How to Evolve With Evolving Workforce

IMPLEMENTING ON-THE-JOB TRAINING, APPRENTICESHIPS, CO-OPS, AND INTERNSHIPS TO GROW YOUR OWN TALENT

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Learning Objectives

- Provide discussion and strategies around developing people with the technical skills needed in advanced manufacturing and other STEM industries
- Share programs, resources, and strategies to help companies recruit and develop skilled workers
- Facilitate interactive exercises and small group Q&A with speakers to foster tailored solutions among participants
Ideal State

- **Reliable, work-ready pipeline** of talent that matches operational, technical, administrative and management needs.

- **Aligned** systems for educational, workforce and related entities, **with the consistent engagement of employers**, to inform, build interest and implement **systematic, ongoing follow-up** for career education, training and retraining.

- Companies strategically cross-train to meet growth and changes in staffing needs.

- All workers have a **career track**, understand the requirements and have that **path tracked** as part of their ongoing evaluation and coaching.
Current Situation

- “Work literacy” of entry-level talent less than desired
- Drug free and no recent criminal history are barriers
- Insufficient numbers of, and interest in, skilled and technical labor
- Cross-training is a goal. Some companies are succeeding. Most cannot (or will not) allocate resources.
- There is no comprehensive system in place to meet current and future demand.
GRWC was a sector-based program that ran from 2011 – 2016.
- Employer input
- Funding via a collaborative that included public and private money and in-kind gifts.

Focused on the advanced manufacturing sector

Connected low-income, predominantly unemployed job seekers with advanced manufacturing jobs

Basic manufacturing training—90-200 hours

Advanced skills training—CNC, Mechatronics, Welding, Chemical Operator
- Course graduates
- Incumbent workers

An important part of the mission was raising the bar
What Worked Well

- Placed hundreds—70% placement rate
- High performers moved quickly into most complex jobs
  - Machining and welding
  - Multi-skill maintenance
  - Supervisory roles
  - High-level production coordination
- Leveraging funding for paid work experience and incumbent training
- Providing coaching to people who did not understand workplace behaviors and attitudes that were critical to their success.
- Providing an entry point for people who would not otherwise have knowledge to navigate job market
What Challenged Us

- Employer consistency
  - Only engaged when there was a critical need

- Employer hiring requirements
  - Minimum amount of manufacturing experience
  - Sometimes rigid requirements on work histories
  - Criminal background
  - Treated program participants like a commodity

- Short-term vision of some students

- Transitioning to work with barriers

- Unpredictable funding streams
Five important words

- Strategy
- Collaboration
- Outreach
- Inreach
- Processes
The state of South Carolina, the Upstate and Greenville County have clearly defined lines of authority and focus when it comes to education and economic development. Not so for workforce.

Workforce lacks a central unifying strategy, although there are many, perhaps dozens of, programs that hit at different parts of the problem.

The only way a comprehensive workforce strategy will be developed that includes all the entities that contribute to workforce development, recruitment, education, etc. is when employers are the drivers of that process.

There is no strategic plan for workforce development in Greenville County, the Greenville MSA or the Upstate of South Carolina. How can we function that way?

The strategy should begin with pre-K, move into K-12, into post secondary education and ongoing training and retraining of the workforce.

Important Word #1—Strategy
Important Word #2—Collaboration

- No company can resolve the current or future situations on their own.
- In fact, by implementing stop-gap strategies, the messaging to the market (workers) gets more and more confusing and produces, at best, short-term results.
- An entity like SHRM could play a central role in building collaboration and working toward Important Word #1—Strategy.
- When you decide to work together on this issue, you have a chance to make a dent.
Important Word #3—Outreach

- Decide on a systematic program of outreach and work it consistently. If you only attempt to work resources when you have needs, you will build no long-term base.

- Conduct your outreach by being part of the activities related to Important Word #1—Strategy, and Important Word #2—Collaboration.

- Be purposeful

- Be consistent

- Be proactive (don’t wait until you need five people)

- Understand that you will have to begin with people who are not ready to come to work for you
Important Word #4—Inreach

- The best opportunity you have to improve your workforce situation in the near-term is to make the people who already work for you more valuable to you and themselves.
  - Career paths
  - Cross training
  - Incentive compensation
Important Word #5—Processes

- Your operational processes may contribute to your inability to find workforce that meet your needs.

- Your hiring processes may be getting in the way of hiring people who could help you if only you could shift your current paradigms for seeing people and their potential.

