

## Education Versus Experience

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The purpose of this podcast is to review relevant research and literature regarding employer's preferences and/or considerations given regarding the hiring process when individuals do not possess a high school diploma and are competing for entry level work.

First and foremost, it is not easy to define entry level work or entry level jobs. Elizabeth McGregor, an Economist with the Office of Employment Projections published an article in the Occupational Outlook Quarterly in the winter of 1991 addressing this particular issue. She noted that from a very broad viewpoint any job can be entry level and it could be argued that any worker taking a job to do something that he or she has not previously done is an entry level job. Others define entry level jobs in terms of the amount of training required after a worker becomes employed rather than in terms of the education or experience a worker brings to a particular job. Under this particular definition, jobs considered entry level would only consider short-term training. The US Bureau of Labor Statistics also provides a variety of statistics regarding the characteristics of minimum wage workers, the most recently published in 2011 where it was identified that 73.9 million American workers age 16 and over were paid at hourly rates, and approximately 5.2% of these worker received wages at or below the federal minimum wage of \$7.25 per hour.

Notable characteristics of individuals in entry level jobs paying at or around minimum wage included that workers tended to be young, 6% were women whereas 4% were men, and among hourly paid workers 16 and over about 11% of those who had less than a high school diploma earned federal minimum wage or less compared with about 5% of those who had a high school diploma. This implies that those individuals who have less than a high school diploma when compared with those who do are twice as likely to receive minimum wage. Part time workers were also more likely than full time workers to be paid minimum wage or less. In fact, those who worked part time (less than 35 hours per week) are four times more likely to receive minimum wage than those who work full time.

As McGregor continues to state another good indicator of an entry level occupation is one with a high proportion of people entering without experience, regardless of the number of applicants.

By utilizing the Occupational Outlook Handbook we were able to identify a variety of entry level occupations regarding less than a high school diploma and those typically requiring a high school diploma prior to employment. Presently, the 2010 standard Occupational Classification System contains 840 detailed occupations aggregated into 461 broad occupations. Of these 840 detailed occupations, 65 are entry level occupations requiring less than a high school diploma. Examples include but are not limited to host or hostesses, cashiers, food preparation and serving workers, cooks (fast-food), grounds and maintenance workers, retail sales persons, personal care aides, hand packagers, machine feeders and off bearers, home health aides, industrial truck and tractor

operators, janitors and cleaners, waiters and waitresses, taxi drivers and chauffeurs, stock clerks and order fillers, parts salesman, and excavating operators. All of these particular positions are considered entry level in nature and do not require anything more than moderate term on the job training which is defined as little as 30 days of on the job training or programs not including apprenticeships (OOH, 2012).

Conversely, there are approximately 162 of 840 detailed occupations that do typically require a high school diploma prior to occupational entry. While these jobs are considered entry level in nature, employers tend to require that a high school diploma or GED be completed prior to employment. Twelve of these occupations do not require any on the job experience, 59 require less than 30 days on average, and 91 of the 162 entry level occupations requiring a high school diploma require anywhere between 30 days and up to one year of on the job training.

The question then becomes which of these jobs that typically require a high school diploma could be performed adequately and responsibly without a high school diploma if the individual had substantial work experience in that trade or occupation.

A landmark Supreme Court decision in *Griggs versus Duke Power Company* in 1970 found that an employer can not require a degree for any position unless they are able to show a direct correlation between job performance and the possession of the degree required. Specifically, this court opined that the facts of the case demonstrate the inadequacy of the broad and general testing devices as well as the infirmity of using diplomas or degrees as fixed measures of capability.

Interestingly, the vocational education report of 2000, published by the United States Department of Education and Office of Educational Research, identified that while occupations with the highest projected growth rates had relatively high education and training requirements, those with the highest projected increase in the number of jobs have relatively low education and training requirements. This study also found that employers did not rate years of completed schooling or high academic performance as important as attitude and communication skills when hiring frontline workers from the established applicant pool. This implies that years of completed schooling and high academic performance are more important during initial phases of applicant screening rather than predicting job success. The 1997 National Employer Survey identified that attitude and communication skills scored above 80% in importance as compared to 60% of years of completed schooling. This sample was made up of private for profit employers with 20 or more employees. The 1997 study also identified that 62% of employers reported that new hires with work based learning experience were more productive than workers aged 18-25 without such experience.

The more historical study published in the Occupational Outlook Quarterly in the winter of 1990 identified that utilizing data from January 1986 to January 1987 nearly 19 million persons entered the labor force into entry level occupations without experience. Some of the highest

occupations being performed by persons without experience were cashiers (84%), stock handlers and baggers (93%), general laborers (88%), childcare workers (86%), assemblers (86%), truck drivers (93%), food counter workers (95%), hand packers and packagers (100%), messengers (100%), appliance sales workers (91%), furniture sales workers (94%), and driver sales workers (94%).

