



Hiring, Retaining, and Advancing Front-Line Workers: A Guide to Successful Human Resources Practices

Prepared for Workforce Innovation Networks—WINS

**PART OF A SERIES OF REPORTS ON ENGAGING
EMPLOYERS IN WORKFORCE DEVELOPMENT**



JOBS FOR THE FUTURE

CREATING STRATEGIES
for Educational and Economic Opportunity



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Workforce Innovation Networks—WINS

WINS, a collaboration of Jobs for the Future, the Center for Workforce Preparation of the U.S. Chamber of Commerce, and the Center for Workforce Success of the National Association of Manufacturers, addresses the workforce development needs of businesses and communities. Launched in 1997, WINS works with local employer organizations across the country that are on the cutting-edge of workforce development, testing the proposition that they can play a unique intermediary role in achieving a dual goal:

- ★ Improving the economic prospects of disadvantaged job-seekers and workers; and
- ★ Meeting the needs of their member firms for employees at the entry-level and above.

The Role of Employers in WINS

A basic principle of WINS is that efforts to help individuals succeed must provide education and training that meets employer needs for knowledge and high skills. Similarly, individuals—particularly those with low education and skill levels—will not succeed in gaining family-sustaining employment unless they gain the skills necessary to perform in today's complex work environment.

Yet the top challenge faced by the people and organizations whose mission is to serve either constituency—job seekers or employers—is the challenge of engaging effectively with employers. For example, in July 2002, WINS asked a group of workforce development professionals, “What is the primary workforce development challenge facing your community?” *Half* the respondents answered, “Employers are not connected to the system.” WINS then asked, “What is the biggest challenge you face in implementing the Workforce Investment Act?” Over 40 percent of respondents said, “Engaging employers.”

Jobs for the Future has prepared a series of resources on meeting the challenge of engaging employers in workforce development. These include:

- ★ *Employer-Led Organizations and Career Ladders*
- ★ *From Stakeholders to Partners: Organizing Community Partnerships for Workforce Development*
- ★ *High-Leverage Governance Strategies for Workforce Development Systems*
- ★ *Hiring, Retaining, and Advancing Front-Line Workers: A Guide to Successful Human Resources Practices*
- ★ *Mentoring*
- ★ *Working Together on Worker Training*



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■ Introduction*

To remain competitive, U.S. employers must find, hire, keep, and advance the skills of a qualified, entry-level workforce. In surveys, employers consistently rank recruiting and retaining qualified workers as two of their top priorities. Yet the changing nature of the workforce itself (e.g., baby boomers are aging; racial and ethnic diversity are increasing) means that traditional sources of entry-level workers are less likely to provide an adequate supply of skilled labor.

Employers need to know where to turn for training and other resources to meet their needs. Since consulting services on human resources are rarely geared towards front-line jobs, employer organizations are paying increasing attention to helping their members address the special problems of hiring, retaining, and advancing entry-level workers. This guide identifies human resource strategies that address workforce challenges related to front-line jobs.

To assist the efforts of employer organizations and other workforce development organizations to meet employers' needs, Jobs for the Future has researched practices implemented by innovative and successful companies that hire large numbers of entry-level workers. We have identified human resources practices that have helped these companies improve the employment and advancement of workers with few skills and little or no work experience.

We selected the examples in this guide because they represent cost-effective, proven methods to help companies of any size or location build successful businesses. Many of the examples come from large firms or from companies that are recognized as outstanding employers by the Initiative for a Competitive Inner City. Jobs for the Future, in conjunction with ICIC, has posted information about these employers and practices at www.workforceadvantage.org. In addition, this guide includes contact information to help you learn more about many of the practices described here. You may also contact info@jff.org for additional information. In your request, please describe the strategies of interest to you and the reasons for your interest.

Using this Guide

This guide provides human resource strategies in five practice areas:

- Getting and Preparing New Employees;
- Rewarding and Supporting Employees;
- Skill Development for Employees;
- Making the Most of Employees; and
- Retaining and Advancing Employees.

Each chapter begins with a brief overview of how a practice area supports company success, followed by high-leverage strategies in that area and examples of company experiences in implementing the strategy.

The strategies and examples presented here summarize initiatives that are often quite complex. Employer organizations and employers can use these brief introductions as a starting point in investigating how to respond to a particular workforce challenge. It may be most effective for employer organizations to help companies pursue the strategies described here—through community partnerships and by establishing working relationships with other businesses, community-based organizations, adult education providers, for-profit training and service providers, and government agencies.

After working with an employer to explore particular strategies, employer organizations can help employers to implement high-leverage workforce development strategies in a variety of ways, including:

- Providing consultation or training services;
- Brokering relationships between employers and service providers to reduce costs and risks while increasing quality; and
- Providing access to public workforce development system resources, including available sources of funding.

■ Strategies for Getting and Preparing New Employees

Employers are concerned with the quantity and quality of candidates for entry-level jobs. Regardless of a company's size, the processes of advertising vacancies and screening applicants require significant investments of time and money. Companies may find it difficult to identify which candidates are a good match for available jobs. If the match is poor, or if a vacancy goes unfilled for a long time, the company could suffer from reduced

* Several Jobs for the Future staff members contributed to this guide. Lead staff member was Hillary Holbrook. Geri Scott, Jack Mills, and Jerry Rubin provided advice on the structure and content of the report and assisted with the research.

quality or productivity. Effective employers look for ways to expand recruitment to new sources of labor and to take advantage of the many non-traditional resources available to recruit, screen, and prepare new workers.

BECOME INVOLVED WITH PRE-EMPLOYMENT TRAINING PROGRAMS.

Pre-employment training takes two forms:

- Job-readiness training addresses a worker's need for "soft skills," such as problem-solving skills, communication skills, work ethic, and interpersonal skills. Many community-based organizations offer job-readiness training as a way to address a lack of work experience among people they serve.
- Training in "hard skills" provides job seekers with new or upgraded basic and occupational skills that relate directly to the tasks of a job. This training can take place at community colleges, vocational schools, private training schools, and community-based organizations, often with public funding.

With respect to either soft skills or hard skills, pre-employment training is most effective when the provider understands the specific needs and wants of employers and can simulate the work environment during training. Some programs rely primarily on classroom training; others mix classroom and experiential training. Further, some providers combine job-readiness training with basic and occupational skills training.

Federal Express works closely with training organizations that prepare welfare recipients for employment. The training covers job readiness and other employability skills (such as timeliness and appropriate dress), as well as unique skills needed to work at FedEx. FedEx recruiters meet regularly with trainers and program participants to ease the transition to employment. *For more information, see www.jff.org/jff/kc/library/0017.*

The Center for Employment Training, a non-profit, community-based organization headquartered in San Jose, California, trains people for jobs. CET combines literacy skills and vocational training in a simulated work environment for over 30 occupations, including office automation and management, building maintenance, electronic assembly, medical/health care, child care, shipping/receiving, and printing and graphics. Two employer groups—an Industrial Advisory Board and a Technical Advisory Committee—help design CET curricula so that training incorporates current industry standards and practices. CET Job Developers are the liaisons with

employers, assessing their needs and matching students to companies. CET also provides participants with support services, such as child care, English as a Second Language classes, energy conservation programs, transportation, emergency assistance, counseling, and information and referral. *For more information, see www.cet2000.org or call 800.533.2519.*

DEVELOP RELATIONSHIPS WITH SCHOOL-TO-CAREER AND COLLEGE CO-OP PROGRAMS.

Employers who develop and foster ongoing, productive relationships with schools find these often open up opportunities to gain access to a ready supply of skilled employees, evaluate potential employees, and decrease turnover among program graduates hired as employees. Two models for such relationships, school-to-career and cooperative education, are both highly regarded by members of the National Association of Manufacturers, according to NAM surveys. These approaches create experience-based education for secondary school students.

The school-to-career approach depends upon collaboration among schools, employers, and the community. Sometimes called school-to-work, it develops educational systems that provide work-based learning opportunities in career awareness, career exploration, and career preparation and links these with regular academic courses. Employers provide students with structured learning experiences that develop broad, transferable skills through youth apprenticeships, mentoring, internships, job shadowing, career exploration. These work-based learning opportunities are integrated with the academic curriculum.

Cooperative education (also known as co-op education) combines academic study with paid, monitored, credit-bearing work. Today, cooperative education is concentrated in the vocational areas of marketing, trade and industry, and business. Each state has its own laws and practices for cooperative education. Employers interested in cooperative education programs develop specific arrangements with local schools.

Advanced Micro Devices, a semiconductor manufacturer, operates a comprehensive school-to-career initiative in Austin, Texas. AMD has introduced a two-year Accelerated Careers in Electronics program at eight local high schools. Students participate in a ten-week paid summer internship at AMD, where they work one-on-one

Employers need to know where to turn for training and other resources to meet their needs.

