>
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Challenges	Potential Solutions
<p><b>Business perception that OJT is a government effort to incentivize hiring under-qualified jobseekers</b></p>	<ul style="list-style-type: none"> <li>• <b>Enhance job readiness and baseline skills of clients</b> (e.g., through boot camps, initial classroom training) enrolled in WIOA services or partner programs, thereby mitigating widespread perception (or reality) of hard-to-serve clients.</li> <li>• <b>Feature the availability of well-educated and experienced dislocated workers</b> who just need a “skills brush-up.”</li> <li>• Be intentional in <b>promoting OJT to a wide range of clients</b> with differing skills and work experiences.</li> <li>• <b>Be transparent regarding the skill gaps of clients</b> referred to businesses for consideration of OJT placements.</li> <li>• <b>Be clear that businesses have the final say</b> on whom they hire for OJT placements.</li> <li>• <b>Utilize an enhanced reimbursement rate</b> for clients who need increased training to retain full-time employment.</li> <li>• <b>Do not employ a “retention-based” reimbursement policy</b>, as it does not make practical business sense for a business to retain a poor-performing employee they would otherwise terminate.</li> <li>• <b>Share return-on-investment case studies</b> of a wide range of successful OJT trainees with businesses, from the long-term</li> </ul>

	<p>unemployed to highly skilled dislocated workers who need select specialized skills for placement in a high-demand occupation.</p> <ul style="list-style-type: none"> <li>• <b>Consider requiring that occupations pay higher than minimum wage</b>, to re-enforce the purpose of skilling up job-ready workers for higher-wage, higher-skilled jobs. Some Local WDBs have established a specific target wage floor (such as \$11.00 per hour) or a policy that OJT jobs must pay at least 150% of Federal minimum wage.</li> </ul>
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Challenges	Potential Solutions
<p><b>Business concern over the time needed to execute an OJT</b></p>	<ul style="list-style-type: none"> <li>• <b>Be honest with businesses</b> about the number of business days needed to execute a request.</li> <li>• <b>Educate businesses about inherent differences between simply supporting their recruitment efforts and executing an OJT.</b> The latter is a multi-step process for clients and businesses, and requires due diligence in executing an OJT contract and establishing an employer as a training vendor.</li> <li>• <b>Utilize a master training agreement</b> that addresses compliance issues for all OJT training plans executed in a program year; re-approve the master training agreement annually to keep all information current.</li> <li>• <b>Simplify business services</b>—and OJT agreements in particular—by contracting with an entity nimble enough to execute quickly and seamlessly.</li> <li>• <b>Local WDBs can give AJCs or other service providers discretion to obligate funds allotted for OJT</b> without requiring approval for each individual OJT contract.</li> </ul>

<p><b>Amount and efficiency of time and effort involved in recruiting and assessing clients</b></p>	<ul style="list-style-type: none"> <li>• <b>Train case managers, career counselors, business services representatives, and economic development partners on the purpose and value of OJT</b> and ensure they share information on OJT with clients.</li> <li>• <b>Ensure that case managers give OJT proper consideration</b> in the formation of individual employment plans.</li> <li>• <b>Discuss OJT when providing Rapid Response services</b> to at-risk firms.</li> <li>• <b>Develop protocols for marketing OJT opportunities to clients</b> when they arise (e.g., distribution list for email notification, personal calls made by case managers).</li> <li>• Ensure <b>staff capacity</b> is available to enroll and assess eligibility of <b>reverse referrals</b>.</li> <li>• <b>Pre-screen or pre-qualify clients for OJT opportunities</b>, utilizing assessments such as WorkKeys, Sage, TORQ, and Prove It! to demonstrate general job readiness and ability to learn specified skills.</li> <li>• <b>Maintain an updated list of clients eligible for training and interested/suitable for OJT placements</b> in given industries and occupations.</li> </ul>
<p><b>Amount of time, effort, and complexity involved in developing OJT training plans</b></p>	<ul style="list-style-type: none"> <li>• <b>Employ dedicated staff</b> responsible for developing, executing, and monitoring OJT training plans and contracts. Some Local WDBs have funded these positions with Federal and state grant money. These staff members also can be responsible for cross-training staff undertaking business outreach and client recruitment and assessment.</li> <li>• <b>Offer to help businesses write job descriptions</b>, to ensure they accurately describe skill needs and align with occupational descriptions, job zones, and Specific Vocational Preparation (SVP) codes found on O*NET OnLine—making it that much quicker and easier to assess the suitability of specific jobseekers and develop appropriate training plans (<i>see box, “Using O*Net to support On-the-Job Training”</i>).</li> <li>• <b>Maintain an archive of similar job descriptions</b> that have been</li> </ul>

