

The Workforce Advantage: An Audio Conference on Successful Practices
Co-hosted by the Initiative for a Competitive Inner City (ICIC) & Jobs for the Future (JFF)
March 27, 2003

Speakers:

- Anne Habiby, Initiative for a Competitive Inner City
- Jerry Rubin, Jobs for the Future
- Monisha Kapila, Initiative for a Competitive Inner City
- Frank Tucker, Tucker Technology and Chair of Board for Oakland's Workforce Investment Board
- Judy Resnick, Connecticut Business and Industry Association

Agenda:

- Overview: Anne Habiby
- Workforce Policy Implications: Jerry Rubin
- Web Site Demonstration: Monisha Kapila
- Company Perspective: Frank Tucker
- Q & A: Anne Habiby, Jerry Rubin, Frank Tucker, Judy Resnick
- Wrap-up: Anne Habiby

Overview

ANNE HABIBY: I am Anne Habiby of the Initiative for a Competitive Inner City, otherwise known as ICIC. And with me on this call today are Jerry Rubin and Marlene Seltzer of Jobs for the Future, known to many of you as JFF, and Frank Tucker of Tucker Technology, who is also the Chair of Oakland's Workforce Investment Board, and Monisha Kapila, also from ICIC. Also, helping us field questions later in the call is Judy Resnick from the Connecticut Business and Industry Association.

We are all delighted to welcome you to what we hope will be a very engaging and novel experience around the topic of workforce development. By way of background, two years ago, ICIC and JFF joined forces to better understand a critical question. A question all of you are very concerned about, which is: How do small and medium-sized companies in inner cities hire, retain, and advance low-wage workers, workers that many perceive to be unproductive and a competitive disadvantage? As many of you know, ICIC brings expertise on inner city markets and company strategy, and JFF brings expertise in workforce training and public policies.

We decided to combine our talents to see if we could understand how inner city companies can enhance their competitive advantage, and also advance their employees. And today, we are proud to launch this new Website, Workforce Advantage, that is the distillation of two years of our work on this question. Before I begin to describe the site, and how it can be of value to you, I want to let you know who's on the call. This is the first time we're doing a call quite like this, and we're delighted to tell you that there are approximately 250 participants on the call today.

Among the participants are the funders of this project and they are the Ford, Rockefeller, Casey, MacArthur, Mott, and Hitachi Foundations. They have each generously given of their time, encouragement, and insight, and we're grateful to them. We also have with us a wide range of participants, including members of the private sector, such as Timberland, IBM, Manpower, and the U.S. Chamber. From the public sector, a number of cities and states on the phone today, including the Texas Workforce Commission. We also have a very large number of workforce intermediaries including Seattle Goodwill and the Canada National Health Workforce Initiative. Also on the call are organized laborers, universities, and media. And we're delighted to welcome all of you.

In terms of a format, I'm going to give you a brief overview of what motivated us to do this work, and it's relevance in this unique economic environment. Jerry will speak about the implication for workforce intermediaries in public policy. Monisha will walk you through a Website demonstration. Frank, whose company is featured throughout the Website, will speak from a company perspective. And then, we'll answer questions.

In terms of the origin of all this work, it began a number of years ago when ICIC and *Inc Magazine* created what we called the Inner City 100 List. As many of you know, this is a list of very fast-growing inner city companies. The average growth rate is about 50% a year and they have to grow at that rate for at least five years. And that is 50% a year for at least five years. Now, many of the top companies grow at levels far above that, in fact, exceeding 200% a year, and at that level of growth, a critical constraint is cash and people.

So, the question that arises is: How do very fast-growing inner city companies solve what others view as an insurmountable problem, namely hiring low-income workers and engaging them to create competitive companies. By way of background, the Inner City 100 winners that are profiled on this Website come from cities all across the country. They cover, in fact, more than 50 cities. And they represent a very wide range of industries, such as manufacturing, distribution, construction, design, and telecommunications. Their median size is about \$16 million dollars in annual revenue, and they represent quite a wide range from one million to over \$400 million.

Last year, the 100 companies that made the list created more than 8,000 new jobs in five years. Clearly, inquiring minds want to know what they're doing right. So, ICIC and JFF fanned out across the country to speak with many of the Inner City 100 CEO's and what we found is summarized in this Website. Interestingly, when we began our adventure two years ago, we were at the very top of the market, when recruiting was the ubiquitous challenge. And now, as we launch this Website, we find ourselves at the other end of the economic spectrum.