Immigrants
are among
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the
workforce.

with a mentor, receive hands-on experience, and get classroom training in time management and computer and presentation skills. The students earn college credit toward an Associate's degree in semiconductor manufacturing technology. AMD has also established strong partnerships with local middle schools and colleges. AMD directly hires almost half the participants in the Associate's degree program. This school-to-career program has dramatically improved the number of qualified workers entering the semiconductor industry. *For more information on school-to-career, see "Best Practices in School-to-Careers: The Manufacturing Industry," published by the National Employer Leadership Council, www.nelc.org/resources/index.html.*

USE TEMPORARY AGENCIES AND STAFFING FIRMS CREATIVELY.

Temporary agencies and staffing firms screen workers for their interest, experience, and skills in particular occupations. For companies experiencing high turnover, this can be a cost effective way to "try out" new employees to see if they meet company needs, without incurring the long-term costs associated with permanent employees.

Pillsbury, at its plant in Chelsea, Massachusetts, partnered with a temp agency that provided a bilingual agent on site. The agent offers pre-employment training and also works with new employees on an ongoing basis. *For more information, contact Gerry Ciavardone, The Human Resource Solution, 508.485.3701, THRS@attbi.com.*

DEVELOP SUPPLY CHAINS TO FILL JOB VACANCIES.

Some companies have built "supply chains" that serve as reliable sources of employees with the right skills to fill job vacancies. Typically, this approach requires the involvement of other organizations—for example, schools, community colleges, non-profit agencies, placement agencies, and One-Stop Career Centers—that provide employers with recruitment and screening services and job seekers with job training, education, and support services. When companies collaborate with these suppliers of potential employees, job candidates are more likely to understand the skills and knowledge needed to succeed at work. To further build the supply chain, employers develop clear internal promotional opportunities, or career ladders, for employees to move up to positions requiring higher skills. As employees move up the career ladder, the supply chain provides new candidates to fill the resulting vacancies.

Bridges to the Future, in Boston, Massachusetts, is a collaboration of seven hospitals, a medical school, and two community development organizations to create a training institute that fosters career pathways for entry-level workers in health care and research. Collectively, these employers represent 35 percent of health care and research employers in Boston. The institute provides multiple levels of education and training classes based on career pathways mapped at each employer. Jobs are organized into three tiers of skill and responsibility in three separate career tracks (patient care, medical administration, and medical technical). The Institute provides a menu of programs and services to fit the changing needs of employers, including training to 550 employees per year from the eight employers, employee job coaching, and assistance in charting a career path for front-line workers.

Through the initiative, member companies can coordinate their needs and jointly obtain customized education, training, and other workforce services. Bridges, as a neutral intermediary, pools their financial resources and monitors the quality of services. *For more information, contact Bridges to the Future, Jamaica Plain NDC, 31 Germania Street, Jamaica Plain, MA 02130, 617.522.2424.*

TAKE ADVANTAGE OF THE PUBLIC WORKFORCE SYSTEM.

One-Stop Career Centers, community-based organizations, and non-profit training organizations can improve the quality of job matching, drawing on their large labor pools to reduce employers' costs and risks of recruiting. For this strategy to succeed, employers must spend time with these organizations in the public workforce system, helping them understand the business and skill requirements of the positions for which they are recruiting.

This strategy works most effectively for companies that recruit large numbers of entry-level workers. The most effective approach is for the employer or an employer organization to partner with a pre-employment training provider that understands the hiring requirements and can simulate the work environment during pre-employment training. Employers share information about their work environments, productivity expectations, and hiring requirements, and the training provider crafts a program that adequately prepares people based on those criteria.

United Airlines recruiters work closely with social service and other non-profit agencies in 20 communities. These partner organizations communicate United's needs and requirements and encourage partner organizations to shadow jobs to become familiar with the positions and necessary skills. The partners screen potential applicants and also train them in soft skills and required technical skills, based on United's needs. *For more information, see www.jff.org/jff/kc/library/0017.*

HIRE SIGNIFICANT NUMBERS OF IMMIGRANTS WHO SHARE A LANGUAGE.

Immigrants are among the fastest growing segments of the workforce. Many come to this country with skills transferable to U.S. workplaces. Even so, immigrants may have difficulty finding and succeeding in jobs if their English-speaking skills are limited. One way to address this problem is to hire a number of immigrants who speak the same language. That way, bilingual workers can help communicate with those who are less fluent in English.

Companies that hire immigrants often report that they benefit from increased employee loyalty as a result of creating opportunities to obtain good jobs. Through word-of-mouth, these employers also develop reputations within immigrant communities, reducing the cost of recruitment.

Crystal Windows and Doors, a 150-person manufacturing firm in Queens, New York, takes advantage of the largely Chinese workforce in its immediate area. Many Crystal workers are highly educated but lack fluency in English. By conducting internal business in Chinese, the company can employ workers whose job opportunities are otherwise limited. Their relatively high levels of education improve the bottom line for Crystal, now one of the nation's fastest growing inner-city companies. *For more information, see www.workforceadvantage.com.*

Strategies for Rewarding and Supporting Employees

Maintaining employee morale is a constant challenge for any company. To keep morale high, employers often need to do more than pay a good wage. In a study conducted by Robert Half International, 47 percent of executives said that recognition and praise were the most important factors in keeping employees satisfied. Making each employee feel like the company values his or her

contributions can do wonders for morale—and therefore for productivity.

Companies also find that helping employees become familiar with the firm's workplace culture and employer expectations will result in higher productivity and lower turnover. The same is true for companies that implement strategies that help workers resolve work and family conflicts.

Strategies that Reward Good Employees

Employee recognition and reward programs can improve retention and productivity, as well as empower workers and increase innovation. Many human-resources experts believe that rewards and company-wide recognition are essential to keeping top performers satisfied and preventing them from leaving. These incentives can come in many forms: performance-based pay and cash bonuses, as well as non-cash rewards, such as travel, gift certificates, lunches, parties, and awards for outstanding performance.

Companies use financial compensation to attract, motivate, and retain good employees. To accomplish these goals, companies must be competitive with other employers in their compensation systems. They must also find ways to link pay to performance in a manner that seems equitable and fair to all employees. Employees who see that increased productivity and company profits contribute to their own financial well-being are more likely to be motivated to perform well at work.

However, recognition and reward systems must be created with care. They should truly reflect employee needs and desires.

STUDY LOCAL PATTERNS FOR WAGES AND BENEFITS.

Some companies find that offering competitive wages and benefits improves recruiting and increases productivity and employee retention. Wage scales that are significantly higher than the going rate may be overly costly to employers, but companies that offer wages and benefits below the regional scale tend to have more difficulty filling positions and keeping them filled. To help employers seek the right balance, employer organizations (and sometimes government agencies and nonprofits) conduct wage surveys and collect other industry and economic



Performance-based wages, which reward employees for achieving agreed-upon goals, are a powerful motivator.

data. Using these data, they can advise businesses on offering competitive compensation packages.

CDA Detective and Security Services, in an industry characterized by high turnover, has consistently maintained a 2 to 4 percent annual turnover rate, low by any standard. High wages and generous bonuses are key to maintaining the Memphis company's reputation as "Cadillac of the Security Industry." "Our retention is high because we provide stable jobs that pay a good wage," says CEO Clifton Dates. "Most important, we respect our employees and for that we earn a high level of employee loyalty."

CDA's entry-level starting wage ranges are about 150 percent of the minimum wage, above the national average for the security industry. CDA gives performance-based raises every 90 days, based on timeliness, attendance, uniform maintenance, attitude, and other factors. The typical raise is 25 cents an hour until an employee's wage reaches the maximum for a given security contract. Overall, CDA's average salary is about twice the minimum wage. For the most skilled employees, armed security guards, CDA pays up to \$24 per hour. *For more information, see www.workforceadvantage.com.*

TIE WAGES TO PERFORMANCE.

Performance-based wages, which reward employees for achieving agreed-upon goals, are a powerful motivator. A well-designed, performance-based wage system identifies task-related goals for each employee and lays out the details of excellent, average, and poor execution of the goals. Salaries link directly to achieving those goals, and employees recognize that performance reviews are objective.

Steel Art Company, a small company in Boston, has found it important to measure the performance of employees being trained in world-class manufacturing practices. Instead of relying solely on annual or semi-annual reviews, Steel Art issues weekly "report cards." This encourages the supervisor and the employee to communicate with each other and to stay on top of weekly production schedules. These brief meetings focus on tangible results requiring definitive answers to whether something was done. Wages are based upon a proven, clearly documented record of accomplishments and skills used on the job. *For more information, contact Gerry Ciavardone, [The Human Resource Solution](mailto:THRS@attbi.com), 508.485.3701, THRS@attbi.com.*

CREATE EMPLOYEE STOCK OPTION PLANS.

