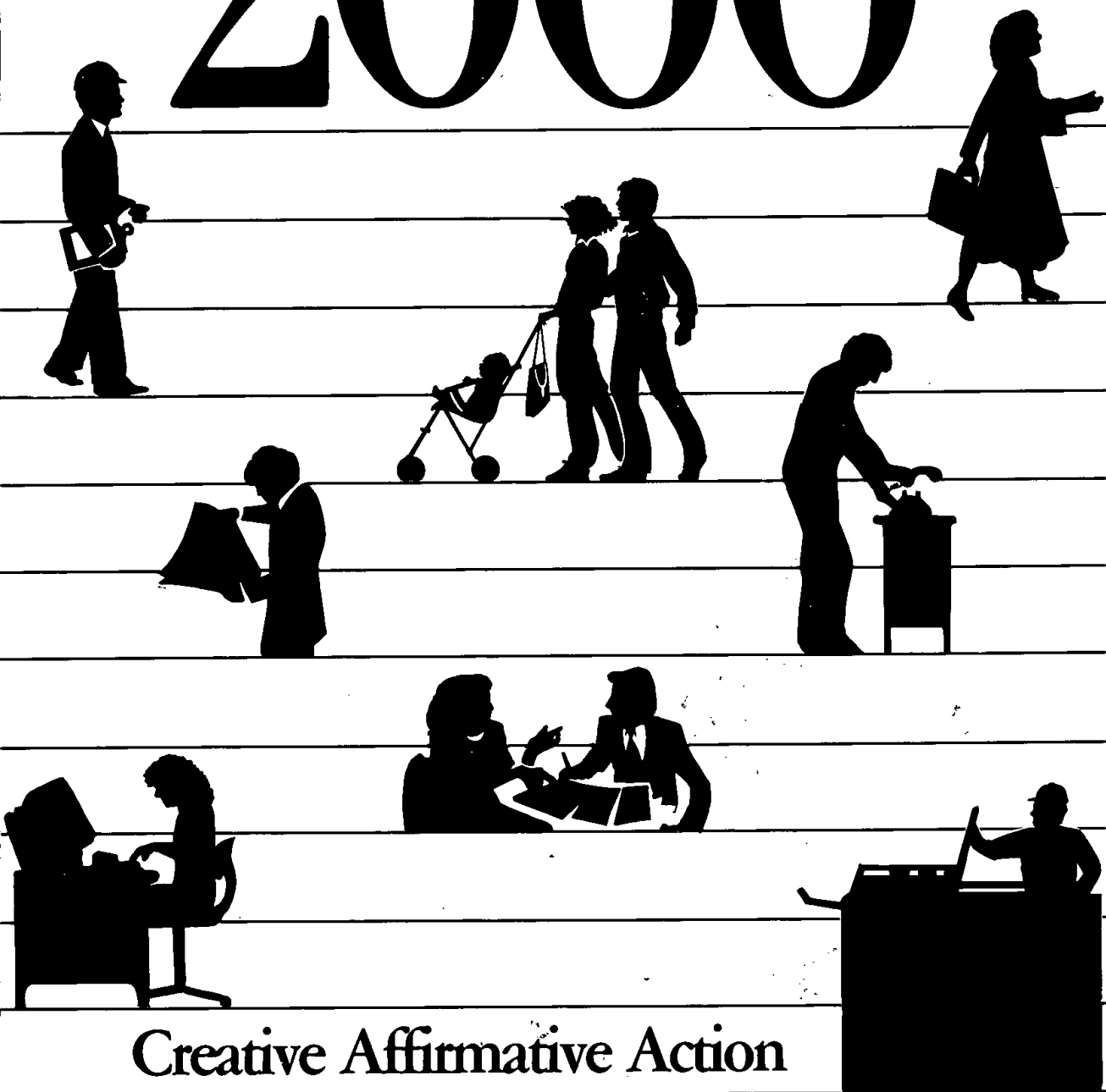


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OPPORTUNITY 2000



Creative Affirmative Action

Strategies For a Changing Workforce

OPPORTUNITY 2000

Creative Affirmative Action Strategies For a Changing Workforce

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Employment Standards Administration
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We also owe a tremendous debt to Assistant Secretary of Labor Fred W. Alvarez, who commissioned the study, and to Willis Nordlund and Cynthia Deutermann, who had principal staff responsibility for seeing the project through to completion. Their constructive comments helped us initially to refine the direction of the study, and their periodic review of the manuscript drafts helped us focus the report upon those it was designed to benefit—the companies, their top managers, and their personnel and EEO officers.