So, a question you may be asking yourselves, is: What relevance do hiring, training, and advancement practices, the types of practices that are featured in the Website, have in a downturn? I want to pause on that question a moment before I hand this over to Jerry. I would submit that the intensity of the workforce challenge has not gone away, but has, indeed, morphed. The challenge is not, for the moment, recruiting, although we all know that will come back, but productivity. We're all leaner organizations and companies, and we have to achieve greater productivity per person. But greater productivity per person is not sufficient.

We also need employees that have a broad base of skills to cover more functions, because we're leaner. And these employees always need to be thinking about how to advance customer value in this economy, and generate process improvements. So, one might say that the issue of training and motivation becomes all the more important to succeed in an economic downturn. And clearly achieving this kind of productivity creates a powerful competitive advantage. As a benchmark of the kind of value can be created from the practices profiled in Workforce Advantage, we surveyed the 2002 list winners, and an astonishing 96% of them said that they were in the position to gain market share from their competitors -- 96%.

In closing, I would say that we and they believe that much of their strength derives from the workforce strategies that they have in place. Now I'd like to turn this over to Jerry to give you a perspective of how this can be useful to intermediaries and for public policy.

Workforce Policy Implications

JERRY RUBIN: Thank you, Anne. First, I want to say good afternoon, and welcome to all of you that have joined us today. Looking through the list of those of you who signed up for the call, it was a very interesting and exciting group of people. I only wish the technology allowed us all to talk together, because I think we would have a tremendous opportunity to learn from each other. From the private sector. From the public sector. From the philanthropic sector. A really rich group of people. And so, I welcome, with Anne, all of you here.

For those of you who are not familiar with Jobs for the Future, I just wanted to briefly tell you about the organization. Why Jobs for the Future, an organization that has been involved in workforce development for a number of years, was particularly interested in this project. And then, as Anne said earlier, I'd like to address some of the research findings, and some of the implications of that research for some public policies. And hopefully, leave you with some issues to think about as we go forward in what is a very interesting environment for public policy, particularly in a workforce with major reauthorizations taking place over the coming months.

Jobs for the Future is a national nonprofit organization based here in Boston, right up the street from ICIC. We have a focus on advancement. Advancement for youth who are really not successfully making it in the educational system, and advancement for adults to family-sustaining wages, adults who are really struggling in our economy. This particular project was a really exciting opportunity for us to engage with a partner organization like ICIC.

As I mentioned earlier, JFF's primary concern, and our primary motivation for engaging in this project is to ensure that adults have the opportunities to get the skills that they need to advance to jobs that pay a family-supporting wage. It's our belief that providing advancement opportunities require workforce development efforts with a dual-customer approach. That is to say, an approach where both the needs of job and skill seekers and employers are met, and that workforce development efforts and workforce development programs, financing systems respond to both customers in equal fashion.

For employees, advancement happens at the workplace. We estimate-- employers estimate that 39% of their current workforce and 26% of their new hires have basic skill deficiencies. And it's

these skill deficiencies, among other things that are major stumbling blocks, major obstacles to advancement. It's very interesting because, recently-- in fact, this past week, Jobs for the Future completed a survey of low-wage workers throughout this country. We surveyed well over 1,000 low-wage workers. And the statistics we got from that survey really matched what employers are saying about the skills and obstacles to advancement. We found that 70% of the respondents wanted education or job training to move ahead. And 46% of them believe that they currently don't have the right skills for advancement. It's almost identical to what the employers are saying. It's quite interesting.

So, for employees, advancement takes place at the workplace. For many employers, labor force advancement equals competitiveness with labor forces that are not growing or perhaps even shrinking. Retention and advancement are critical to competitiveness. We've seen estimates that suggest that growth in the labor force over the past 50 years has been about 1.5% a year. And projecting for the next 50 years, look to be about .5%. So, retention and advancement are clearly critical to competitiveness.

From our point of view, Workforce Advantage, the Website that you're going to be looking at today, embodies this dual-customer approach that I mentioned earlier. It demonstrates how smart investment by companies in their workforce is a key part of the growth formula. And it's critical for the health of inner city communities. So, let me talk a little bit about some of the research, and what we concluded, and some of the policy implications.

