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**ENTRY-LEVEL WORKER STUDY:
PHASE 1 REPORT
EXECUTIVE SUMMARY***

by

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and

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As stated in *Building a Better Workforce*, "Our nation's economic strength and vitality, our productivity and international competitiveness, depend on our capacity to build and maintain a quality workforce." As the available pool of entry-level workers decreases, businesses are beginning to hire employees who, less than five years ago, may not have even been considered for a job interview. Although some employers are quick to criticize our educational system for failing to turn out graduates who are proficient in basic skills, have good work values and habits, and are adaptable and eager to learn, many realize that they, too, have an increasing role in the continued development of new employees. Some employers in the Northwest are expressing a need to learn about exemplary practices of other companies in working effectively with what might be considered "at-risk" employees. These employees may include undereducated and poorly motivated youth, low-income minority workers, limited English-speaking immigrants, women with young children or responsibility for elderly dependents, dislocated workers, and older workers returning to the workplace. There is also a need for educators to look at exemplary business practices for entry-level workers to see if some of these practices could be adapted for use with at-risk youth.

Out rapidly changing economy, new demands on the workforce, and changing demographics have led to a shortage of work-ready, entry-level workers. Significant numbers of people are entering the workforce with less than a high school education including youth, dislocated workers, and welfare recipients. Educators, employers and economists have recognized the need for new thinking in preparing our workforce. Employers have taken on roles previously reserved for the education and social welfare sectors and are providing education, training, and social protections to workers in an effort to attract, train, and retain workers. This policy study examines innovative workplace practices in companies that employ significant numbers of entry-level workers. It is based on employer descriptions of company practices and benefits. Findings and analyses are targeted to educators and education policy makers; to public policy makers in economic development and social welfare; and to the private sector.

This study was conducted jointly by the Northwest Regional Educational Laboratory (NWREL) and the Northwest Policy Center (NPC). NWREL is a private, non-profit organization working to serve educational practitioners and policy makers in Alaska, Hawaii, Idaho, Montana, Oregon, Washington, and the Pacific. The NPC is a regional program, based at the University of Washington, whose mission is to inform and improve public policy strategies which promote economic vitality in the Northwest. Both agencies have an interest in the changing workforce and workplace policy.

This study was based on a review of the literature and on personal interviews and observations at a number of companies in the Northwest. Data were collected in Alaska, Guam, Hawaii, Idaho, Oregon, and Washington. A total of 58 companies were contacted representing small, medium, and large firms or organizations. These companies represent construction, manufacturing, retail trade, health, public utilities, child care, financial and insurance industries, local, state, and federal government, food and hospitality industries, other service industries, and higher education.

In each community to be studied, preliminary contacts were made to obtain recommendations regarding companies that: 1) hire a number of low-income youth and adults through the Job Training Partnership Act (JTPA) or other sources; 2) have a reputation for effective affirmative action practices; or 3) are considered companies with effective employment practices for entry-level workers. Of particular interest were companies that might be using effective techniques to attract, train, and retain entry-level employees. After selecting a set of companies and contact persons for study, telephone calls were made to explain the purposes for the study, answer questions, and schedule an interview date and time. In most cases, it was the personnel or human resources director who was interviewed.

Employers reported experiencing shortages in numbers of qualified applicants for entry-level positions. The growing gap in the level of basic skills needed by employers and those available in the applicant pool is of great concern to the business community.

Employers mentioned serious deficiencies in reading, writing, mathematics, and communication skills. Other areas of concern included critical thinking and problem solving skills, ability to work in teams or as a group, motivation and attitude, and flexibility.

Promising practices used by businesses in the Northwest, Hawaii, and Guam are described in 10 areas: employee involvement, child care, family and community concerns, recruiting, training, supervision, motivation, the new basics, business-education partnerships, and handicapped and special needs employees.

For too long, education, training, and workplace practices were regarded as someone else's problem: basic skills and training were the schools' problem; children were their parents' problem; workplace policies were business' or labor's problem. Now, society can no longer regard education, social welfare, and economic development problems as separate. Instead, society's ability to have an educated workforce, to protect children from poverty, to raise our quality of life and standard of living, and to increase productivity, rely in part on a recognition that social, educational, and economic gains are integrated. The attention paid to public education, to youth at risk, and to children in poverty affect the quality of America's future workforce and its ability to compete in the world marketplace. Policy makers have begun to acknowledge how interrelated their goals are: that investing in education and training is an economic development strategy as critical as job creation or retention strategies; that the new welfare programs designed to move clients successfully into the world of work depend on a workplace that accommodates the needs of families; that those preparing youth and adults for the world of work need to stay attuned to the changing needs of employers.