One out of every ten workers owns stock through an Employee Stock Ownership Plan, according to the National Center for Employee Ownership. An ESOP is a "defined contribution benefit plan" that buys and sells company stock. It enables employees to own stock in the companies for which they work.

An ESOP can be highly effective for boosting employee retention and loyalty. The more financially secure employees are, the more productive and entrepreneurial they become. A 1988 study by the ESOP Association found that 71 percent of 413 member companies surveyed reported that productivity "somewhat improved" or "strongly improved" after establishing an ESOP.

Integrated Packaging Corporation, based in New Brunswick, New Jersey, makes corrugated boxes. When Al Fuller bought the company in 1992, he faced extensive labor problems, low revenues, and lackluster productivity. Fuller struck a bargain with his employees and their union: if they accepted cutbacks to make the company successful, they'd be the best-paid box makers in the East in five years. One way Fuller kept this promise, while also raising capital, was to set up an Employee Stock Ownership Program.

With the help of an outside expert, Integrated Packaging's ESOP took about 18 months to implement. The program has improved morale and made employees more interested in company operations. They recognize that they have a personal interest in the company's performance. Participating employees pay more attention to the bottom line, customer satisfaction, and quality standards. The benefits of an ESOP are longer-lasting than other types of employee awards, Fuller says. Integrated Packaging's employees are also long-lasting. The company's yearly turnover rate is just 2 percent. *For more information, see www.workforceadvantage.org.*

Strategies to Support Employees

Employees need basic know-how and the knowledge of a company's operations before they can understand how their own efforts affect their employer's efficiency. Orientation, mentoring, and staff development programs provide the basic skills employees need to thrive in an organization.

DEVELOP AN INTERNAL ORIENTATION PROGRAM.

The first two weeks of employment are the most critical for employee success. During this period, a person learns about the “company culture” and forms most of his or her work attitudes and behaviors. Orientation programs help employers develop a sense of loyalty and pride among their workforce by assuring that employees know and understand what the company is manufacturing or servicing, and why.

Orientation programs for new employees clarify the nature of the business, as well as what the business does. A good orientation makes it possible to see, hear, and feel the company’s mission.

Orientation can also be valuable for existing employees, especially those who may not be familiar with all aspects of the business. Such programs may be useful when the company is introducing a new product, process, or other significant change. Too often employers incorrectly assume that current employees already understand the business.

Lionakis-Beaumont Design Group, a 130-person firm in Sacramento, California, provides every new employee with a half-day orientation within the first month of employment. The orientation covers the company’s history and includes anecdotes from past owners and overviews by department heads. An IT professional talks about technology, the Internet, and intranet; the chief financial officer gives a presentation on company accounting, and the president comes in to meet new employees in person. As a result, says the human resource director, new employees know where to turn for help on company procedures, and they become comfortable with the company’s policies more quickly. *For more information, see www.aecworkforce.com.*

PROVIDE EMPLOYEE HANDBOOKS.

Employee handbooks introduce new employees to human-resource policies. Good handbooks cover government-mandated regulations and communicate the company’s ethics, values, benefit programs, and policies, but they avoid minute details on company operations, which belong in operations manuals. Companies with different classifications of employees, such as union members, may find it beneficial to produce several versions of employee handbook. Some employers provide handbooks in multiple languages.

Critical elements of a successful handbook include:

- A clear structure that depends in part on corporate culture and the primary messages the company wants to convey;
- Brevity (usually 25 to 40 pages), with concise content, plain language, and a simple format;
- Content and style that reflect a company’s corporate values and culture; and
- Content that is reviewed at least once a year and revised if necessary.

For more information, see www.shrm.org.

Wild Oats Market Inc., a Boulder, Colorado-based company with 8,500 workers, operates a national chain of natural foods grocery stores. Its employee handbook begins with a welcome message and a summary of the company’s history, philosophy, and statement of purpose. Policies are organized under four main headings, reflecting Wild Oats’ view of its primary areas of responsibility: to customers, to staff, to the community, and to the bottom line. The handbook also reflects the company culture through its tongue-in-cheek writing style and interesting graphics. The company uses its handbook as a guide during orientation sessions. *For more information, contact Gerry Ciavardone, The Human Resource Solution, 508.485.3701, THRS@attbi.com.*

IMPLEMENT A MENTORING PROGRAM.

Employees gain a great deal when they can readily communicate with colleagues whom they trust. Mentoring is a mutual relationship—a two-way street of professional learning and development between employees and more experienced workers. Mentoring helps workers succeed through formalized coaching, encouragement, and advice. Mentoring can bring out the best in every employee, thereby bringing out the best in the entire company.

Mentoring programs address key employer concerns: retention, productivity, and workplace morale. Moreover, as co-workers help newly hired, entry-level employees succeed, both the new employees and their mentors benefit. *For more information, see Mentoring, available at www.jfff.org/jfff/kc/library/0086.*

On Target, a Dallas, Texas-based logistics and supply company, instituted a “Success Partnerships” program. Each new employee is paired with a Success Partner, usually a supervisor, for one year. “We call them Success



Partnerships because mentorship implies a vertical relationship,” CEO Al Black explains. “Most of us have too much dignity for that. A Success Partner is a mutual relationship.”

New hires fill out an Internal Training Record, which gives their educational backgrounds. A Success Partner uses this to help a worker identify educational goals and coordinate courses for the coming year. Together, the employee and the Success Partner compile a formalized employee development plan for the year—a plan of attack for meeting those goals. Struggling employees also team with Success Partners to design personal improvement plans, and incumbent employees can request their own Success Partners.

The employee and the Success Partner meet at least once a week. The Success Partner also gets feedback from the mentee’s manager and provides input on growth and development areas. *For more information, see www.workforceadvantage.org.*

DEVELOP THE COMMUNICATION SKILLS OF SUPERVISORS.

The ability to communicate with co-workers from non-traditional backgrounds is vital to employee retention. Supervisors, team leaders, project managers, and their employees all benefit when supervisors can identify the unspoken rules of the workplace, understand the conflicts between workplace and home cultures, and communicate effectively with workers who may differ culturally or have little experience in a workplace or a history of cycling among many jobs.

PlastiComm Telecommunications, in Denver, Colorado, employs a high percentage of immigrants. It has trained its supervisors using the Managing to Work It Out curriculum, developed by the Piton Foundation. The curriculum provides training for supervisors in cognitive skills and human relations. Supervisors learn to understand the similarities and differences between home and workplace cultures, recognize conflicts, understand the resulting behavior, and know what to do. In addition to supervisory training that helps those promoted from the rank and file carry out new responsibilities, Managing to Work It Out provides methods for supervisors to uncover differences in viewpoint respectfully, model appropriate actions, and change the behavior of workers they supervise. *For more information, see www.workforceadvantage.org or contact Piton Foundation, 370 17th Street, Suite 5300, Denver CO 80202, 303.825.6246.*

PROVIDE DIVERSITY TRAINING.

Diversity training for employees at various levels provides the understanding and skills necessary to incorporate the talents and skills of a diverse workforce into the organization. Support for all members of a diverse workforce is a key to retaining staff. Specially trained human resource staff are extremely helpful.

The Manning Park Association of Billerica, Massachusetts, brought in a consultant to open up discussions about diversity among the association’s member companies. With the help of the Human Resource Solution, the companies discovered that they shared many issues. This knowledge and a brainstorming session organized by the Human Resource Solution helped the companies avoid the many legal and ethical complications that an environment poor in diversity acceptance can bring. *For more information, contact Gerry Ciavardone, The Human Resource Solution at 508.485.3701, THRS@attbi.com.*

PROVIDE INFORMATION ABOUT GOVERNMENT FINANCIAL SUPPORTS.

Companies can provide resource and referral information to employees about government financial supports, such as the Earned Income Tax Credit (EITC), food stamps, disability support, and health care (e.g., Medicaid, the Children’s Health Insurance Program). Local, state, and federal agencies provide program information that employers can make available to employees. These government-supported forms of financial assistance can supplement an employee’s income and benefits, thereby reducing financial pressures on the employees. This can reduce stress and absenteeism and increase productivity and retention.

Companies can augment the income of workers who receive low pay by helping them apply for EITC or by partnering with a provider of this service. In addition to the federal EITC, some states and cities have credits that augment earned income.