First of all, I just wanted to say that doing this research really gave an unusual opportunity to spend a lot of time, both on the phone and in person, with a group of truly exceptional companies. These are companies that are remarkably creative, entrepreneurial and, fortunately, very willing to give of their time and information. I think the first conclusion that we drew from the research was that small high-growth companies like the Inner City 100 are an important, very important source of good jobs and advancement opportunities for inner city residents. I think this is something that is not often understood. I think people tend to think of smaller companies, smaller inner city companies as tending to be lower-wage jobs without advancement opportunities. And what we found was a really surprising array of strong, high-growth companies with opportunities for advancement.

These companies tend to show remarkable creativity in addressing obstacles to retention, and structuring formal advancement opportunities for their employees. Just as an example and, when you go through the Website, I think you'll want to look at this, CDA Detective & Security was one example that really struck me as quite interesting. They have a well-defined occupational career ladder with internally developed training materials that tie directly to that career ladder, and a real organizational cultural commitment to advancement.

So, what are the policy implications? We know that enormous numbers of new jobs are created by small companies. And I think it's important for policy-makers and workforce development providers to understand that public-funded systems need to focus in on this key market. This is a very important market to sell our services to, to reach out to, and to provide resources to. And I'll talk a little bit about that in a moment. But I think this is a market that is often overlooked, in

some ways because it's easier to sell services to larger companies. But this is really where a tremendous amount of the advancement action is taking place in the inner city.

The second point that I want to note is that fast-growing small employers, like those that you'll see highlighted in the site, really care seriously about the quality of job match and placement. They seek workers with sufficient skills that can grow with the company as it grows. Anything else will really not help them. So, they are not interested in rapid attachment, fast placement solutions. They want individuals that they can count on to grow as these companies grow. And they grow fast.

I think an example you might want to look at when you take a look at the site is PlastiComm, which has been working very closely for quite a number of years now with the Rocky Mountain SER to recruit, screen, and train new workers on an on-demand basis. It's a really excellent example of a community-based organization aligned with a company to provide high-quality screening and placement and thus, putting employees in the inner city situation in an environment to move up. The policy implication is that incentives really need to begin to change to support the quality of placement over the volume of placement. So that we're looking at a situation where there are incentives, dollar resources, made available to those providers of workforce services to focus on making the right match, and ensuring the right screening, and ensuring the right level of skill readiness.

The third point, a surprising number of the Inner City 100 companies that we talked to rely on publicly-funded workforce development programs to support their investment in human resources and growth. I say this is surprising because, if you look at the national statistics from organizations like the U.S. Chamber of Commerce and the National Association of Manufacturers, you find a very high level of ignorance on the part of employers about publicly-funded workforce development resources. These companies, partly because of their creativity, partly because of their involvement in their community, and partly because of their entrepreneurial spirit and skills, have managed to find a wide array of public resources.

An example you might want to look at featured on the Website is Belkin Components, which has been a very heavy user of the California Employment Training Panel, an incumbent worker-training source. The policy implications are that the employers will use publicly funded programs if they are structured to meet the real business needs. I think incumbent worker training is an excellent example of this. Incumbent worker training programs that are specifically geared towards and designed for employers are taken up at very high levels. I think there's a very important lesson there.

Finally, with all that said about publicly funded resources, there are many challenge for small companies trying to tap public resources. The ICIC 100 companies are using public resources by either devoting remarkably large amounts of internal capacity to secure public resources. Or they're relying heavily on intermediary organizations. And this is where I want to talk a little bit about the importance of intermediaries. The word comes up on the Website. You may hear some of the employers talking about it. We found a wide range of intermediary organizations, from community-based organizations, to labor-based intermediaries, to state-based intermediaries, to employer association-based intermediaries. All providing a critical function of being one point of

contact, packaging a range of public resources for employers, reducing the cost of sales in that process, and really making it easier for these employers to tap these very important resources in order to attract, retain, and advance their workers.

Two excellent examples on the Website to take a look at are PlastiComm and their partner Rocky Mountain SER, and Allegheny Child Care and their partner EDSI.

I think the policy implications is that public investments in intermediaries and the organizations like them that can package resources for small employers, is going to be a critical policy solution to ensuring the inner city growth companies can take advantage of these resources to ensure that their inner city workforces are retained and advance at the workplace. With that, I'll stop, and I'll hand it back to Anne.

Web Site Demonstration

ANNE HABIBY: Thank you very much, Jerry. Now, we're going to have Monisha give you a tour of the Website.