	<p>cross-referenced to O*NET Online, to provide a <i>starting point</i> when deciphering required skills for new jobs.</p> <ul style="list-style-type: none"> <li>• <b>Draw on prior assessments and business observations</b> from applicant interviews to identify gaps in key job-related competencies—which forms the basis of the OJT training plan.</li> <li>• <b>Utilize O*NET SVP codes</b> to estimate an appropriate number of overall training hours and training budget. Work with the business to parse out training hours and budget by core competency.</li> <li>• <b>Minimize the length and detail of the training plan to the essential elements and competencies to be attained.</b> There is no need for detailed descriptions of the pedagogy that businesses/trainers will use to instruct trainees on key competencies. Focus on the skills and competencies to be attained rather than the manner in which skills will be developed.</li> <li>• <b>Conduct a site visit during the training period to gather feedback from the trainee and business on skills development progression.</b> Modify the plan if needed to decrease or increase training hours for a particular competency, within the overall training budget. Note that OJT training funds may not cover all hours needed to complete training for a particular competency.</li> </ul>
<p><b>Limited training resources to prioritize and invest in OJT</b></p>	<ul style="list-style-type: none"> <li>• <b>Set a goal or mandate for a certain percentage of available training funds to be used for OJT</b> (as opposed to ITAs)</li> <li>• <b>Actively pursue other state and Federal grants to help pay for OJT</b> (e.g., NEG) <b>and staff capacity to administer OJT.</b> These additional resources can help supplement the impact of a local workforce area’s OJT funded through formula funds.</li> <li>• If necessary, <b>cap the amount of time/funds for individual OJT contracts</b> to increase the number of clients and businesses impacted by OJT funds.</li> <li>• In capping OJT, <b>utilize it as a partial reimbursement for training rather than the equivalent of 50% of wages</b> during the entire training period.</li> </ul>

### **Incorporating OJT into career pathways strategies**

- **Link classroom instruction and OJT as an overall skill building strategy.** This ensures the most appropriate strategy (classroom vs. work-based learning) addresses clients specific skill needs, and can potentially reduce the length of time needed for OJT.
- **Blend funding sources,** including ITAs, Pell grants, OJT, TANF, and other Federal and state grants to support participant progression along a career pathway.
- **Link OJT and Registered Apprenticeship** programs.
- **Add advanced skills in OJT contracts** that would prepare individuals for wage increase/promotion. Focus OJT on high-growth sectors and higher wages jobs for OJT placements.

### **Using O\*NET to Support On-the-Job Training**

O\*NET OnLine can help service providers determine whether On-the-Job Training is appropriate for a given occupation and for the particular skills and experiences of a client.

OJT contracts generally will not be appropriate for occupations listed in Job Zone 1 on O\*NET OnLine because these occupations typically require little or no preparation. On the other hand, service providers may find it too difficult/unrealistic to execute OJT contracts for upper-level occupations listed in Job Zone 5 because these positions generally require a graduate or advanced degree (see **O\*NET Job Zones** at <https://www.onetonline.org/help/online/zones>).

In determining the feasibility and suitability of OJT for any particular occupation, the assessment must be based on the skills and qualifications that the specific client already holds or would need to attain through OJT. O\*NET OnLine can provide guidance in making such determinations. O\*NET categorizes occupations by the length of time it generally takes to master occupational competencies, using a scale of 1 (short demonstration only) to 9 (more than 10 years) in specific vocational preparation (see **O\*NET SVP codes** at <https://www.onetonline.org/help/online/svp>). For example, a three-month OJT training plan would be suitable for occupations in SVP Code #5 (requiring more than six months but less than a year of preparation), if a trainee entered the job with three to six months of prior vocational preparation.

## **PART IV. BRIEF PROFILES OF ON-THE-JOB TRAINING IN ACTION**

Based on recommendations made by ETA Regional Offices, JFF selected five Local WDBs (along with their affiliated service providers) to highlight innovative and effective practices:

1. Spokane Area Workforce Development Council, Washington
2. The Workforce Investment Board of Southeast Missouri, Missouri
3. Lane Workforce Partnership, Oregon
4. Westmoreland—Fayette Workforce Investment Board, Pennsylvania
5. Chicago Cook Workforce Partnership, Illinois

### **Streamlined Paperwork**

Each Local WDB has taken strides to streamline and simplify paperwork for businesses. The appendix highlights: Lane’s business checklist, which simplifies the process of determining business eligibility; Spokane’s master worksite agreement, which contains essential business information and assurances that remain in effect for all OJT training plans developed over the course of a program year; Chicago Cook Workforce Partnership’s excel worksheet, which helps to automate the formation of a training plan; Lane and Spokane’s training plan forms; and Spokane’s OJT evaluation form. Several sites fund OJT through multiple Federal and/or state sources (WIOA/WIA formula funds, NEG and H-1B grants, and state-specific grants) and have taken strides whenever feasible to ensure that policies and forms are consistent.