Worker preparation and work and family policies comprise a bridge between social welfare and economic development goals. These policies are of particular significance for workers whose attachment to the workforce is marginal and are at risk of failing to succeed in the workplace. These include workers who drop in and out of employment due to lack of work skills, limited educational background, limited English proficiency, learning or physical handicaps, or because of conflict with family responsibilities. Many of these workers in what we have defined as entry-level positions — i.e., those not requiring a high school education or vocational training — find that workplace policies and practices are the key to their success in remaining employed, in developing their skills and marketability, and in successfully managing work and family responsibilities.

What role does public policy play in offering these programs and benefits? Innovative practices are mandated in some states, such as Oregon's parental leave law; some are offered because of an incentive program, such as on-site or release time English as a Second Language or GED classes sponsored by Employment Service training grants. Many workplace practices are left up to the marketplace. An important task for public policy makers is to determine the appropriate mix of government mandate, public incentives, and private sector initiatives.

The findings of this study, with its special focus on entry-level workers, have policy implications for education, business, economic development and social welfare. They add new insights to a continuing discussion of the implications of our transforming economy, and in particular to the changing workforce and the changing workplace.

Changing Workforce

The changing characteristics of our worker force have been well documented in recent reports such as *Workforce 2000*. Our workforce is aging and will include proportionately more limited English speakers, more workers with young and elderly dependents, and more educationally disadvantaged. The increase in the number of working women with young dependents has been dramatic. Estimates show that one of every four workers is dealing with child care problems. At the same time, the fastest growing cohort of the population is 58 and older. Many analysts feel that elder care issues will soon be of great concern for many workers. Many companies are actively recruiting older workers as a source of personnel, especially temporary agencies and fast food chains.

Changing Workplace

The workplace is undergoing a period of rapid change. Both the types of jobs and the entry-level skills required are fundamentally different than they were just a few years ago. Our country's expectation of what happens in the workplace has evolved. We now rely on the workplace for many social benefits and protections which are offered through government mandate in other countries. We rely on our employers for health care for ourselves and our dependents, security in our old age through pensions, paid vacation, and sick leave. Now, as employers are feeling the effect of their employees juggling work and family responsibilities and find they need a better prepared workforce, many are beginning to respond with assistance for child care and elder care, with teaching basic skills such as reading and writing to workers, and with developing teamwork and problem solving skills. Many of these programs are seen by employers as particularly important in attracting and regaining entry-level workers, who are a decreasing population due to demographic changes. How can small business provide these policies and programs and remain competitive?

Promising Practices

One of the primary purposes for this study of entry-level workers was to identify promising business practices affecting these employees. In considering promising practices, efforts were made to identify exemplary policies or procedures not already in common use that would be beneficial both to the individual worker and to the company. After discussing the findings, nine areas for promising practices were identified that other businesses may want to consider. These areas are: a) employee involvement, b) child care, c) family and community concerns, d) recruiting, e) training, f) supervision, g) motivation, h) business-education partnerships, and i) handicapped and special needs employees. Shown here is a sample of these promising practices.

a. *Employee Involvement*

- Employers at several companies interviewed found it important to involve employees in many aspects of the business. Employees who contributed suggestions that were adopted were rewarded with up to \$10,000 in bonus money. Before determining employee benefits packages, several employers had conducted employee surveys to determine which benefits were most valued by the employees. Although employees often have a choice in selecting from a menu of health care programs, none of the companies we interviewed had a flexible benefits package that would allow each employee to choose which benefits he/she wanted. Several companies indicated they were currently considering such a cafeteria plan, but had not yet adopted one.
- Many companies recognize the benefits in allowing workers decision-making opportunities in areas that affect their worklife. These companies feel that morale and loyalty are enhanced when employees have more control over their worklife and decisions that affect them.
- One major employer in Seattle was interested in setting up a child care assistance program, but instead of making it a management decision, chose to set up an employee committee to investigate the need and options. This committee chose to spend countless hours in their work, and eventually made a series of recommendations including establishment of on-site child care, and subsidized sick child care in a local hospital. As a result of the committee's work and the value management put on their recommendations, a wide range of programs was implemented. This company has six other employee committees that address issues of concern or interest to its workers.
- Another employer in the electronics industry feels that there is a "prestige" factor in working there. The company has tried to build on that in many ways. One of its techniques is to give everyone important-sounding titles; for example entry-level workers who deliver mail are all

called "couriers." This company fosters a team spirit and what it refers to as an "atmosphere of energy," with numerous social activities that appeal to its relatively young workforce — parties, company celebrations, sports activities, and discounts on products.