MONISHA KAPILA: Thank you, Anne. Please open the Internet on your computer and go to www.workforceadvantage.org. Note that is org not com. I will try to move slowly during this demonstration so that everyone can follow where I'm going.

First, I would to highlight the overall structure of the Website. There are four main sections that you can access from the horizontal blue header bar: Workforce Practices, Companies, About Us, and Feedback. The horizontal blue header bar also has a search box and a site map. Underneath the blue bar is the gray header bar, which lists the seven categories of promising practices we feature on this site: Recruiting, Training, Rewarding, Advancing, Communicating, Enhancing Efficiency, and Public Funding. On the left side of the screen, there's a picture of an employee at a bakery. This is called the sidebar, and will be useful when looking at workforce practices.

The page you are on right now is the homepage, and contains links to the 17 promising workforce practices we have developed. These workforce practices are categorized by subject. The meat of the information on the site is found in these practices. Each practice is structured the same way with an introduction, keys to success, case studies, and additional resources. Now, I'm going to walk you through a sample practice. On this homepage, move you cursor to the second category entitled Training. Click on Training Strategies, which is the first bullet next to Training. Once the page loads, you should see a title, "Introduction" in bold, and the first sentence starts with, "More and more U.S. employers--."

A great feature of the Website is that you can print out the entire practice from any page. Move your cursor to the right side of the screen, and click on the icon which says Printer-Friendly. A printer-friendly window opens in a different screen. This will print the Introduction, Keys to Success, Additional Resources, and all the case studies to the training strategy's practice. Close the printer-friendly window by clicking on the X in the top right corner. Now, go back to the Website. Move your cursor to the left side. There's a sidebar which lists Training Strategies in a gray box and Keys to Success, Case Studies, and Additional Resources in a white box

underneath. Below that, it says Educational Reimbursement and Tapping Immigrant Talent, which are other workforce practices under training.

On the left sidebar, place your cursor on Keys to Success, which is right underneath Training Strategies. Click on Keys to Success. Once the page loads, you should see the title, “Keys to Success” in bold and six bulleted paragraphs. These Keys to Success are like an executive summary of the case studies. They provide you a quick overview to various approaches used by the companies. Each Key to Success also links to a case study that highlights that approach. Another way to access all the case studies for the practice is from the left sidebar. Move your cursor back to the left sidebar, and click on Case Studies, which is right underneath Keys to Success. Once the page loads, you should see the title, “Case Studies” in bold and the list of ten case studies. Move your cursor to the last case study on the list, and click on Tucker Technology.

Once the page loads, you should see the title, “Case Studies” in bold and “Tucker Technology” underneath. This page has the entire case study on Tucker’s partnership with the union to provide entry-level training. Tucker worked with the Communication Workers of America (CWA) to develop a training program for the non-union, unskilled workers who came to work at his company. He helped design the curriculum and set up a system to provide transportation for his employees. This has been a win-win partnership for Tucker and CWA. CWA expands its membership, and Tucker is able to recruit workers and refer them to the existing union training program for entry-level training. If you scroll through the bottom of the page, there is a list of all the case studies for this practice, where you can choose other cases to read.

Now that we have viewed a case study, let’s look at Additional Resources. Move your cursor back to the left sidebar, and click on Additional Resources, which is right underneath Case Studies. We created this section to help companies and organizations that are looking for more information to implement the practice. Once the page loads, you should see the title, “Resources” in bold and a list of Websites related to the practice. If you were to click on any of these Websites, they would open in another window. Now, that completes the information for the Training Strategies practice.

For those of you who are lost, this is a good time to catch up. I’m going to show you a feature of the Website that many users have really liked: Resources for Public Funding by States. Move your cursor to the horizontal gray header bar at the top, and click on Public Funding, which is the last subject. Once the page loads, you should see a brief paragraph that starts off with “Recruiting and training are two of the most important areas--.” Underneath the paragraph are three links. Click on the third link, “Resources for Public Funding by State”. This tool lists various agencies that offer public funding to companies for recruiting or training programs. Often, companies don’t realize what public resources are available to them. So, we have started to gather this information by state.

Once the page loads, you should see a map of the United States. On the left sidebar, there’s a list of all the states. Let’s say I’m from a company located in Colorado, and I’m interested in finding resources for public funding in my state. Go to Colorado either by clicking on the state on the map, or by scrolling the left sidebar and clicking on Colorado. Once the page loads, you should

see a list of programs, including the Colorado First Customized Job Training Program. We are still gathering resources for all the states, but many do have resources listed here.