TJX Companies, Inc., which operates TJ Maxx, Marshalls, HomeGoods, and A.J. Wright, educated workers who were transitioning from welfare about government supports. To do this, the firm teamed with the U.S. Department of Agriculture to provide information about food stamps and with the IRS to provide information about the EITC. The company distributed free government-provided posters and paycheck stuffers with



information about these programs and developed other outreach materials to raise employee awareness of the programs. *For more information, see www.welfaretowork.org.*

PARTNER WITH ORGANIZATIONS THAT PROVIDE COACHING TO WORKERS IN ORDER TO IMPROVE RETENTION.

To reduce turnover, companies can partner with workforce development service providers, such as One-Stop Career Centers, community-based organizations, churches, and non-profit training agencies. These organizations, which help individuals with limited skills or work experience to gain employment, increasingly assist employers and the new workers with issues related to retention. They may provide worksite services, including job coaching, conflict resolution, and help accessing government financial supports or tracking down child care. Partnerships with these organizations can benefit companies by helping inexperienced workers make a successful transition to work.

Start UPS is a partnership between United Parcel Service and Highbridge Community Life Center, a community-based organization serving a South Bronx neighborhood of low-income Latino and black residents. Start UPS helps residents get, keep, and advance in jobs at UPS's Metro New York and West Long Island District facilities. The Start UPS job coach spends a great deal of time at UPS facilities, improving communication between Start UPS participants and their supervisors. The job coach tries to prevent workplace problems by helping supervisors and employees identify potential problem areas and proactively address them. While UPS does not give its staff extra time for retention efforts, front-line supervisors, mid-level supervisors, and human resources staff members collaborate with the job coach to facilitate communication. *For more information, see www.jff.org/jff/kc/library/0071.*

PROVIDE SUPPORT FOR CHILD CARE.

Company investments in child care can boost recruitment, decrease turnover, lower absenteeism, increase productivity, and strengthen a business image. Employers use a wide variety of strategies to provide child care, such as supporting community initiatives, offering information and referral services, providing subsidies for child care expenses, and creating child care centers. Some companies simply give service providers information

about their business requirements so these providers can better meet employees' needs.

ChildrenFirst Inc. is a national company that operates corporate-sponsored, back-up child care centers. ChildrenFirst specializes in meeting the needs of children and families when regular child care arrangements break down or are unavailable. It provides services to a variety of clients, including businesses with as few as 100 to as many as 20,000 employees. *For more information, see www.childrenfirst.com.*

Reimbursement Technologies, Inc., of Conschohen, Pennsylvania, provides billing and financial management services to medical offices. RTI's workforce is 70 percent female, with a high percentage of single mothers for whom dependable child care is a perennial issue. Because the company is in a Philadelphia suburb, employees have fewer local day care options. By granting a day care provider free rent in the company's facilities, the savings could be passed on to employees. RTI contracted with Knowledge Learning Corporation to run an on-site child care center catering to infants through pre-school children. It serves 80 children at a 20 percent savings in tuition to their families. RTI's Human Resource Department also helps eligible low-income employees apply for a child care subsidy from Pennsylvania. *For more information, contact Philadelphia Jobs Initiative, Delaware Valley Community Reinvestment Fund, Cast Iron Bldg. 718 Arch Street, Suite 300, North Philadelphia, PA 19106, 215.925.1130.*

OFFER ELDER CARE.

As baby boomers age, many employees face the responsibility of not only caring for children but also for parents. Thus, companies are experiencing employee demand for elder care assistance. According to Life Care, Inc., a Connecticut workplace consulting firm, the number of companies offering elder care programs has doubled since 1994 to 40 percent. Most of these companies offer resource and referral services, while some offer counseling, financial support, or long-term care insurance. Some companies combine their child care and elder care benefits programs into one program, calling it dependent care assistance, which not only helps with the care of children and elderly parents but also any other family members in need of care. Elder care assistance benefits businesses in the same ways as child care assistance: decreased recruitment costs, decreased turnover, lower absenteeism, increased productivity, and a strengthened business image.

To reduce turnover, companies can partner with workforce development service providers.

By providing transportation assistance, companies can recruit workers from areas poorly served by public transportation.

Hunter Douglas, a manufacturer of window blinds in Broomfield, Colorado, offers the Metropolitan Employers Dependent Care Association resource and referral service. Douglas also has a family-care assistance policy that allows employees to take up to 40 hours of paid time off when placing an elderly parent in a care facility. The Work Options Group, a management consulting firm in Lafayette, Colorado, administers the MEDCA program, which offers a broad range of “dependent care programs” to employees of participating small- to mid-sized businesses. Among MEDCA services is the “Care Connection,” a national adult care consultation and referral service. Through a toll-free number, employees get a free phone consultation with a professional care counselor to assist with such things as identifying adult care needs, and personalized resources. Employees can also get phone referrals to anywhere in Colorado where a relative lives, general resources for those with relatives outside the state, and educational materials and helpful tips. *For more information, see www.workforceadvantage.org.*

PROVIDE ASSISTANCE WITH TRANSPORTATION TO WORK.

By providing transportation assistance, companies can recruit workers from areas poorly served by public transportation. This can be especially helpful for employers who are recruiting for night shifts, when public transportation is less often available. This enlarges the recruitment pool and increases employee retention. Some companies simply provide information to their employees about available transportation services. Companies in suburban industrial parks sometimes join together to provide van service from the nearest public transportation. Others subsidize transportation costs, while some actively manage partnerships with service providers to create new or expanded transportation routes.

United Parcel Service was seeking workers for a late-night shift at its facility near Philadelphia’s international airport; welfare officials in Camden, New Jersey, provided assistance. Because public transportation covering the ten miles between Camden and the facility was limited, UPS operated buses for the new employees. UPS eventually hired 700 Camden welfare recipients. UPS credited their unusually high retention rate—88 percent—largely to the bus service. The large, stable ridership eventually led the local public bus system to take over the route. UPS promised to subsidize the route if needed, but the 53 daily trips proved profitable. UPS also devel-

oped a plan to help rural employees get to its Louisville, Kentucky, facility, improving attendance and retention. *For more information, see www.community.ups.com.*

OFFER AN EMPLOYEE ASSISTANCE PROGRAM.

A variety of everyday stresses can reduce employee attendance and concentration, interfere with the general workplace morale, and in other ways limit an employee’s ability to perform well on the job. Employee Assistance Programs furnish professional counselors who provide employees and their families with confidential assessments and short-term counseling regarding marriage and family problems, stress-related problems, financial and legal difficulties, and psychological and workplace conflicts. EAP services can improve job performance, lower health care expenditures, reduce absenteeism, increase employee retention, and help employees with alcohol and drug problems.

Health insurance carriers are an excellent resource for identifying Employee Assistance Programs. *For online directories of EAP providers, see www.eap-association.com and www.eap-sap.com.*

Marriott Corporation’s pioneering Associate Resource Line provides telephone-based resource and referral information designed specifically to meet the needs of entry-level employees. The ARL helps employees maintain high-quality job performance, reduces turnover, and reduces associated costs. According to Marriott, it has yielded a 4-to-1 return on the company’s investment by reducing lateness, absenteeism, and turnover; 45 percent of users reported improved work/life balance, 69 percent cited reduced stress, and 82 percent noted that it saved them time. The ARL has grown to have widespread use throughout Marriott. Marriott provides its services to entry-level employees in general, including welfare recipients. The ARL has a multi-lingual capacity. Similar services have been purchased by a number of companies that have hired welfare recipients. Marriott worked with Ceridian LifeWorks Services to develop the ARL. *For more information, see www.ceridianperformance.com or call 800.788.1949.*

OFFER FINANCIAL COUNSELING AND OTHER FINANCIAL SERVICES.

Financial counseling decreases employees’ emotional insecurity about finances and increases their trust in and appreciation of the company, thereby increasing productivity and retention. Moreover, educating employees

about 401(k) plans results in increased contributions and less conservative investments by the plan participants.

Some companies establish partnerships with banks that provide low-cost or free checking accounts for employees or offer debit-card payroll services. Payroll service companies typically provide free financial education and financial planning assistance. Some examples of these services are smart banking services—for example, how to balance a checking account, what investment opportunities may be available, and how to plan for retirement.

Millipore Corporation, a multinational manufacturer of biotech and high-tech purification products headquartered in Bedford, Massachusetts, allows all its employees to use flexible benefits credits for financial counseling from a Boston financial management services group. Employees contribute to the benefits plan through payroll deductions with after-tax dollars. Five levels of service are geared to family income, ranging from \$250 appraisals conducted only by mail to more expensive options that include an hour or two of consultation. The most expensive—\$2,000 for a family earning over \$100,000—includes tax preparation and estate planning. All levels of service include investment advice on Millipore's 401(k) plan. Millipore also provides workshops and other education about the 401(k) plan. *For more information, contact Gerry Ciavardone, The Human Resource Solution, 508.485.3701, THRS@attbi.com.*

PROVIDE FLEXTIME TO HELP EMPLOYEES MEET SPECIAL NEEDS.