b. Child Care

Dependent care issues — for young and elderly dependents — have become particularly important in the last several years with the rapid increase in dual earner families and single heads of household. Increased longevity indicates that elder care issues may be one of the most important growth areas for company benefits. This particular study, with its focus on entry-level workers, found more examples of workplace practices affecting care of young dependents. Offering child care assistance is a complicated issue. A family's choice of child care arrangements is very personal: some prefer the peace of mind of onsite child care, offering opportunities to check in or spend break time with a child or to be immediately available in emergencies; others prefer to have children close to home. Some look for a center with a variety of activities and socialization opportunities; others feel a homelike environment is more appropriate.

One employer offered a range of types of assistance encouraging employees to make their own choices in finding the appropriate setting for their child. This company offers a dependent care account that allows employees to use pretax dollars for the child, elder, or spousal care of their choice. These options are:

- An onsite child care center providing a certain number of guaranteed slots and discounted rates to staff;
- An arrangement with a local hospital for sick child care, which is subsidized 50 percent by the employer;
- Child care referral through the employee assistance program;
- Summer day-care referral.

The company also offers brown-bag lunches on parenting topics such as peer pressure. And finally, it demonstrates its concern for children in the community by providing financial assistance to a consortium that supports latchkey programs, and by soliciting other companies to do the same.

c. Family and Community Concerns

- One Company with a strong commitment to affirmative action has an active women's caucus addressing spouse abuse, divorce laws, and child support laws. A growing number of companies are involved with Employee Assistance Programs (EAPs). Such EAPs provide referral for a variety of personal or family problems, such as drug and alcohol abuse. Some provide classes and other help in interpersonal skills, such as managing anger.
- Employers have many options to demonstrate recognition and support for the responsibilities employees have outside work. Some offer opportunities for employees to control their work and family time such as part-time work, flexible work hours, and job sharing.

Others provide leadership in demonstrating their responsibility to the community. One employer rewards outstanding employees by allowing release time for volunteer work in the agency of their choice.

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d. Recruiting

- Several Companies that do a great deal of hiring mentioned having a 24-hour phone line where applicants can get the latest information on openings.
- An Oregon company is now doing drug testing for everybody and is getting better employees because the word is out. A company that has several openings for apprentices each year examines the applicant's transcripts, records from school work, work experience, and content of courses taken. Hiring college students is popular with some companies. One offers a \$250 college scholarship through a name drawing of employees.
- Several employers mentioned recruiting through minority organizations such as the Urban League or refugee forum. Special benefits such as providing bus passes or free parking are sometimes offered to attract employees.
- A fast food company has found it useful to recruit and hire relatives of its refugee employees. The employee with the best command of English is then responsible for training and supervising his or her relatives.
- Companies interviewed reported they pay employees a bonus for recommending their friends who actually get hired by the company. If the newly hired employee is successful for the first three months, the friend who recommended that person gets a second bonus. This causes a strong motivation for the original employee to be selective in whom he or she recommends and also to provide buddy help and advice to the newly hired friend.

e. Training

- Many companies are now offering tuition reimbursement programs in addition to in-house training programs and the more common on-the-job training. Educational support is generally funded at 100 percent level if required for the job and at 50 or 75 percent if not required but considered to enhance the job performance. Several companies allow employees to take almost any course and be reimbursed.
- For those employees who do not speak English as a native language, many companies are providing either onsite or off-site language instruction. One company donated one hour of paid time and asked the employee to donate one hour of free time. The classes were scheduled between major work shifts, usually in the evening as the workers were coming off their shift.
- An Idaho company has hired two teachers to develop an employment development course. Employees learn how to get along with others and about career ladders.
- A company in the retail field issues each employee a training passport which contains the employee's photo and a record of all his or her training and promotions. This passport is reviewed every year as part of the employee's performance review. Results of the review determine the employee's pay scale.
- Some companies are finding it necessary to provide remedial training in basic skills such as writing, mathematics, and communications. Generally these classes are worded as worker upgrading to avoid the negative connotation of remediation.
- Classes on customer relations are sometimes taught using role playing. Employees are asked to bring in actual case samples which get reviewed.