A study conducted in the United Kingdom in 2001 by Michelle Jackson investigated meritocracy, education, and occupational obtainment, specifically *What do Employers Really See as Merit when Evaluating New Employees*. This sociological research has application in the United States because of similar standard occupational classifications in hiring, screening, and employee maintenance applications between the United Kingdom and the United States. When evaluating job advertisements within the professional occupations, 75% of the advertisements demanded various academic qualifications. The researcher noted that within the remaining groups, academic qualifications were far less frequently demanded and the types of educational qualifications requested varied greatly by occupational group. As pointed out by this researcher, employers are attempting to judge for themselves how able and willing a prospective employee is prior to interviewing. They utilize a variety of processes within their job advertisements for individuals to self-select themselves out of the candidacy process by outlining a variety of prerequisites and job requirements. This author specifically assessed the impact of experience which confirms competency in a particular roll. Blackburn and Mann (1979) found that experience is valuable to employers because it reduced the cost of screening of new recruits and provides a measure of stability and cooperation of the employee. Jackson (2001), noted that therefore experience is not included as an intelligence or effort characteristic (educationally implied) although is highly valued by employers. In fact, when assessing the demand over a range of required characteristics, each occupational group required a significantly higher level of experience versus social skills or various personal characteristics. Of most importance in this particular study, occupations identified as elementary and the lower end of the occupational structure did not require any specific characteristics. In fact, 61% of these advertisements in the elementary or entry level occupations did not require any specific qualifications, whereas Mitchell (2001) implied that who you are is much less important than are you available to work.

The author concluded that many jobs for which formal education qualifications can be regarded as a good indicator of relevant competencies who would expect a close fit between levels of education and occupational obtainment. There were however many other types of occupations for which the abilities certified by education are far less acceptable than other attributes and relevant competencies (Mitchell, 2001).

In September 2007, the United States Merit Systems Protection Board located in the Office of Policy and Education, published an article investigating entry level new hires within the new aging workforce. This specifically investigated why professional and administrative entry level new hires may be older and more experienced than one would expect. This particular article addressed entry level employment within the federal government, although given the overall

aging population and increased amount of older workers entering and reentering the workforce similar results could be assumed within the private sector as well. The article identified that new hires were not necessarily recent college graduates and that only a quarter (24%) entered the government positions directly out of school, many had solid work experience, 32% reporting having between one and five years of full time work experience before accepting a job with the federal government. It was also identified that this trend could also be partly explained by some agency hiring practices that tended to favor age and experience over potential, which is typically assessed in entry level jobs through level of education.

These considerations did not only apply to low level skilled or elementary occupations. In 2008, Lisa Hudson of the National Center for Education Statistics published an article in the *Issues of Science and Technology* identifying that attaining a bachelor's degree is not the only, nor in all cases the best route to vocational success. In fact, this researcher identified that nearly 70% of jobs in 2006 required no college education for entry and an additional 9% required only post-secondary education below the bachelorette level. This researcher further identified that in line with labor market demand 70% of adult's ages 20-29 did not have a bachelor's degree and only 38% of 18-24 year olds were enrolled in a four year college. The highest level of educational attainment by adults ages 25 and older in 2007 identified that 14% had less than a high school diploma and 31% had a high school completion, 17% had some college or no degree, and 9% had an associate's degree, and 29% bachelor's degree or higher. Additional findings identified that lack of degree did not mean necessarily low pay where the Bureau of Labor Statistics estimated that 360 occupations alter this category and offer substantial wage earning possibilities. Ms. Hudson identified that high school typically provides the first opportunity for job specific training through career and technical education offerings within occupational fields. This includes general office studies, business curriculums, accounting, various vocational trades and such. It was identified that 92% of public high school students take at least one occupational course with 46% taking at least three such courses, implying that even if an individual does not complete their high school diploma they may have obtained a variety of skills that are supportive of entry level work within a variety of occupations.

Lastly, Hudson (2008) identified that over a six year period approximately 35% of college students leave school without a degree or credential completion. While many believe many students leave school prior to degree completion because they took all the courses they wanted or got what they needed, it was identified that nearly 50% left due to job, family or financial demands.

Recently, the Equal Employment Opportunity Commission clarified hiring guidance and high school diploma requirements for disabled veterans which also has application to individuals with disabilities that would fall under the Americans with Disabilities Act (1991). Regarding high school diplomas, the EEOC stated that an employer may be required to permit someone who claims to have a disability that prevented him or her from getting a high school diploma show by other means that he or she is qualified for the job. For example, the employer may consider

work experience in the same or similar jobs or permit the applicant to demonstrate performance of the essential functions of the job. The employer can also require the applicant to show proof of the disability and that the disability actually prevents the applicant from meeting the diploma requirement. The ADA only protects someone whose disability makes it impossible for him or her to get a diploma and does not protect an individual who simply decided not to get a high school diploma. Under the ADA a qualification standard test or selection criterion such as a high school diploma requirement that screens out an individual or a class of individuals on the basis of a disability must be job related for the position in question and consistent with the business necessity. A qualification standard is a job related and consistent with a business necessity if it accurately measures the ability to perform the jobs essential functions, even where a challenged qualifications standard test or other selection criterion is job related and consistent with business necessity if it screens out an individual on the basis of a disability, an employer must also demonstrate that the standard cannot be met, and the job cannot be performed, with a reasonable accommodation (42 U.S.C. 12112 (B)(6); 29 C.F.R. 1630.10).

In summary, the review of literature identifies that employers place a high emphasis and value on a prospective employees experience versus their level of education. And while some entry level employment requires, and can be shown predictive of having a college degree or high school diploma; many entry level jobs do not require a high school diploma for consideration. We continue to find that employers advertise their positions for entry level jobs requiring a high school diploma or GED and their goal and/or pursuit of identifying employees who are reliable and have completed certain goals that may be predictive of entry level job success and/or performance. This leaves question to whether or not individuals with significant work experience in related job tasks and duties would be an equal candidate for job consideration as compared to those younger workers who have completed a high school diploma and have little or no work experience. There continues to be approximately 65 detailed standard occupational classifications that do not require a high school diploma or a GED to be properly performed. These occupations do require varying levels of education and/or experience, although the majority require less than 30 days of on the job training.

For additional details and/or reference materials please refer to the transcript posted next to this podcast on our educational podcast webpage.

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