“Faster, better, smarter” and “just-in-time” have become universal mantras. To meet goals (and often to compensate for tight hiring budgets), companies are demanding longer hours from their employees. However, sick children, doctor's appointments, and visits to the Department of Motor Vehicles are still realities. It is not surprising that flextime, a work schedule that allows employees to work non-standard hours, ranks as a more effective retention tool than stock options, pay-for-performance, and bonuses, according to an American Management Association survey.

Flextime policies can be structured in a variety of ways:

- *Compressed workweeks* allow employees to work 40 hours in fewer than five days, (e.g., four 10-hour days).

- *Extended work weeks* allow employees to work 40 hours in more than five days (e.g., five 7-hour shifts and one 5-hour shift).
- *Shifted hours* allow employees to work a regular work week but at non-standard hours (e.g., 7:30 a.m. to 3:30 p.m.; 9:30 a.m. to 6:30 p.m.).
- *Adjusted lunch periods* allow employees to extend their lunch period from 30-minutes to an hour or two, changing the time at which they arrive at work or leave at the end of the day.
- *Reduced hours* allow employees to change from a full-time to part-time position.
- *Job sharing* allows two employees to share the responsibilities of one full-time position.
- *Telecommuting*, or flexiplace, allows employees to work at home or some other decentralized location during part or all of their scheduled hours.

Flextime matters to employees, particularly those with children, families, and significant responsibilities outside work. Being able to adjust work schedules to accommodate a child's schooling, for example, can be invaluable to a parent. Many companies with flextime programs have seen marked increases in employee loyalty and retention. Some companies have also found that absenteeism and turnover decrease. Flexible scheduling can also enlarge the pool of potential workers, making it possible to accommodate workers who are struggling to balance work and family commitments.

Lone Star Direct, based in Austin, Texas, operates a Team-Based Flextime program that allows employees to work full time while meeting the many demands of life outside the office. With many employees coming and going throughout the workday, the flextime program is a finely tuned system.

There are six teams, each with three to five employees. Employees called “fillers” float between teams whenever a team or a project requires extra people. New hires pick which team they join based on their work needs and outside commitments.

Two teams are part-time employees working 20 hours per week; the members of two other part-time teams work 30 to 38 hours per week; and the members of two teams work 40 hours a week, plus overtime when required. Each team has a different schedule of days and hours, set by the team on a weekly basis, based on the needs of each team's members. An entire team must





agree to change shifts or work extra hours. For example, Independence Day is an unpaid holiday, but one team opted to work an extra day to make up for that time.

Because Lone Star employees can attend to outside obligations during their off time, it's not unusual for the entire staff to offer to work late or come in weekends to help finish a project. Lone Star employees go out of their way for the company because they realize that the company does the same for them. "They give to me when I need it, and I give back to them," says one satisfied worker. *For more information, see www.workforceadvantage.org.*

Romac Industries, a pipe-fittings and waterworks-tool manufacturer in Bothell, Washington, began offering a compressed workweek as a perk for employees wanting to spend more time with their families and less time commuting. This policy has helped the company improve recruiting and meet production demands. *For more information, see www.workforceadvantage.org.*

Sherman Assembly System, a San Antonio company that manufactures electronic wiring harnesses, compensates for long shifts when the workload is heavy, with time off and short days.

Every other Friday, the plant shuts down for a half or full day, depending on the workload. This free time allows employees to attend appointments, catch up on errands, and take care of family obligations. This policy has directly reduced absenteeism. "Employees are going to take days off one way or another, calling in sick or missing work," Sherman says. "This policy gives employees time in the afternoon to attend to personal matters."

Reduced absenteeism is not the only benefit of Sherman Assembly's flextime. The break makes employees feel valued and increases long-term productivity. *For more information, see www.workforceadvantage.org.*

■ Strategies for Skill Development

More and more employers face a workforce that lacks the skills needed for a company to remain competitive. High school and college graduates often lack the basic skills necessary to hold jobs, and even skilled workers need constant retraining and skill upgrades to keep pace with technology and competitors.

In this technology-driven age, workers require higher skills than ever before. Ongoing training programs position companies to succeed in an increasingly competitive marketplace.

Employee training can directly affect a company's

profitability. A survey by the American Management Association found a direct correlation between increased training activities and higher profits due to:

- Increased operational efficiency;
- Improved quality of products and services;
- Enlarged pool of potential labor;
- Improved "pipeline" of candidates for internal advancement; and
- Increased retention and decreased hiring costs.

Employers can use two types of approaches to skill development:

- Strategies to manage employee development; and
- Strategy for skill upgrading.

Strategies to Manage Employee Development

Companies need to manage investments in worker education and development as conscientiously as their other investments in productivity and profitability. This entails analyzing the skills workers need to have in order to perform their jobs effectively, developing plans for workers to gain these skills, and providing opportunities for workers to implement those plans and master the appropriate skills.

CREATE INDIVIDUAL DEVELOPMENT PLANS FOR EMPLOYEES.

Practical skills training focuses on learning that is likely to benefit both the employer and the employee. To implement this approach, supervisors review the training's learning objectives with employees, then together they make decisions that are affordable and long-lasting. The training can take place on or off the job. Some companies formally document an employee's skill development, including creating and tracking progress on a plan for acquiring new skills. This documentation is often called an Individual Development Plan.

Internal training records provide and substantiate information applicable to employees' training and skill development. They make it possible for the employee to plan skill development, and they provide a "map" for career-path development. Companies can use internal training records to track skill development. Although very useful, they require detailed record keeping.

On Target, a Dallas, Texas-based logistics and supply company, makes educational ambition part of the screening, hiring, and evaluation processes. The company credits this approach with the largest improvement in its overall competitiveness. The employee and supervisor formally determine the employee's educational trajectory for the year, combining what they both would like him or her to learn. Progress on the resulting educational goal sheet is assessed at regular intervals. After taking on-site, employment-related, training courses, workers sign a form indicating they received such training. This form tracks who has received what training and holds accountable those who have received the training—"if you've taken the course, you should know it." This makes it more likely that training dollars are spent wisely. An employee who is unwilling or uninterested in taking courses is asked to leave the company. *For more information, see www.workforceadvantage.org.*

DEVELOP ADVANCEMENT PATHWAYS AND LINK THEM TO COMPENSATION.

Advancement pathways describe the skills needed for various positions and how employees can advance from one job to another. Advancement pathways also communicate expectations, achievements, and deficiencies.

Employers can use weekly evaluations or status reports to chart and record such important data. Some companies make information available regarding pay levels in order to motivate employees to consider gaining new skills and advancing.

Xerox Business Services has designed entry-level jobs so they provide opportunities to learn and advance to higher-level jobs. For example, all Account Associates participate in a competency-based development system that includes self-assessment of the skills they need to advance to future assignments of their choice. XBS supports employee learning through classes, on-the-job training, computer-based training, and tuition assistance. *For more information, contact Gerry Ciavardone, The Human Resource Solution, 508.485.3701, THRS@attbi.com.*

TAKE ADVANTAGE OF SLOW PERIODS.

Training can be an effective way of utilizing lean times to prepare employees for better times ahead. Training in its broad sense does not always involve a major commitment of additional resources, so slow periods may be the perfect time to ramp up a company's knowledge base.

Thermagon, based in Cleveland, used a short-term business downturn to train employees, resulting in a long-term advantage for this manufacturer of thermally conductive materials for the electronic-packaging industry. When Thermagon lost one of its major contracts, CEO Carol Latham decided to use the downturn to train her employees rather than lay them off. For assistance, she turned to WIRE-Net, a Cleveland-based nonprofit that provides manufacturers with job-ready workers by training area residents. In partnership with Cleveland Adult Education, WIRE-Net assessed the skills of each Thermagon employee. Based on the results, the training team (with the approval of Thermagon managers) devised a curriculum of math, writing, and ESL classes. Training classes were conducted in company classrooms two hours a day, twice a week, for eight weeks. The writing and ESL classes proved so useful and popular that they were continued after the eight-week period. A quarter of Thermagon's employees continues to take ESL classes. *For more information, see www.workforceadvantage.org.*

TRAIN EMPLOYEES IN THEIR NATIVE LANGUAGE.

When employees are not proficient in English, it may be effective to train them and assess their skills in their primary languages. People often find it easier and quicker to understand new concepts that are presented in their native language. Providing training and evaluation in the worker's first language can shorten training time and improve mastery of new skills.

