



# Union Pacific Railroad Case Study:

Building A Diverse,  
Inclusive Workforce

The Building Blocks of a Successful  
Second Chance Hiring Initiative



Second Chance Hiring

# Second Chance Hiring Rationale

A [recent study](#) by the Prison Policy Initiative found that people with past convictions have an unemployment rate five times higher than their peers. These jobseekers face disproportionate barriers to employment, inhibiting their ability to acquire and retain meaningful career opportunities. Many job seekers with criminal records are shut out of the workforce in a variety of ways, from lack of access to stabilizing factors like housing and transportation, to company policies that exclude these candidates from their talent pool. Furthermore, research has shown that individuals with criminal records are less likely to reoffend if they can enter a labor market with well-paid entry-level jobs. In this way, ensuring that quality employment opportunities are accessible to this population is an essential component of building safe communities and a healthy workforce.

## Engagement Overview

In early 2021, The Manufacturing Institute, the workforce development and education partner of the National Association of Manufacturers, began collaborating with Union Pacific to build a Second Chance hiring initiative to expand candidate pools to be more inclusive of those with criminal records. Union Pacific Chairman, President and CEO Lance Fritz made expanding his company's talent pipelines a priority and considers Union Pacific's commitment to Second Chance employment an important part of that strategy.

To help design and implement Union Pacific's Second Chance initiative, the MI partnered with Envoy Advisory via its [Envoy](#) initiative to make use of its expertise in inclusive hiring policies and practices and build partnerships with high-performing reentry and workforce organizations in Houston, Texas.

Assessing and adapting Union Pacific's existing hiring policies and practices allowed for a deeper understanding of the candidate journey and illuminated potential barriers and support gaps for candidates from this population. While the pilot program was aimed specifically at candidates with criminal records, many of the identified employment barriers applied to a broad range of candidates from vulnerable backgrounds. To facilitate the identification, vetting and long-term success of Second Chance candidates, Union Pacific partnered with two Houston-based service providers that serve individuals formerly incarcerated. In their first three months, these partnerships yielded nearly 100 applicants and created new lines of communication between these trusted community organizations and the Union Pacific hiring team to help candidates address obstacles during the hiring process. Union Pacific made its first hires through the Second Chance initiative in March 2022. After the success of its hiring pilot program in Houston, Union Pacific began expanding its impact, bringing this model to new markets across the United States.



This engagement surfaced **three essential components** of a successful Second Chance hiring initiative:

1. Companies that use Second Chance hiring need to update their own hiring practices and remove potential barriers for otherwise qualified candidates.
2. Successful initiatives are strengthened by strong relationships with vetted community partners.
3. Pilot initiatives in high-demand markets can help encourage learning, adoption and replication across the company—and sharing experiences can help peer employers follow suit.

## Best Practices

### *Leadership and HR*

To implement a successful Second Chance employment program, it is vital to have invested internal leaders who are willing to adapt policies and practices to promote inclusivity and equity within their company. Public support from Fritz and the continued efforts of internal Second Chance hiring champions, such as Executive Vice President – Sustainability and Strategy and CHRO Beth Whited and Talent Acquisition Manager Ken Kuwamura demonstrated the importance of this initiative to all employees early on.

To facilitate the success of candidates at Union Pacific, the Envoy team reviewed Union Pacific's current HR and talent acquisition ecosystems to identify potential employment barriers for this population. Such barriers included the required credentials and the multiple components of the hiring process like the background check and drug screen. Kuwamura describes his work as high touch, because “you need to support candidates through the entire application and onboarding process, and explain they have a real opportunity at Union Pacific.”

Union Pacific also took steps to be more equitable in the individualized assessment process, or the procedure following a flag by its background check vendor. Envoy and Union Pacific created a standardized framework of questions to proactively and thoughtfully discuss a candidate's conviction record. These discussions allow candidates to provide context and evidence of successful reintegration, without fear of being publicly labeled a Second Chance candidate. According to Dan Culbertson, Senior Director of Talent Acquisition at Union Pacific, “emphasizing confidentiality in these secondary review conversations is key. In our eyes, once you are a part of Union Pacific, you are no different than any other employee, regardless of your background.”