Finally, we would like to thank the management and staff of the Hudson Institute, who were instrumental in assuring a timely completion of the project.

Clint Bolick
Susan L. Nestleroth

FOREWORD

“Because the problems of the employee are the problems of the employer, more involvement by business will be a strategic necessity, in areas as basic as teaching literacy skills, training and retraining as jobs change, and providing child care and flexible benefits.

Business will simply have to get serious about investing in its workforce. The effort will not be born of altruism, but out of strenuous competition for employees, and the need to maintain a high level of productivity in increasingly tough markets.”

—Secretary of Labor Ann McLaughlin
Remarks to the Carter Center
Consultation on Competitiveness
April 25, 1988

This book is about opportunity and how some people capture it. It is also about risk and how some people minimize it. Some people have the ability to seize opportunity and diminish risk, and we often call that talent “vision”. That talent also seems to abound in organizations we tend to recognize as dynamic ones. This book presents a composite picture of how people in many diverse organizations approach, with vision, the common challenge of finding and expanding the potential of their human resources. This book is about getting, and staying, ahead of the curve.

In 1987, the Department of Labor was instrumental in the publication of two studies, which projected clear images of the workforce and the workplace in the year 2000. Those studies described the profound nature of the challenges and opportunities facing government policy makers now as we approach the 21st century. Competitive and human resource trends revealed by those studies also have strategic implications for businesses whose work and workforce is already changing.

Many affirmative action professionals familiar with those studies have recognized that employers, who want to remain competitive in the 21st century, will need to engage in affirmative action techniques to ensure an adequate supply of qualified, well-trained employees. As a result, two processes which have been perceived by some to be counterproductive—affirmative action and economic competition—have a unique opportunity to achieve their common goals through common means.

I firmly believe that the opportunity to "mainstream" affirmative action has never been better. Yet, I also fear that the risk to the ability of business to compete will be all the more grave if we fail to do so. As the pages that follow will show, many employers have found new incentives to use skills training, job development, management training, succession planning, and flexible workplaces and benefits to acquire and retain qualified employees. These and other human resource development efforts have long been in the stable of the most effective affirmative action programs produced as a result of Federal procurement regulations. Moreover, recruitment and retention lessons learned under legally required affirmative action programs are now being adapted to attract and retain older workers, who themselves are not the subject of federally-mandated affirmative action requirements. These policies and benefits will be the ground upon which employers will compete with each other for the employees they will need to thrive, if not survive. In short, human resource planning, implemented by affirmative action techniques, will become an integral part of a basic survival plan for businesses seeking to retain a competitive edge.

The opportunity for affirmative action planning to play a major part in the challenges presented by these studies seems extraordinary. It appeared obvious that employers could benefit from each others' experiences in addressing these new challenges. Soon after I began my tenure as Assistant Secretary of Labor, I asked the Hudson Institute, who had so ably conducted the *Workforce 2000* study, to address the special needs of various sectors of this new, emerging workforce in the context of that original study. I asked the Institute to describe and analyze new, experimental, or emerging strategies that may be needed and are being successfully used to respond to the challenges and opportunities of these workplace and workforce changes. I think the Institute has succeeded admirably. This project would not have happened without the vision and support of Secretaries of Labor William Brock and Ann McLaughlin. I have no doubt that *Opportunity 2000* will provoke the interest, the discussion and the action that we saw after the release of *Workforce 2000*.

The strategies described in this book provide employers with ideas that are working. They are reported here because the goals set for those programs are being achieved. They are working because they make good business sense. In a very real sense, these employers understand that they—and all employees in their organizations—are the beneficiaries of affirmative action.

It is my hope that more employers will rise to the challenge of anticipating and taking control of these demographic and human resource issues in a way that will fulfill their own needs to remain competitive. If they do, they will contribute significantly

to assuring equal opportunity *and* full human resource utilization in the workplace. From the beginning, these have been the twin goals of the Federal government's affirmative action efforts. Employers and the Federal government have a unique opportunity to find and meet on that common ground. If *Opportunity 2000* contributes to encouraging that emerging partnership, the effort, expended by so many in its production, will have been worth it.