City Theatrical, a New York City manufacturer of lighting accessories for the entertainment industry, has some employees who speak little English. To give them opportunities to gain skills and credentials necessary for advancement, the company has taken advantage of local schools that offer classes in a variety of languages. For example, some employees have attended classes at a Russian-language CAD and CNC training school. *For more information, see www.workforceadvantage.org.*

Strategies for Skill Upgrading

The U.S. Department of Labor estimates that 60 percent of today's jobs require skills possessed by only 20 percent of employees. For many companies, training is key to overcoming this skill shortage. Many options are available for providing training opportunities, including partnering with other organizations, offering employees the resources to take classes elsewhere, and targeting training

Some companies make information available regarding pay levels in order to motivate employees to consider gaining new skills and advancing.

to specific segments of the workforce to give them the edge they need.

DEVELOP INFORMAL APPRENTICESHIPS OR ON-THE-JOB TRAINING PROGRAMS.

Many successful training programs give employees a chance to experience the work firsthand. On-the-job training and the use of real work scenarios can be more effective than theoretical discussions. Employees can test the waters of a job before they go it alone, and company trainers can evaluate the employees' performance and make necessary changes.

Innovative programs leverage formal and informal learning on the job and provide clear advancement pathways. In addition, they build relationships among employees by providing opportunities for them to work together and learn from one another.

ArtFX, in Norfolk, Virginia, was growing fast and having trouble recruiting and training employees to keep up with the demand for the company's screen-printing and graphic-design services. The challenge to recruit and rapidly train a steady supply of qualified applicants led to the creation of an internal training program that increased the company's pool of potential employees tenfold. An employee's first day begins with safety training, the only formal training class. After learning about the proper care of potentially dangerous chemicals, the new employee moves to hands-on training with a mentor. This experienced employee teaches job tasks and orients the new hire to the company as a whole. On-the-job training is ArtFx's main avenue for teaching new hires the skills they need to advance.

Supervisors and managers review employee performance every 30 days. The reviews are subjective (not based on production numbers or output), and employees are ranked against their peers. Raises are based on these rankings.

Through basic one-on-one training and close evaluation, the company can cast a wider net when recruiting workers from the neighborhood near the plant. ArtFx now boasts that it can turn anyone with the right attitude into a valuable employee. *For more information, see www.workforceadvantage.org.*

USE REGISTERED APPRENTICESHIP PROGRAMS.

Registered apprenticeships provide competency-based or time-based, industry-driven skill development in a variety of occupational areas. Currently over 850 occupa-

tions in a wide range of industries are recognized as apprenticeable. In registered apprenticeship programs, unions share training costs and encourage workers to participate in training as a means of keeping pace with technology. Federal and state vocational education may provide resources for a portion of the related technical instruction and graduates demonstrate attainment of recognized skills. Registered apprenticeship sponsors include individual employers, groups of employers, and partnerships between employers and organized labor. Registered apprenticeship programs are industry-funded.

Pieper Power, a large Milwaukee, Wisconsin, electrical contractor, needs highly skilled workers. Every "field employee" must complete at least 18 hours of classroom training each year. The company received a large contract to replace electricity meters with tele-data meters, a job that required greater skills than most entry-level job applicants could offer but was below the skill level of union journeymen. Pieper Power staff worked with the International Brotherhood of Electrical Workers to create a pre-apprenticeship training program to provide new hires with the math and basic skill foundations they needed to enroll in the union apprenticeship program. The apprenticeship curriculum was customized to address specific skill needs of the new hires in computer applications and map reading, as well as the standard electrical curriculum for the IBEW apprenticeship. As a result, Pieper Power gained a reliable source of entry-level workers with the right skill set to meet the company's contract to install the tele-data meters. *For more information, see www.wrtp.org.*

USE LOCAL EDUCATIONAL INSTITUTIONS AND TRAINING PROVIDERS.

Many companies offer employees opportunities to upgrade job-related skills. These skills can be basic, such as mathematics, reading, and writing, or more technical and advanced, such as computer and management expertise. The training is often available from many types of organizations, such as employer-led organizations (e.g., local NAM affiliates), adult education providers, government agencies, community-based organizations, and for-profit training companies. A number of types of institution may provide training at the secondary or post-secondary levels, including community colleges and other schools with vocational, trade, and academic curricula.

Innovative programs leverage formal and informal learning on the job and provide clear advancement pathways.

Training is most valuable when a partnership: 1) helps the trainer understand and achieve the employer's skill requirements; and 2) makes it possible for the trainer to place well-prepared students in the workforce. Such relationships between businesses and training providers take time to mature.

Gateway increased employment at its Hampton, Virginia, plant from 160 when operations commenced there in mid-1996 to 2,200 in mid-1999. To support its rapid growth globally and, more specifically, in the Hampton area, Gateway has invested in workforce development. Gateway reimburses tuition for employees who takes courses at Old Dominion University that result in certificates, an Associate's degree, or engineering degrees. Gateway also seeks to meet its labor needs by collaborating with local partners: it is involved in a range of activities to foster regional workforce development for its industry. For instance, Gateway partners with Thomas Nelson Community College to enhance the capacity of the regional workforce, generate a pipeline of skilled employees for the information technology industry, and create entry-level jobs with good potential for advancement. *For more information, see www.workforceadvantage.org.*

TEACH ENGLISH AS A SECOND LANGUAGE.

Many companies employing significant numbers of workers with limited English proficiency provide ESL programs. Increased English proficiency minimizes miscommunication caused by language barriers and can improve workplace safety and product quality. Classes on site or conducted via technology are proving extremely beneficial to employers and employees alike.

Typically, ESL for employees is related to the work, which provides a meaningful context for learning. Many small- to medium-sized manufacturing companies have begun teaching ESL with a focus on practical business applications. Work-related ESL is sometimes called Vocational English as a Second Language—VESL.

Belkin Components, a distributor of computer accessories and peripherals in Compton, California, has a mix of language and cultures on the shop floor. Because the lack of a shared language can lead to errors and decrease efficiency, Belkin partnered with Encore Language Training Service. Encore provides Vocational English as a Second Language that is tied directly to Belkin job skills and tasks.

To begin the program, the Encore instructor interviewed Belkin supervisors about company operations and communications barriers. The instructor then tailored the training to company-specific issues, such as reading instructions or orders, communicating with co-workers, and participating in meetings. Classes are taught as an English immersion program, with all employees, regardless of their native language, learning English together. Encore provides on-the-job coaching for trainees, with the instructor monitoring employees' progress in adapting their learning to the shop floor. Instructors modify lesson plans based on these observations.

The two-hour classes take place after work twice a week for six months. Employees gain a bonus if they complete the training. Belkin managers believe the classes have improved work-related communications skills and shop floor productivity. *For more information, see www.workforceadvantage.org.*

CROSS-TRAIN EMPLOYEES.

Cross training prepares workers for the skills of several jobs. In addition to knowing the skills necessary for their current positions, cross-trained employees are prepared to step into other jobs. Businesses can meet their needs more easily by having a more flexible workforce, and workers' job security rises because they are competent and ready for higher paying positions. Cross-training builds an employee base that can fill a company's business needs at a moment's notice. This flexibility can be critical to any company, whether its sales growth outpaces employee growth or flu season strikes.

Lone Star Direct, in Austin, Texas, uses extensive training to accommodate a company culture built around flexible work schedules and production agility. Production employees learn to use all machines, and most receive training on effective management. Cross-training also readies Lone Star and its employees for a time when growth necessitates that people shift positions or move into supervisory roles. Lone Star can more easily fill higher-level vacancies because employees have the skills to take on new responsibilities. Moreover, the company receives an additional advantage from the fact that all senior and mid-level staff start out in production and know how to use the machines. With cross-training, rank-and-file and senior staff resources are available during crunch times, and a knowledgeable "sales force" is capable of selling accounts to prospective clients. *For more information, see www.workforceadvantage.org.*



COLLABORATE AMONG FIRMS ON TRAINING.

Small companies, or small departments within companies, may not have enough workers needing similar skill development to warrant a training program. However, these departments or firms can look outside for partnerships and resources that can expand employee-training options. Training organizations, union training programs, and local schools can be invaluable resources when developing and providing training. Some companies have even turned to customers and other local employers for training suggestions, financial support, and facilities.

Inter-firm collaboration on training can take several forms. Small to medium companies in industry parks can join together to procure basic skill or English language training. Similar companies can collaborate, or companies can provide training to their suppliers. Similar small companies can share the costs of developing curricula, reduce the risk that not enough employees will be available to operate an efficient training program, and achieve a large enough scale to appeal to high-quality trainers. Supplier training can help a company achieve cost-reduction targets, meet quality standards, or establish world-class processes.