In addition to enacting policy and practice changes in the application process, Union Pacific's Second Chance initiative included a workshop for their Talent Acquisition and Training teams to ensure individuals with criminal records enter a positive and welcoming interview process and work environment. This training included information on the criminal justice system broadly, as well as inclusive hiring practices, and how to use language that reduces stigma for this population. While no singular training can completely eliminate the multitude of biases that people with criminal records face, Union Pacific is committed to learning and adapting policies and practices to ensure all employees are treated with dignity and respect.

## Community Partnerships

Union Pacific selected Houston as its pilot site based on three key factors: 1) need and demand for talent; 2) a receptive and motivated local team; and 3) the presence of high-quality community partners. To confirm the latter criteria, the Envoy team conducted extensive due diligence and outreach to local workforce development and reentry organizations to determine alignment with Union Pacific's hiring goals. Using the MI's [Community Partnership Scorecard](#) to help assess partnership fit, the team identified SERJobs and the Houston Health Department's Community Re-Entry Network Program to provide initial work-readiness training and to support the vetting and referral of qualified candidates to Union Pacific.

"We weren't just looking for high-volume community partners. We knew we were going to need partners that could provide significant support to each participant," said Kuwamura. "Collaborating with these community partners has expanded Union Pacific's candidate pool and created efficiencies in its process. For example, collaboration with community partners increased the pass rates on qualifying tests dramatically, as each candidate was supported throughout their application process by a job coach or case manager."

In addition to providing nearly 100 candidates to Union Pacific, SERJobs and CRNP supported candidates with vital wraparound services, including connections to advanced technical training, housing support and even child care. Community organizations like SERJobs and CRNP provide critical coordination and support to their participants to ensure candidates are prepared to succeed once hired and on the job. This includes providing support throughout the process of acquiring and organizing documents, attaining safe and affordable housing and connecting jobseekers with transportation options. For individuals who have returned home recently from the justice system, acquiring driver's licenses and other basic documentation can be a major hurdle to reentering the workforce. These services put candidates on an even playing field and allow them not only to get hired, but also thrive in these positions.

**"Initiating conversations internally about Second Chance hiring has provided a great space for dialogue within Union Pacific. I know it has changed a lot of hearts and minds."**

*- Dan Culbertson, Senior Director of Talent Acquisition at Union Pacific*

**"The supportive wraparound services provided by these community partners has been essential – that support is what makes the entire process work."**

*- Ken Kuwamura, Talent Acquisition Manager at Union Pacific*

**"Our staff, local employers, community groups, family and friends work together to support program participants to successfully reintegrate into the community."**

*- LaTosha Selexman, Program Director at Houston Health Department Community Reentry Network Program*