Fred W. Alvarez
Assistant Secretary of
Labor

September 1988

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Introduction

THE AMERICAN LABOR MARKET'S EMERGING CHALLENGE

"If today's management thinks that the labor surplus they grew up with will continue, they're in for a shock."

—Clifford J. Ehrlich, Senior Vice President for Human Resources, Marriott Corporation ¹

Challenge is no stranger to American businesses. Our economy has survived depressions, world wars, government manipulation, and natural disasters with amazing resiliency.

But in the midst of mounting worldwide competition that threatens American economic pre-eminence, our nation's businesses face a unique confluence of important economic forces that could cripple their ability to compete in the years ahead.

These forces and the challenges they present were described in the Hudson Institute's pathbreaking study, *Workforce 2000*.² American businesses now and for the remainder of the 20th Century will face a dramatically different labor market than the one to which they have been accustomed for many decades. Traditional sources of labor are rapidly shrinking. And many members of the potential "new workforce"—women, minorities, the economically disadvantaged, disabled—face significant hurdles to their full and effective participation in the workplace. Businesses will be able to satisfy their labor needs only if they successfully confront those barriers and empower individuals presently outside the economic mainstream to take advantage of meaningful employment opportunities.

These changes mean that the ability of companies to effectively compete in the years ahead will be determined in large measure by their success in employing productive workers in a labor market characterized by scarcity, skills deficiencies, and demographic diversity. The most successful companies will be those that meet this challenge creatively and aggressively.

This study reports the findings of a survey of hundreds of companies that was launched to identify the most successful cor-

porate efforts to date in employing the new workforce.* These efforts go beyond traditional recruitment efforts—indeed, in their efforts to attract women, minorities, and others who have been outside the economic mainstream, they surpass even typical notions of “affirmative action.” For many of these companies, these efforts mean the difference between a productive and efficient workforce on the one hand and economic disaster on the other.

Most of the efforts cited in this study can be duplicated or adapted by other companies to fit their own particular circumstances. And while many of the businesses profiled are large, their creative efforts to employ the new workforce can usually be replicated in smaller scale or through cooperative efforts with other businesses, trade associations, and community groups.

Before proceeding to these specific corporate efforts, however, it is helpful to review the major trends that will affect the workforce for the duration of this century. Afterward, we will discuss the framework from which firms can most effectively confront these challenges. From this foundation, companies can assess and employ the strategies that can best help them turn challenge into opportunity.

Eight Major Trends That Will Revolutionize Tomorrow's Workforce

In the imagined 21st century workplace of the less sanguine futurologists, machines overtake humans to run every business and institution in the society. Despite advances in technology, that vision is, thankfully, far-fetched. Yet we cannot deny that, in the final years of the 20th century, some profound changes are taking place in the workplace and in the economy.

It is clear that the United States' economy is rapidly entering a new phase, one that has not arrived overnight but is, nevertheless, dramatically different from the post-World War II era in which many workers grew up and began their careers. During that rebuilding period, when hundreds of servicemen and -women returned home and optimism was the prevailing sentiment, the United States enjoyed a resurgence of construction, manufacturing, education—and childbearing. By its sheer numbers, the “baby boom” generation that resulted, representing nearly half the increase in the U.S. labor force between 1965 and 1975, came to significantly affect—and continues to affect—the composition of the workplace and nearly every other aspect of American life.

*Except where a secondary source is specifically identified, all information was derived from interviews with company officials or through documentation provided by the companies.

As the baby boom generation now approaches middle age, the fruits of that era—its technological advances, widening opportunities, and changing priorities—have begun to manifest themselves in a number of important changes in the labor force. For example, where once the U.S. workforce was largely dominated by white men, today an increasing number of women and minorities of both sexes have entered the professions and upper management. Where once high school and college students competed for scarce part-time jobs, today there is a surge of "help wanted" signs and appeals to the recently retired. Where once reputable companies could have their pick of a large pool of outstanding potential employees, today, for the first time in more than 20 years, many employers are experiencing a genuine shortage of qualified applicants to match their job openings.