Ideal Steel and Ford Motor Company began a collaboration in 2000. Ford selected Ideal Steel to participate in a training program for “lean manufacturing,” a process that adds value by lessening waste, responding to change, focusing on quality, and enhancing the effectiveness of the workforce. Ford hoped that increased efficiency at its suppliers would ultimately decrease costs and production time and increase quality. For selected suppliers, the program provided a free training opportunity and an introduction to a new way of doing business.

Ford sent several lean-manufacturing specialists to Ideal Steel. The specialists worked hand-in-hand with eight Ideal Steel employees for several days, reviewing Ideal’s business processes and looking for ways to save money and streamline the manufacturing process. A cross-functional team of Ideal Steel workers participated in training that included time trials of the manufacturing process. Workers learned how to eliminate waste in manufacturing. At the end of the study, participating workers gave feedback to Ford and Ideal’s management team. Participating in the Ford-sponsored training helped Ideal Steel reduce manufacturing costs, improve employee

morale, and develop a stronger relationship with one of the company’s largest customers. *For more information, see www.workforceadvantage.org.*

USE AN INTERMEDIARY TO ORGANIZE INTER-FIRM COLLABORATIONS

An intermediary can organize, broker, and provide services to companies. Intermediaries can help groups of employers conduct labor market and economic research that improves job matching and targeted training, helps specify expectations and standards for training, and helps improve access to the training providers qualified to teach courses customized to employers needs. Local affiliates of employer organizations, such as Chambers of Commerce or the National Association of Manufacturers, often serve as intermediaries for their members. Community-based training organizations, community colleges, One Stop Career Centers, and Workforce Investment Boards can also act as intermediaries.

The Printing Industry Association of Illinois and Indiana represents over 4,000 firms that together employ 100,000 people. Despite paying good wages, the industry experiences chronic shortages of entry- and mid-level employees. PII has a reputation for playing an important role in helping understaffed small firms meet their human resource needs. In response to requests from member firms, PII convened a partnership among local colleges and community-based training organizations to recruit urban residents and train them to work in the printing industry. The curriculum is customized, and member companies get to know trainees through internships and open houses at the training sites. Through the intercession of the industry association, small employers can leverage resources that they would not have individually. *For more information, see www.nam.org/Docs/CenterforWorkforceSuccess.*

DELIVER TRAINING VIA COMPUTERS.

On-line training—or “e-learning”—is instruction that can be delivered on a computer, often over the Internet. With a growing network of software applications and instructional providers, classes can be customized to a company’s specific needs or offer general skill building.

With on-line training, employers can gain confidence that employees receive consistent, deliberate, and certified training. Scheduling can be flexible, with employees dialing in from their offices—or anywhere—as their workload permits. “Class time” is not restricted to pre-

determined blocks. On-line training may be repeated as often as needed, with the results of each testing easily traced to each employee. For on-line training to be effective, employees must have some computer literacy skills, or at least not be averse to working on the computer. *For more information, see www.jfff.org/jfff/kc/library/0163.*

United Airlines, with offices and plants across the country, cut the cost of training employees, while responding to government regulations, by delivering training to every desktop computer throughout the company. United trains from a central location, reducing the cost of training an employee from more than \$200 a course to less than \$30. It eliminated travel costs for employees attending training and made it easier for employees to fit training around their work schedules. All training records satisfy regulatory requirements.

Strategies for Making the Most of Employees: High-Performing Work Organizations

Companies that have developed high-performing work organizations consider the knowledge and intelligence of their employees as key assets. High-performing work organizations commonly have the following characteristics:

- A flat, horizontal structure instead of vertical hierarchy;
- Work done by teams organized around processes;
- Teams empowered to make decisions so management is decentralized and participatory;
- Empowered workers with high skill levels and cross-training;
- Rewards for team performance;
- Collaboration among teams, between labor and management, and with suppliers;
- A focus on customers, quality, and continuous improvement; and
- Flexible technologies.

Human resource strategies can promote high-performing work organizations by fostering employee commitment and creativity. This can improve the bottom line through increased productivity and morale and decreased turnover.

CREATE EMPLOYEE TEAMS.

Traditionally considered most useful in production environments, work teams are rapidly expanding beyond manufacturing. Many businesses have developed employee teams to address problems ranging from low productivity and poor morale to high labor costs and missed deadlines. Some employers are organizing self-directed work teams, which are production or service-delivery groups that operate without direct supervision. Many companies have increased production, reduced waste, and accelerated product development through the implementation of self-directed work teams, although these types of teams require careful planning and periodic assessment to succeed.

Wilson Sporting Goods Company in Humbolt, Tennessee, started using teams in 1987. These teams include cross-functional and work-area continuous improvement teams, as well as natural, self-directed work teams. Three-fourths of the workforce is involved in teams. The teams, each with 15 employees, meet weekly or biweekly to plan process improvements or solve quality and productivity problems. They also establish their own goals, which are aligned with the plant's mission. *For more information, see www.workforceadvantage.org.*

ENCOURAGE EMPLOYEES TO COMMUNICATE THEIR IDEAS AND OPINIONS.

By instituting a culture of open communication and mutual respect, many companies find that employees develop more interest and pride in their work. A company that communicates frequently and directly with employees gives them opportunities to see their role in their employer's success. It also gives employees a clear-cut path for contributing ideas or communicating concerns. Open communication shows employees that they are respected and valued.

Both formal and informal methods of providing feedback can be effective. More formal methods include newsletters, surveys, and yearly meetings. Informally, open-door policies and a visible CEO presence on the floor provide additional methods of communication.

Giroux Glass in Los Angeles creates glass, glazing, and architectural metals for corporate and high-end customers. CEO Anne-Merelie Murrell has found that the best way to learn about her customers' needs is from her own employees. Having opportunities to share ideas and

A company that communicates frequently and directly with employees gives them opportunities to see their role in their employer's success.

Employee participation in management decisions should be designed to support company operations.

seeing those ideas implemented make employees feel more valued and loyal. “Employee voices are heard on a corporate level. When the company implements an employee idea, it reinforces a culture in which employees are valued and appreciated,” Murrell says.

Each year, Murrell asks all employees to evaluate her performance in a formal questionnaire. Among other things, she asks what they would do differently as CEO. Employees brainstorm ideas, then meet in groups of 20 to discuss the ideas over lunch. Because Murrell views her employees as the company’s core strength, those who provide the most creative suggestions receive awards. Award-winning ideas have ranged from installing lights in the parking lot to redesigning a division of the company.

Murrell also writes a bimonthly newsletter featuring birthday announcements, safety tips, and information on newly acquired contracts. The newsletter includes customer compliments drawn from letters Murrell receives. *For more information, see www.workforceadvantage.org.*

DEVELOP CONTINUOUS IMPROVEMENT SKILLS.

Continuous improvement refers to processes that incrementally raise quality, decrease waste, improve efficiency, or provide other benefits by setting benchmark goals and measuring progress towards them. Employees’ skills in continuous improvement can be developed through a combination of training and projects. Once learned, employees apply continuous improvement skills to business problems, receiving rewards for production improvements.

Belkin Components, based in Compton, California, knows that speed and quality can make or break a company—especially in high-tech. “The bottom line here is productivity,” says HR Director Donna Pierson. Increased productivity and careful monitoring are the main impetuses behind Belkin’s “Pick, Pack, and Ship” program, which the California State Division of Training helped the company create.

Pick, Pack, and Ship closely tracks employee productivity and rewards those who are most productive. Every department uses metrics that measure production, and every employee must meet department standards. Employees create and sign a commitment to excellence, and every worker knows his or her objective standard. Employees who exceed their quotas receive bonuses.

The human resources department creates biweekly reports showing sales volume vs. wages for production managers. Managers track the number of orders shipped per hour. Every employee uses computerized, hand-held

scanners to track stock. Every time a product is moved, an employee must log it in. Belkin managers know a productivity problem must be addressed if computer records show time gaps between log-ins. *For more information, see www.workforceadvantage.org.*

ENGAGE EMPLOYEES IN MANAGEMENT DECISIONS.

Employee participation in management decisions can provide significant benefits when companies recognize how and when this strategy is strategically useful. It should be designed to support company operations. Employees need basic financial know-how and a knowledge of the company’s operations before they can understand how their individual efforts contribute to the employer’s profitability—and their own income. When workers at all levels understand how they contribute to the bottom line, they are more likely to contribute ideas and improvements that make a difference.

Caribbean Shipping and Cold Storage, Jacksonville, Florida, uses “The Great Game of Business” to encourage employees to walk in the shoes of CEO Paul Robbins. When Robbins began implementing the game, he had three goals: make it fun; engage everyone; and give everyone a stake in the game’s outcome. In three months, he did all three. Caribbean paid every employee a \$3,000 bonus in 2001.