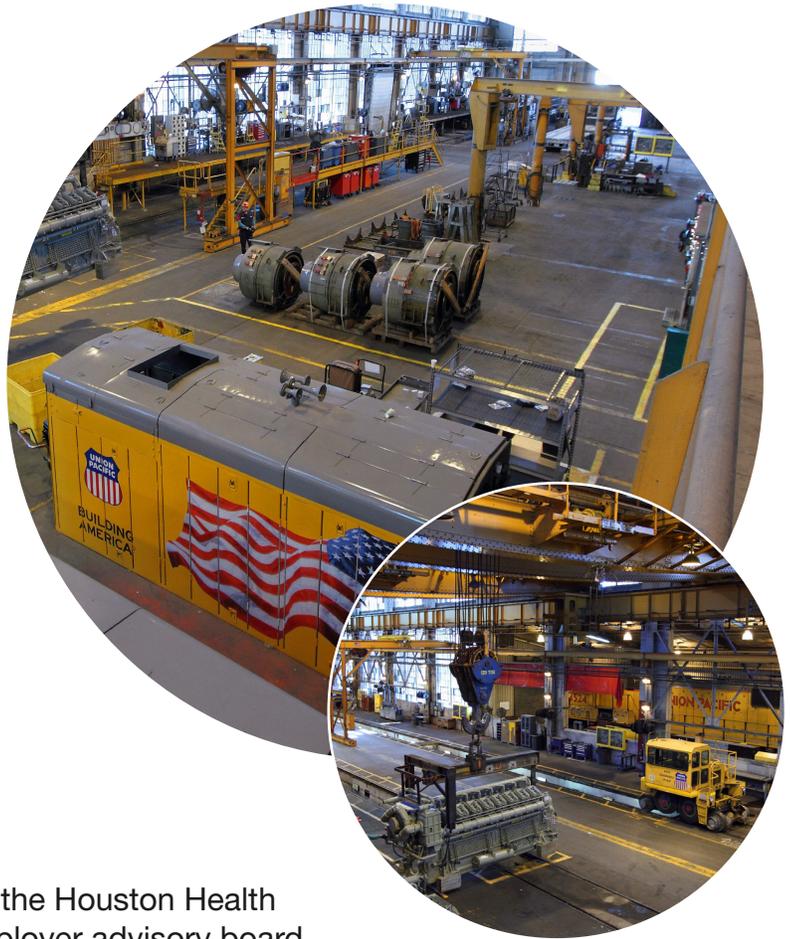
## Expansion and Influence

The MI partnered with Union Pacific because of the tremendous learning opportunity it could provide the industry. Similar to past Second Chance hiring collaborations with manufacturers such as [Toyotetsu Texas](#), the Union Pacific pilot has produced best practices that can drive results across the sector.

In the near term, Union Pacific is working to maximize its Second Chance initiative's impact by bringing this model to new markets. By beginning with the Houston pilot, Union Pacific has a blueprint for how to stand up regional Second Chance hiring programs across the country. According to Kuwamura, there's strong interest in expanding the pilot: "Everyone I speak with about our success in Houston wants to know how we can take this model and multiply."

As a result of its continued collaboration with the Houston Health Department, Union Pacific now sits on an employer advisory board with key employers and stakeholders in the Houston area. Through these efforts in Houston, Union Pacific has cemented itself as a leader in the field of inclusive hiring and community partnerships by implementing processes that support not only returning citizens but all candidates facing employment barriers. As a major employer in Houston and throughout the country, Union Pacific is setting an example for industry standards in Second Chance hiring.

In the meantime, the MI will be collaborating with Union Pacific in 2022 to share its successes and Second Chance hiring guidance with members around the country, through learning sessions, panels and other media. "The MI is committed to supporting members in the pursuit of effective Second Chance initiatives," said Vice President of Workforce Solutions, Gardner Carrick. "Our goal is to leverage those learnings and strategies across the manufacturing industry to expand talent and opportunity in the sector."