It is clear that between now and the end of this century, American businesses will need to prepare for the inevitable changes in our country's labor supply, as several resourceful and forward-looking companies already have. As they do, here are some of the factors they will have to confront:

Fact 1. The Number of Workers Will Fall

An East Coast drug store chain leaves many of its part-time positions open because of a lack of applicants. "There is definitely an employment problem," says the company's corporate vice president for human resources. "We feel it very acutely in certain areas and for certain jobs. It is difficult to have an adequate applicant stream even to fill a job." ³

Atlanta fast-food restaurants have been offering new employees nearly double the minimum wage and increasing paychecks early for the best employees to prevent them from leaving.

A survey of Washington, D.C. retailers showed that most area stores were having trouble enlarging their staffs, as usual, for the Christmas rush. "It's been difficult to find employees for the last four or five years," says the manager of one upscale department store, adding that competition among retailers to find employees is fierce. ⁴

Scenarios like these will undoubtedly become more common as the United States moves into the 1990s. Businesses that historically have relied on a young workforce—fast-food establishments as well as hotels, amusement parks, and other seasonal enterprises—will need to change the way they recruit and hire. A recent analysis by Morgan Guaranty Trust Company predicts that, in the 1990s, many employers "will find themselves in the unaccustomed position of scrambling for workers." ⁵

Why are companies having so much trouble finding the young people to fill the jobs that become available? The problem

lies not so much in a new unwillingness by these young workers to accept the pay and opportunities offered to them, but in the shrinking number of young job seekers. As *Workforce 2000* documents, between now and the year 2000, the number of young workers aged 16 to 24 will drop by almost two million, or eight percent.⁶ Nor should this development come as such a surprise. As long ago as the late 1970s, schools in a number of metropolitan areas were closing, selling the empty buildings for conversion to office complexes or senior citizen housing, because the number of students had fallen so sharply from earlier years.

Interestingly, it is the baby boom generation that deserves much of the "blame" for the current shortage of young workers. This generation's low fertility rate has, in fact, contributed as much to the upcoming labor shortage as its youthful ranks contributed, not long ago, to a labor surplus. Confounding government planners, who designed programs like Social Security and Medicare, on the expectation that each generation would be larger than its predecessor, the baby boomers decided to have fewer—not more—children than their parents had.

As this generation entered the job market in the 1960s and 1970s, the "boomers" found themselves in keen competition with others of their age. Many ended up with jobs far less stimulating or economically rewarding than they had hoped and expected, given their level of education. At the same time, augmenting the army of workers the population boom brought into the economy during this 20-year period, major social changes opened the door to wider workforce participation by minorities and by women, many of whom were entering the job market for the first time. The economy continued to grow as well, but often not as fast as the ranks of new job applicants. As a result, many baby boomers found the kind of upward mobility their parents had experienced to be an elusive goal. The assurance of steady pay increases also was eroded both by slower wage growth overall and by rising taxes and inflation. For example, even with more and more two-earner couples, the real after-tax income for families headed by a person aged 25 to 34 declined by 2.3 percent between 1961 and 1982.⁷ The level of perceived economic security in many families thus fell far below expectations and, as a result, these families consciously chose to bring fewer children into the world—or to have no children at all.

Moreover, more women of the baby boom generation finished college and moved into careers, delaying marriage and children. Naturally, fewer marriages and a high divorce rate took its toll on the growth of new families as well. As author Phillip Longman points out in a recent *Wall Street Journal* article entitled, "The Downwardly Mobile Baby Boomers," this combination of social

changes and thwarted financial expectations turned the "baby boom" into a "baby bust." From a high of 3.77 children per woman in 1957, U.S. fertility in 1972 had fallen below the "replacement rate" of 2.1. In the years since, the rate has averaged about 1.8.⁸

In sum, based on current trends, the United States' overall population is expected to reach 275 million by the year 2000, a 15 percent increase over 1985.⁹ This rate of increase—approximately one percent per year during the 1980s and 0.75 percent a year during the 1990s—indicates that, by the 1990s, the U.S. population will be growing more slowly than at any time in the nation's history, with the exception of the decade of the Great Depression, when the rate was also about 0.75 percent per year.