- This does not mean to lower expectations. It may mean you need to raise expectations and put some money behind it.
What Your Organization Can Do

- First, look at your incumbent and contract workforces
- Develop career ladders for your organization
  - Opportunities and requirements for advancement
- Communicate the career ladder to all contract or direct employees.
- Commit to cross-training and planned advancement
- Manage the people side of your business around aligning people with operational excellence
- Treat labor as an investment rather than an expense
Workforce (Greenville MSA)
(BLS—June 2017)

Manufacturing: 57,000

Mining, Logging, Construction: 20,000
Per Brookings Institute study, identifying people who are candidates for workforce development opportunities (not necessarily immediate placement) includes two employment categories from BLS:

- Unemployment rate
- People “Not in the Labor Force”

<table>
<thead>
<tr>
<th>Greenville/Anderson/ Easley MSA 25-64 year olds</th>
<th>Unemployed (based on 4%)</th>
<th>Not in the Workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>450,808</td>
<td>18,032</td>
<td>72,129</td>
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</table>
Potential Population for Workforce Development 25-64

- Unemployed: 16,200 (90% of total)
- Not in the Workforce: 36,000 (50% of total)

Total: 52,200
So, where are these people?

- Many of them have barriers and require some form of remedial services—some intensive, others less so.
  - Basic literacy/English proficiency
  - Child care
  - Criminal background
  - Substance use/abuse
  - Lack of work experience or related experience
  - Physical disabilities

- They cannot be pigeonholed into one featureless group.
Seven Major Work Groups

- Young, less educated and diverse
- Less educated, prime age people
- Diverse, less educated and eyeing retirement
- Motivated and moderately educated young people
- Moderately educated older people
- Highly educated and engaged younger people
- Highly educated, high income older people
One Group: Young, less educated and diverse

- Nearly all members of this group are under age 35.
- Most racially and ethnically diverse group,
- Highest rate of caring for children in the household—many with children under age 6—and single parents.
- The highest rate of young adults living in their parents’ home.
- Have at most a high school diploma (or equivalent)
- 41 percent have not completed high school
- Median family income is $30,753, the lowest of any group
- 58 percent receive safety net support.
- More than one-third are actively looking for work.
Categories of Programs

- Bridge programs
- Traditional Jobs Programs
- Social Enterprises
- Job search assistance and counseling
- Sector initiatives
- Two generation programs
- Apprenticeship
- Other forms of joint education and employment strategy
How workforce is evolving

- Record rates of retirements projected—next generation not prepared to take over
- Workers will require ongoing training to meet changing needs
- Automation will continue to drive out low-skill, create premium for high skill
- Automation, or adaptations in work processes, can create opportunities for those who are not commonly considered for line work
- Nature of employment relationships will continue to change. Contractors, part-time retirees, other hybrid models will grow
- Manufacturing will compete for employees against non-traditional competitors
What resources do we have?

- Nationally recognized apprenticeship program
- Particular focus on manufacturing through Center for Manufacturing Innovation
- Partnerships with higher education
- Funding opportunities for job-seeker and incumbent worker training
- Multiple individual small projects with limited scope
The Good Jobs Strategy

- A book by Zeynip Ton, Sloan School of Management at MIT.

- Companies can pay higher wages by improving operational practices, and in return, have more engaged, committed employees.

- Studied the retail sector. Focused on four high-wage employers in that sector and looked at their attitudes toward labor and their operational strengths.
  - Quick Trip
  - Costco
  - Trader Joes
  - Mercadona
The Good Jobs Strategy

- Four Operational Principles:
  - Offer Less Product Choices
  - Standardize and Empower
  - Cross Train
  - Build in Some Slack
The Good Jobs Strategy

Findings:

Human resource practices that improve employee skills and motivation contribute to higher performance. (The results of the exemplary companies) also showed that human resource practices such as job rotation, performance-based compensation and training work best when they are practiced together AND when they are used in combination with specific manufacturing principles such as low inventory and repair buffers.
Your best near-term opportunity is your incumbent workforce in conjunction with continued push toward operational excellence.

- Consider the cost of replacement
- Consider the cost of training replacement workers versus upskilling incumbents
- What operational strategy aligns with upskilling your workforce?

Long-term strategy requires collaboration among the manufacturing community, public and private partners. Some are here at the table today.

- Rethink your profile of who can succeed in your organization. What is the history and rationale for how you now evaluate potential talent?

- Review your operational processes with any eye toward skill sets. Are you locked in a paradigm that is hurting your business performance?
Questions?
Thank you!

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