Now, I'm going to walk you through the other sections of the Website. Move your cursor back to the horizontal blue header bar at the top, and click on Companies. Just so you know, there may be difficulty due to high volume, so please click back and continue to catch up with us. Move your cursor back to the horizontal blue header bar at the top and click on Companies. Once the page loads, you should see a list of the 22 companies that were interviewed to develop the Promising Workforce Practices. Each company is a winner of the *ICIC-Inc. Magazine* Inner City 100 list. You can also link to the Inner City 100 Website from here.

If you were to click on any of these companies, you would see a profile of the company, including revenues, number of employees, and average hourly wage of employees. Additionally, there are links to all the case studies on that company. On the left sidebar, you also have the option to view the companies in various ways: By company, industry, city, and state. Another way that users can find information is with the Search tool. On the horizontal blue header bar, there's a search box where users can enter a phrase and search for it on the Website.

The final section I want to show is Feedback. We have a created a feedback mechanism on the Website, where we plan to ask companies to submit their own workforce practices to us. Move your cursor back to the horizontal blue header bar at the top, and click on Feedback. Here, you will see a form where you can enter feedback about the Website. This concludes the Website demonstration. I'll hand it back to Anne.

Company Perspective

ANNE HABIBY: Thank you very much, Monisha. I'd now like to ask Frank Tucker to talk a little bit, and I just want to tell you one thing about him that he may not say about himself. He is a four-time winner of the Inner City 100 list, and in each case, he was in the top ten. He has also been one of the top ranked minority-owned companies on the Inner City 100. So, we can say that his company has truly experienced meteoric growth. Frank.

FRANK TUCKER: Thank you very much, Anne. Yes, indeed, we have experienced meteoric growth. And in the labor-intensive industry that we're in-- we're primarily involved in telecommunications and IT installation services. So, that's installing the infrastructure in telephone company buildings as well as the infrastructure in very high-rise buildings for a variety of businesses, and public sector uses as well. With that, we're in an industry that the entry-level labor and basic labor can't be shifted or shift overseas. It has to be done right here. And typically, it has to be done right in the inner city.

So, there's a very big demand for entry-level workers and then for regular blue-collar workers with a variety of skills. Being in that environment, particularly during the bubble, we hit the point where we had more work than we had people. And we looked around and said, "Jesus, what do we do? How do we meet our customer demands?" So, we said, "Well, the labor pool is empty, but there's a lot of raw resources available." And I saw that raw resource every day on my way to work, because there were able-bodied men and women really hanging out on the

street corners right here in our headquartered town in Oakland-- Oakland, California-- as well as in a variety of the other cities where we conducted business. In Atlanta. In New York City. Washington, D.C. Los Angeles.

I said, "Well, the labor pool really isn't dry. Many people that haven't been socialized into the work ethic, that haven't had the opportunity to figure out how to get into the labor pool." So, what we did as a company was to partner with community-based organizations. And we found out that the CBOs were doing a variety of training. But very often, they weren't training for what the labor demand was for. So, I personally started working with a variety of CBOs and getting them to train in telecom installation training, getting them to train in IT training.

From there, it led to relationships with the private industry councils. And then, the varied workforce investment boards opened up really a whole area of opportunity for us, not just in training workers in the technology, but in training workers in the basic work ethic. And in giving those workers a support system.

Many of our employees need a support system where there are counselors and coaches to work with them. Many of the workers have the support system and the counseling from the CBOs. So, not only are they learning the actual work skills, they're also becoming job ready to learn that you've got to get up every morning. You have to take care of personality differences. You have to manage your money. And your money has to last you.

So, it's the partnerships, the relationships that we're able to develop with the CBOs, the private industry councils, the workforce investment boards, have really been one of the key elements to our success. And just to add one last point to that, we also found that it led to a lot of financial success in that there's a variety of-- as I heard Jerry Rubin mention in his discussion-- there's a variety of financial supports to businesses that really hire from that disenfranchised community. We get welfare to work tax credits. We get enterprise-owned tax credits. And then, we also have a variety of other programs that we find are available to our employees, such a programs that give them support in going out and buying a home.

The financial benefits that you get for hiring this population beyond helping you get a dynamite worker has worked to our success where, as Anne mentioned, we've been in the top ten of one of the fastest-growing companies in the country for the past four years.

Q&A: Can you give more information about Inner City 100 companies?