### **Staff and Outreach**

Many of these Local WDBs have funded dedicated staff to help businesses walk through the process of an OJT contract. They focus mainly on reaching out to small businesses, which benefit greatly from help writing job descriptions, recruiting and screening applicants, assessing skill gaps, and developing and financially supporting a training plan. Many of the highlighted sites focus on OJT trainee recruitment among dislocated workers.

### **Policies**

Most if not all of the sites have established policies to limit the length and cost of training each individual, ranging from a three-month cap at Westmoreland-Fayette to a six-month cap at

Chicago Cook Workforce Partnership, and from \$3,500 at Lane to \$10,000 at Chicago Cook Workforce Partnership. These Local WDBs execute On-the-Job Training plans that typically last about three months and cost between \$3,000 and \$6,000. Lane has set a higher wage floor than minimum wage for OJT positions—at \$11 per hour with benefits or \$15 per hour with limited/no benefits. Westmoreland-Fayette requires that OJT positions pay at least 150 percent of Federal minimum wage—equivalent of \$10.87 per hour. Many of the sites permit or encourage the coupling of ITA and OJT funds and actively recruit students from area education and training providers.

## Notable Local Innovations

- **Spokane Workforce Development Council:** Trains clients in **behavioral interviewing techniques on how to** make an effective case on the value they would bring to the business, despite their skill gaps. They offer OJT as a game plan for filling gaps.
- **Southeast Missouri WIB:** Utilizes a sequence of employment service options to place hard-to-serve individuals, starting with a 240-hour work experience program and followed-up with an abbreviated OJT training plan.

Has established **strong partnerships with area community colleges** that have received Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant funds to offer On-the-Job Training to trade-impacted/dislocated students. Has a flexible model for engaging TAACCCT students in OJT—after the completion of one or more stackable certificates or a two-year degree. Despite advanced education, there is always some specialized skill to be trained upon through OJT.

- **Lane Workforce Partnership:** Has established an \$11 per hour wage floor and capped training funds, reimbursed at the conclusion of an OJT training period, at \$3,500 per trainee in order to stretch resources to serve more clients and businesses. Lane’s cap policy demonstrates that **businesses are willing to accept reimbursements that are equivalent to less than 50% of wages** during the training period. Lane’s OJT program has been the catalyst for business to be introduced to all the Business Services available through WorkSource Lane (i.e., job posting, specialized recruitment, targeted job fairs, pre-screening of applicants, broad spectrum of job ready talent pool, interviewing office space).
- **Westmoreland-Fayette WIB:** Obligates about **half of all available training funds** (e.g., WIA formula, special grants) to OJT. The WIB distributes OJT allocations to service providers and permits them to authorize OJT contracts without prior approval—thereby reducing bureaucratic hurdles to the start of OJT.

- **Chicago Cook Workforce Partnership:** As one of the nation’s largest Local WDBs, the Partnership contracts with more than 40 service providers to deliver formula-funded services—about half of which actively develop On-the-Job Training contracts. The wide array of providers creates some overlap in business outreach, but the Partnership deems it as healthy competition and necessary, given that no one provider has the applicant pool to address all business needs. **Many OJT contracts are executed with small business,** which benefit from an enhanced reimbursement waiver that the state of Illinois received (90% for less than 50 employees, 75% for 51–250 employees, and 50% for 251 or more employees).



## PART V. APPENDIX

These helpful tools were developed by Local WDBs to support their OJT activities. These tools can be used as examples or templates for developing similar tools in other regions, helping Local WDBs, AJCs, and their affiliated service providers implement OJT simply and effectively.

- **Appendix A: On-the-Job Training Employer Checklist**  
*(courtesy of Lane Workforce Partnership)*
- **Appendix B: On-the-Job Training Master Worksite Agreement**  
*(courtesy of Spokane Area Workforce Development Council)*
- **Appendix C: On-the-Job Training Worksheet and Employer Agreement**  
*(courtesy of Chicago Cook Workforce Partnership)*

This tool, built on Microsoft Excel, has multiple tabs related to a specific OJT position. Once information is entered into the first tab for a specific position—called “Data”—subsequent tabs are then automatically populated based on information in that initial tab. Detailed, helpful instructions are embedded within the tool as well that help workforce system staff and employers that use the tool

- **Appendix D: On-the-Job Training Plan**  
*(courtesy of Lane Workforce Partnership)*
- **Appendix E: On-the-Job Training Agreement**  
*(courtesy of Spokane Area Workforce Development Council)*
- **Appendix F: On-the-Job Training Evaluation Questionnaire**  
*(courtesy of Spokane Area Workforce Development Council)*

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