- When problems are found that are group based, one Idaho company brings in outside staff who do team exercises with the whole group to resolve the problems.
- One company was impressed by the success of its "Executive Leadership Institute" in fostering team-building skills, and is piloting a two to three-week miniversion for secretaries and clerical workers.

f. Supervision

- Supervision varied widely across the companies we interviewed. In some cases the supervision was considered minimal. In other cases, the supervision was close, especially for the first six months when some companies moved people into permanent positions. Line supervisors often had the responsibility to delegate, oversee, do on-the-job training, monitor performance, evaluate, provide feedback, and check on the balance of work performed. In some companies, line supervisors also were responsible for hiring new employees in their unit.
- Supervisors sometimes assign a new employee to a buddy from whom to learn. Other companies assign new employees to the lead on a team.
- In some companies, team operations have become common, with more team numbers responsible for training and supervising others.
- One site used a Creative People Management class of 16 hours to train supervisors. An external class uses a computerized tool called the Social Style Profile to delineate an individual's style of interpersonal interaction as seen by others. It also measures versatility in being able to interact with different social styles. The employee's department pays for the course.

g. Motivation

- Getting employees to show up for work regularly and on time is a major problem for many employers. One company in Oregon has an attendance lottery every month. If found that about half of the eligible employees were Laotians.
- Some companies have profit sharing; so it is to each employee's advantage to give his or her full effort.
- Share of stock are offered as incentives to employees in some companies
- Recognition as the outstanding employee of the month is popular in certain companies. Pay bonuses, posting of photos of such people, special parking spots, promotions, and free trips are sometimes offered as rewards. Rewards are given for good attendance, outstanding team membership, and customer service.
- Workers in a company in Guam are anxious for cross-training, because they can get the salary level of the person they substitute for during the period for which they fill in.

h. Business-Education Partnerships

- Although the focus of this study was on entry-level workers rather than on partnerships, several employers described various ways they were assisting the local schools. For example, one company encourages employees to volunteer as tutors of at-risk students. In addition to helping the children involved, the employer told us it was perceived as a good alternative for teaching

employees how to improve listening skills and getting along with people from different backgrounds.

- An example of partnership involving the state, education, and a private company to provide entry-level workers with skills was found in Washington. This program locates disadvantaged, unemployed workers through Target, a subcontractor to the Employment Security Department. The participants are eligible to participate at no cost in a 12-week course at the Lake Washington Vocational Technical Institute, which includes coursework on pre-employment skills, basic skill training, and manufacturing skills. The course entitled, "Manufacturing Process Technology," is developed in conjunction with the company and includes transferable and company-specific occupational skills. The manufacturer we interviewed was participating in the pilot project and had agreed to hire all 40 graduates of the first class.
- One company cited summer internships in its bank for high school business education teachers. The internships were designed to bring teachers into the business environment to learn hands-on techniques in banking that can be passed on to students in the classroom

i. *Handicapped/Special Needs Population*

- The special needs groups mentioned most frequently by the employers we interviewed were refugees and others with limited English proficiency. They are often paired up with buddies who know more English. In many cases, the work attitude of these employees was considered excellent. Several employers mentioned having ESL instructors teach English classes for several months. They are provided at no cost to employees. A Hawaii company hired a deaf man who had trouble communicating with co-workers. Now he does it by writing. Other employees have enjoyed learning sign language to use with him.
- An employee with a learning disability had trouble working with others, so the company set up a job where he works by himself and he is doing fine. Another learning disabled person had a problem when told to do three things. The personnel manager talked with his supervisors and they arranged for him to do only one task at a time.

The report also identified the implications of the study's findings for consideration by those responsible for providing education and training. Ten areas were cited: 1) new skills, 2) peer influence, 3) common purpose, 4) expanded learning opportunities, 5) involvement, 6) accountability, 7) cross-training, 8) special training, 9) career paths, and 10) business partnerships.