ANNE HABIBY: Frank, thank you so much. We are receiving a very high volume of email questions. So, thank you very much and keep them coming. We're going to take a few right now. And I'm going to answer one myself. One person, Anne Yeoman from Context, which is in North Bethesda, Maryland, wanted some facts such as benefits, wages, and things like that. So, let me just tell you a few facts that may be of interest to all of you, and then we'll go to some of the other questions.

The 2002 Inner City 100 list and, by the way, we can't tell you anything about the 2003 list because it's just being published right now and it'll be out on the newsstands in four weeks. So,

it's top secret. But the 2002 list, of those 100 companies, we asked them how many of you offer a health plan, for example, to all your full-time employees. And 97% offer a health plan. In terms of a bonus plan, it's as high as 87%. And profit sharing is 50%.

You might be interested in a parallel part of this project, which will give you more insights about employees. In addition to this Website that covers 80 case studies of companies, we also are doing a three-year survey of 200 entry-level workers at these very same companies. And so, we're beginning to see from their perspective, what is the value of working for a fast growth Inner City 100 company.

I think one of the most encouraging things we learned is that 65% of those low-wage, low-skilled workers that are working at these fast-growth companies felt that a promotion was somewhat or very likely in the next year or two. And I think this is what it's all about. Also, 75% of them plan to continue their education.

I think one number that's quite intriguing is that about 40% of the employees said that working for such a company made them want to be an entrepreneur. And that, in fact, a number of them are thinking about entrepreneurship. So, that gives you some more facts and figures.

Q&A: How do companies assess an employee's ability to grow?

ANNE HABIBY: I'd like to read you a couple of questions, and ask our panel, which is Jerry, Frank, and Judy, to take a cut at some of these questions. She asks: "How do companies assess an employee's ability to grow? I'm familiar with skill certification, but are there other approaches?" And, in fact, we have very much touched on this issue in the Website. And I'd like Jerry to start with an answer, and then invite our other guests to comment. Jerry.

JERRY RUBIN: When I saw this question, two things came to mind. One is that many of the companies that we visited and interviewed devoted a substantial amount of their time to investing in the development of career development plans with their employees.

Specifically, there are a couple of tools that I think people will find in the Website that are of great interest. One example that comes to mind is Lone Star Direct, a direct marketing and fulfillment firm from Austin, Texas, which engaged in a process of career mapping with and for their employees. A process where there's actually a formal career map developed for their employees. And it is a very individualized approach that lays out the opportunities for advancement within the company.

ANNE HABIBY: I want to say something about that. Lone Star is a fascinating example. Not only do they do just what Jerry said, but the career mapping solved two business problems simultaneously. The first is that Lone Star hires many low-income single parents. And single parents, especially low-income single parents, have few resources to fall back on. And so, Lone Star had a huge problem, which was absenteeism for reasons of illness of child, and so on. And she had to create a very, very flexible workforce system to accommodate these realities.

She assessed the skills and trained them to do basically ten functions instead of one. So, they're heavily cross-trained. But what really is the home run here is that the flexibility that was generated through her internal skills assessment and then her cross-training led her to a powerful competitive advantage, which was that companies would say, "Could you do a very specialized run for us in a very short amount of time?" And she could flex up or down very, very quickly to accommodate the customer. Lone Star's competitive advantage became flexibility.

And this is why Lone Star is not only an Inner City 100 company, but is also an *Inc.* 500 company. Judy and Frank, would you like to comment?

FRANK TUCKER: I think that cream really rises to the top. So, having a variety of entry-level workers, but having work that goes from the entry-level -- the de facto minimum wage-paid employee -- to really the seasoned and highly-skilled blue-collar worker-- a fiberoptics installation technician, a fiberoptics tester, what we call a CO, essential office testers. To cover that full array, those that come in at the entry-level, they can see where they can go from ten bucks an hour to as much as \$50 an hour.

And what happens is the initial credentials or initial certifications they'll get from the private industry council or they'll get from some of the job training programs that we'll hire from. But once they are hired, they qualify now for the union's apprenticeship program, because we're a union company represented by Communication Workers of America, CWA. With that training, those that are aggressive enough now join the apprentice program and start to move up in credentials and in skill sets. I've got men and women on my payroll right now that are pulling down \$35-55 an hour where they started at ten. I think that's really the true measurement of advancement and of success where now people that were making a meager living are making a very respectable middle-class living.