Created by Springfield Remanufacturing Company CEO Jack Stack, the game aims to “engage every employee at every level.” Employees learn the principles for running a business, set cost-saving goals, and “win” by meeting those goals and receiving the savings as bonuses.

To implement “The Great Game” at Caribbean, Robbins spent two months running workshops on interpreting financial reports, creating budgets, and understanding key business terms like “days receivable” and “net profit.” During one workshop, Robbins stood before his employees with a bag of 100 pennies and asked the group to guess how much of that dollar would go to Caribbean’s bottom line. Employees were stunned when Robbins threw out just three pennies.

Examples like this emphasize the importance of even small changes in operating procedure. When they learned that the company spends \$13,000 a month on electricity, employees started the “Power Rangers,” a group responsible for turning off all computers, lights, and fans at night. This will save as estimated \$600 a month. *For more information, see www.workforceadvantage.org.*

Strategies for Retaining and Advancing Employees

Employers spend tens of millions of dollars every year on recruiting and hiring hourly employees—half of whom leave within their first six months. Thus, more and more companies focus on retention and seek ways to prevent new hires—and the company’s training investment—from walking out the door.

Some companies are establishing formalized career ladders that show the skills needed for job progression, and they aggressively promote from within. By committing to internal advancement, companies reduce human resources costs; they also retain valuable employees who help strengthen the organization.

Quality employees are drawn to companies that offer job security and the ability to pursue career goals.

Companies have a lot to gain from promoting employees from the entry level into supervisory and mid- and senior-level management roles. That’s why many employers make internal advancement a key part of their strategies, tapping the talents of workers who know and understand the firm’s culture and work processes.

CLEARLY OUTLINE ADVANCEMENT CRITERIA.

Employers can explain what employees must do to be promoted. At many companies, clearly defined and publicized career ladders outline the path of advancement.

PlastiComm Telecommunications in Denver provides entry-level workers in equipment manufacturing with significant opportunities for career advancement. CEO Ron Montoya is committed to retaining employees and advancing them through a clearly defined career ladder. The company rewards exceptional employees with promotions and raises up to twice a year, with the first raise after 90 days of employment. Moving people up through the ranks at PlastiComm is far more cost effective than constantly recruiting from outside.

The career ladder at PlastiComm offers has five steps:

1. Employees start at the entry-level rung in warehouse positions, primarily filling orders for cable distribution.
2. Employees can advance to Assembler, where they procure equipment, put together racks, wire and assemble them, then wrap, pack, and ship.

3. Once employees earn a Cisco Certified Network Administrator certificate, they move to advanced assembly positions. These involve software installation as well as assembly. Two of PlastiComm’s four CCNA-certified assemblers started at the company as entry-level warehouse workers and attended certification classes through PlastiComm.

4. Employees next advance to testing and inspection, where their knowledge of and experience within the company are most valuable.

5. Supervisors are at the top of the ladder.

Even within job categories, PlastiComm rewards employees who gain extra skills. Having skills for more than one project allows an employee to earn more and makes the company more flexible in meeting customer needs. Many PlastiComm employees have taken advantage of this opportunity and acquired skills that can be used on all the company’s projects. *For more information, see www.workforceadvantage.org.*

TRAIN FOR ADVANCEMENT.

Employees often have the know-how and attitude to fill higher-level positions; they just need some extra skills and leadership training to advance. Rather than recruiting leadership from outside—and spending time and money while they learn the company culture—companies can invest in building the skills and competencies of their best talent by cross-training them in multiple skills so that they are able to fill new supervisory jobs.

Ideal Steel’s internal advancement system did not always succeed. The Detroit-based company, which manufactures automotive parts for giants like Ford and General Motors, was growing so fast that it would promote employees who lacked preparation and training. “We promoted failure for a while,” CEO Frank Venegas, Jr., says. Ideal now promotes people in a more formal manner, following a training-based career ladder formula.

Employees are thoroughly trained in the skills needed for each new job, with internal advancement closely linked to training. Ideal’s workers are eager to participate in training because they are familiar with the advancement equation: training leads to increased skills, which leads to more productive work, which leads to promotion.

Ideal’s confidence in its training-promotion model makes managers unafraid to hire employees directly from high school, train them, and promote them through the ranks. One person who followed this path is now one of Ideal’s best project managers. As a result of careful internal advancement, planning, and training, current employees



are one of Ideal's greatest sources of supervisory and management talent. *For more information, see www.workforceadvantage.org.*

MENTOR NEW MANAGERS.

All new managers, regardless of their knowledge and skills, need ongoing mentoring as they take on new roles. Ongoing coaching makes it easier to perform difficult or uncomfortable leadership tasks, such as performance evaluations.

Caribbean Shipping and Cold Storage in Florida has found that promoting employees from within makes good business sense. CEO Paul Robbins believes that a few minutes spent teaching a newly promoted manager is much easier—and cheaper—than spending weeks searching for a good manager outside the company. Current employees already know the company inside and out.

Internal advancement creates a pipeline of ready and willing managers and boosts company morale. Caribbean Shipping trains new managers and concentrates on one-on-one advice and coaching. This is especially important when it comes to somewhat difficult or uncomfortable responsibilities—for example, performance evaluations, which can be a new manager's toughest task. "It's tough to go from being one of the guys to evaluating other guys, especially when annual merit-based raises are on the line," Robbins says. *For more information, see www.workforceadvantage.org.*

PROVIDE INCENTIVES FOR ADVANCEMENT.

Because promoting from within saves recruitment and training dollars, it pays to encourage employees to acquire the skills and experience necessary to advance. Many companies motivate employees to seek higher position by tying salary increases to skills acquisition.

Ameriscan Designs, a custom woodworking and cabinetry business in Chicago, relies heavily on a steady stream of entry-level employees. The stream is steady because "few entry-level workers remain at that level for long," according to CEO Bill MacWilliams.

Finding skilled workers for a niche business like custom woodworking can be difficult. Thus, Ameriscan has an open-door policy for people willing to learn. An important part of the corporate culture is a willingness to quickly promote workers who work hard and want to move up. The position of floor sweeper, the most basic entry-level position, is a revolving door. "When employees show us that desire to advance and dedication to the company, then we start moving them up and bring in new floor sweepers," says MacWilliams.

To foster advancement, entry-level shop floor employees are paired with more experienced workers for on-the-job training. Entry-level employees work their way through an explicit checklist of formal skills. Employees know the raise or promotion that goes along with learning a set of specific skills. In some cases, workers have advanced from \$7 per hour jobs in floor sweeping to highly skilled woodworking jobs that pay \$29 per hour. *For more information, see www.workforceadvantage.org.*

■ For More Information

Jobs for the Future, 88 Broad Street, Boston, MA 02110, www.jff.org

National Association of Manufacturers, Center for Workforce Success, 1331 Pennsylvania Avenue, NW, Washington DC 20004-1790, www.nam.org

U.S. Chamber of Commerce, Center for Workforce Preparation, 1615 H Street NW, Washington, DC 20062, www.uschamber.com/cwp

Center for Employment Training, www.cet2000.org

ChildrenFirst, Inc., 75 Federal Street, Boston, MA 02110, www.childrenfirst.com

Ciridian LifeWorks Services, 3311 E. Old Shakopee Road, Minneapolis, MN 55425-1640, www.ceridianperformance.com

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Initiative for a Competitive Inner City, Workforce Advantage, 727 Atlantic Avenue, Boston, MA 02111, www.workforceadvantage.org

Employee Assistance Professionals Association, www.eap-association.com

HRnext E-zine, www2.hrnext.com

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National Employer Leadership Council, 1201 New York Avenue, NW, Suite 700 Washington, DC 20005, www.nelc.org

The Piton Foundation, 370 17th Street, Suite 5300, Denver, CO 80202, www.piton.org

Philadelphia Jobs Initiative, Delaware Valley Community Reinvestment Fund, 718 Arch Street, Suite 300, North Philadelphia, PA 19106, www.trfund.com

Society for Human Resource Management, 1800 Duke Street, Alexandria, Virginia 22314, www.shrm.org/magazine

United Parcel Service Community Resources Program, www.community.ups.com

Welfare to Work Partnership, 1129 20th Street, NW, Suite 800, Washington, D.C. 20036, www.welfareto-work.org

Wisconsin Regional Training Partnership, 303 E. Vienna Avenue, Milwaukee, WI 53212, www.wrtpp.org

Workforce Magazine, www.workforce.com

Ongoing coaching makes it easier to perform difficult or uncomfortable leadership tasks.



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