# Entities Involved

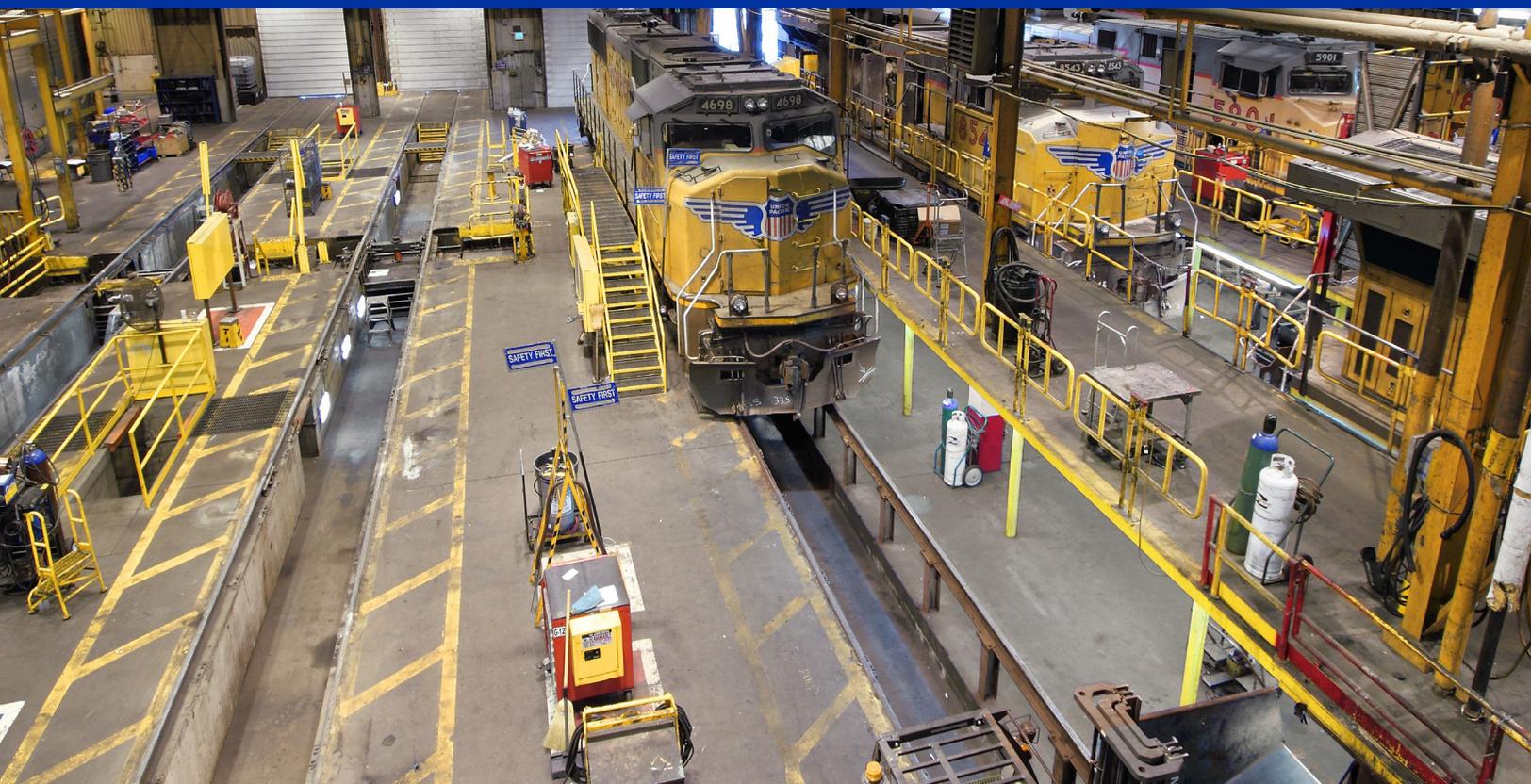
**The Manufacturing Institute:** The MI is the nonprofit workforce development and education partner of the National Association of Manufacturers. The MI is a trusted adviser to manufacturers, equipping them with resources necessary to solve the industry's toughest challenges.

**Union Pacific Railroad:** Union Pacific is one of America's leading transportation companies, covering 23 states across the western two-thirds of the United States.

**Envoy:** Envoy is a social impact consulting firm. Its Envoy initiative specializes in second chance employment, combining expertise in human resources, workforce development and reentry and providing support to companies and industries to extend opportunities to candidates with criminal records.

**SERJobs:** SERJobs serves people from low-income backgrounds, or who have significant barriers to employment, and equips them with the skills to transform their lives through education, skill-based training, employment and long-term financial stability.

**HHD-CRNP:** The Community Re-Entry Network Program is a program of the Houston Health Department. Its caring, multidisciplinary staff is committed to addressing the needs of the "whole" person with innovative, evidence-based programming and linkage to services designed to meet the needs of formerly incarcerated persons and interrupting the cycle of recidivism.





[www.manufacturinginstitute.org](http://www.manufacturinginstitute.org)



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