JUDY RESNICK: I would add that many companies do have a variety of very sophisticated opportunities to career development. There are some qualitative measures as opposed to quantitative measures that we've noticed with companies where employees are given opportunities to cross-train, for example. Or are looked at in terms of how they perform their job. And unfortunately or fortunately, depending on how you look at it, many employers look for things that are more subjective. They look for motivation. They look for interest. They look for those that are very productive. And tend to offer opportunities there. Many of the companies that we're working for, though, are identifying those with intrinsic motivation, and saying, "How can we help them be more productive, and learn better skills?" One of our companies that we're working with is actually looking to provide them with a "Train the Trainer" opportunity. And again, if they can work through that particular type of an opportunity, that then is a point for them in terms of advancement and opportunity. But a lot of the companies are not as sophisticated, I would offer.

Q&A: What is the most important HR need companies have that the public system can help with?

ANNE HABIBY: We're going to move on to another question that comes from Carmon Cunningham. What is the most important HR need companies have that the public system can help with? I'd like Jerry to start with this one.

JERRY RUBIN: I think I talked a little bit about this earlier. The first part I want to just reiterate is that we did find a substantial number of the companies that were tapping a wide range of public resources through intermediaries, through community-based organizations, directly with state organizations, and so forth. But I think if there were three areas of HR needs that came up over and over again that the public system effectively addresses, it would be these. The first, and probably the one that's most common, is high-quality recruitment and training. A rapid response, high-quality effort that matches the right employee with the right position ensures that somebody is in a ready-to-work, ready-to-grow mode. I think that's probably the number one service. And companies are accessing through community-based organizations, through intermediaries, and through one-stops as well, through the workforce investment system.

The second would be focusing on the advancement opportunities, and particularly accepted advancement resources through intermediary organizations. These advance in resources run the gamut from really what you might consider HR consulting, the kinds of activities that Judy's organization, CBIA, is involved in Connecticut. Coaching organizations on employees benefits that can retain entry-workers, as well as the kinds of approaches to advancement, structured skills training, on-the-job training, and what you might consider even a basic skills training. Really, all-around advancement opportunities.

The third, which is training resources, in general, has come up over and over again. High demand, too little availability. I think that's the response that we get. A strong interest in it. Very high take-up. Or training resources all the way from basic skills to very focused vocational education skills. And I think the difficulty is that the companies will pass them, but the availability is not always there. So, I think those are the ones that I would highlight.

ANNE HABIBY: Frank and Judy?

FRANK TUCKER: I'm going to put on my Workforce Investment Chairman hat right now. When it comes to the public resources, the trend overall in the country has been one-stops offering services to businesses. Here in Oakland with the Oakland Web, we've created a business one-stop system. So, beyond the standard one-stop that does a variety of training and provides services to those looking for work, now we provide services for businesses where we'll go out and create customized training specific to what that business's demand. Specific to the employment opportunities that they have.

Beyond that, we've contracted with a private recruiting firm. So, businesses now that have specific job orders, they go to the business one-stop system at no charge to them, I might add. It's covered by taxpayers' dollars. And put in their job orders, and the one-stop business center now goes out and does the appropriate recruiting for them. If they can't find the employees they need, it's a trigger to the standard one-stop systems to say, "Hey, let's start training in this particular area. Or let's create an environment to start to attract workers for this particular area because, clearly, there's a demand." This is something we're doing here with the Oakland Web,

but I see that it's proliferating across the country, that it's really becoming the new trend in workforce development, where business really becomes the customer as opposed to just focusing on the jobseeker.

JUDY RESNICK: I would echo a couple of the points that my colleagues have made here. In terms of what the public system can do, I would, first of all, agree with the issue of recruitment. For example, particularly as companies are about to expand or to relocate, working with economic development to then, in fact, become their key partner around recruitment. And I would echo that issue of well-screened, well-matched workers to the job, we actually provide the employer services function to one of our local one-stops.

One of our staff members is currently involved with a very large food concern. They're moving their entire plant up to the Hartford area, and she is actually creating the mechanisms for interested applicants, both from the one-stop and the public at large. She is also screening, and then actually creating the interviews based on job-specific information. So, that has been an enormous help to the company. And in fact, our Workforce Investment Board is looking at how do we actually begin to help business pay their fair share of that. So, there is one thing that I think is really a key.

I would also strongly agree with the issue of providing competent worker training. We find that, without training, the individuals oftentimes are stalled in dead-level jobs due to things like inability to speak English. That is a huge barrier in many of our manufactures. And with that ability to provide English as a Second Language training, employees are actually now being considered for opportunities where they would not have before. That they can communicate with supervisors and actually participate in their work has been extremely valuable.

But I think, Frank, you hit it on the nose. The issue of customized training. It is not enough for the public system to provide an off-the-shelf training solution. What employers really could use from the public system, whether it be WIA, whether it be state and public colleges, is that ability to understand, assess, and meet the specific training needs of the individual company. And that means: What is the expected outcome? What is it that needs to be different? And to create a program that does exactly that. A very focused, targeted approach as opposed to a very academic approach. So, as you may tell, I feel very strongly that a critical component is the one that, as Jerry points out, carries the least amount of funding for it. And we find huge demand for it.

Q&A: What is the top 100 employer investment in training, beyond tuition reimbursement?

ANNE HABIBY: Thank you very much. We're going to take one more question. Sarah Conrad, Director of NRF Foundation, which is a retail skill center at Jersey Gardens in Elizabeth, New Jersey, asked, "What is the top 100 employer investment in training, beyond tuition reimbursement?" And I'm happy you've asked that question. Because we have a long answer to that on the Website, and Jerry's going to cover that.

JERRY RUBIN: There are a couple of very interesting approaches to training that we've seen. I think, generally, the level of commitment to training across the companies was very high. But

there were some specifics that are particularly interesting to look at, and maybe some of the other participants can fill in some of the details. One of them is this whole area of cross-training. A number of the companies engage in cross training with their employees to gain the kind of flexibility that they need to adapt to changing market conditions. And this was cross training from very specific, very occupationally based skills to a broad set of occupational skills.

Another example that we came across quite frequently is to build rewards and incentives into the training programs. And these rewards and incentives really run the gamut from pay for performance to pay for education to pay for promotion. One example people may want to look at later on the Website is the New York-based company, Idamar Enterprises, which uses gradual rewards to encourage new hires to complete the company's boot camp training. And I think you could look at the case on the site. And then, the last one that I wanted to mention was on-the-job training or real-work training where employees have the use of real work scenarios, and they're actually doing on-the-job trainings that can lead to evaluation, identification of gaps in skill levels, and really developing real-life meaningful skill and career development maps. So, those were three that I wanted to highlight.

ANNE HABIBY: I'd like to add a different side to this issue. You might be interested to know that fully 25% of last year's Inner City 100 companies expected to sell part or whole of their company to their employees. And when you really think about selling a fast-growing, very competitive company to your employees, I think training takes on a whole new context. It's not only functional training for doing your job, but it is creating a future group of owners and managers.

When you look at financial training on the Website, a lot of it is not simply better checking account management. But it is to ready people over time to make investments in 401(k) plans, to then later manage parts of the enterprises and, ultimately, to have the financial wherewithal and capacity to buy and run these very, very successful companies. I'd like to ask Frank and Judy to say the last few words and then, we'll close it.

Wrap-up

FRANK TUCKER: Just in closing, I'd like to say that the inner city workforce, and the creativity in developing a workforce, really leads to business success. That it's a smart investment. It makes the community where we work, the community where we live, a safer place, a more fun place to be in. Instead of people hanging out on the corner and participating in the distribution of the wealth through the underground economy, it's an opportunity for them to participate in the distribution of the wealth through the mainstream economy. The bottom line is that creative ways to provide employment opportunities really, really works on all ends. Everybody wins.

JUDY RESNICK: As a last parting comment, I would also want to recommend to all of us that the greatest leverage that one can find is to group companies that have common interests. To work with the public sector. To work with their workforce intermediaries. The ability to identify and meet needs that have a critical mass makes it much more effective. The ability to work in sectoral industry cluster approaches has a tremendous impact on everybody.

ANNE HABIBY: Terrific. I took some notes when Jerry spoke earlier. And he said much of the advancement action is taking place in inner cities. And I think that's a perfect way of framing what these companies are about, and what this Website is about.

Jerry also made the comment that the market often overlooks these companies. Certainly at ICIC, that's what we spend a lot of our time thinking about. They're overlooked from a capital perspective. They're overlooked from many perspectives. But I think it's tragic if they're overlooked from a workforce perspective, because this is where the action is taking place. And what we need is not one Frank Tucker. What we need are hundreds of Frank Tuckers. And they are out there, but often off the radar screen.

Thank you very much for joining us.

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