Mirroring the nation's slowly growing population, the labor force is also expected to increase more slowly than at any time since the 1930s. Between 1980 and 2000, for example, U.S. government statistics predict that the labor force will grow by about 32 percent: from 107 million to 141 million. By contrast, the labor force increased by 53 percent between 1960 and 1980.¹⁰

Of course, the next decade's population growth trends will affect the number of new entrants into the labor force after the 21st century's opening, but two-thirds of the people who will be at work by the year 2000 already are employed today, and *all* of those destined to join the workforce between now and 2000 already have been born. A portion of these new workers will be young workers; some will be mothers returning to the workplace; others will be newly trained disadvantaged or disabled job seekers. And many will be new immigrants.

Fact 2. The Average Age of Workers Will Rise

Young workers, as companies are already seeing, will become a less plentiful commodity as the 21st century approaches. Yet the baby boomers will remain on the job in full force. Between now and the year 2000; therefore, the number of workers between the ages of 35 and 54 will increase by more than 25 million, and the median age for employed Americans will rise to 39 years, up from 36 in 1987.¹¹

An older workforce will affect the economy in both positive and negative ways. On the positive side, a more experienced, stable, reliable, and generally healthy workforce should increase stability and improve productivity in business and industry. The investment employers made ten to fifteen years ago in training these workers should provide dividends for many years to come. Moreover, with a large proportion of the population in its prime earning years, the strain on government support programs should ease and both employees and policymakers should have a better

opportunity to plan ahead for the coming deluge of baby boomer retirements.

Mature workers also are more likely to save or invest money than their younger counterparts. A huge increase in the number of workers over age 40 could spur the national savings rate, leading to lower real interest rates and more new investment—another boon to the economy.

On the negative side, an older workforce may be less willing to adapt to changes or take the kinds of risks necessary for rapid financial growth. For example, for an older manager—much more so than for a younger person—physical relocation can mean the disruption of long-established community ties, particularly where family members are involved. A middle-aged person who has invested a number of years in a particular occupation also is more likely than a young worker to have difficulty switching careers.

Another potential problem: many baby boom-aged workers will find themselves “stuck” at the middle-manager level, competing with other members of their generation for scarce promotions. As technology reduces the need for mid-level employees, this group is bound to feel an even greater squeeze.

In addition, more older Americans probably will delay retirement by the year 2000, or even return to the labor force after their retirement. Medical advances and a more health-conscious society are making ages 65, 70, and beyond considerably younger in practical terms than they once were. Examples of older workers staying on the job abound. For instance, in 1986, at the age of 80, acclaimed architect Philip Johnson was still designing multi-million dollar office buildings in Houston, Los Angeles, Washington, D.C., and London. Frank H. Wheaton, Sr., of Wheaton Glass Company, served as the Company's Chairman of the Board until his death in 1986 at age 100. His son, Frank Wheaton, Jr., the company's current President and Chairman, is in his 70s.

Retirement-age workers have been increasingly in demand by businesses that once relied on the young. Fast-food restaurants, supermarkets, and day-care centers are now competing to hire these older adults. In Richmond, Virginia, for example, a major supermarket recruits senior citizens to help bag groceries, load them into cars, and keep shopping carts in order.¹² And a national chain of child-care centers employs close to 2,000 persons aged 55 or older and is starting to recruit through organizations for the elderly. “There is no doubt that this is a labor pool that will be turned to increasingly in the future,” says Dr. Marjorie Honig, a professor of economics at Hunter College in New York City.¹³

Aside from the satisfaction older people may derive from remaining in the workforce past age 65, many are also realizing that the decline in younger age groups will make youth-supported

programs like Social Security and Medicare much less dependable. Continued employment allows them to take direct responsibility for their financial security.

Fact 3. More Women Will Be On the Job

Any American who owned a television set in the 1950s and 1960s would recognize the "all-American" family portrayed on such programs as "The Adventures of Ozzie and Harriet," "Leave it to Beaver," "Father Knows Best," and "The Donna Reed Show." In these prime-time programs, Father worked in an office while Mother stayed home to take care of the family's suburban home and raise two or three clean-cut youngsters. While this scenario by no means accurately portrayed every American household, it did closely reflect the lives of a majority of women in this country, as fewer than 35 percent of American women worked outside the home in 1950, and, in 1960, fewer than 40 percent of them did.¹⁴

But the situation has changed markedly over the last 20 years, with the gender balance expected to shift still further before the end of the century. Initially, social change during the late 1960s and early 1970s, coupled with genuine financial necessity, allowed women to gain a foothold in the business world, essentially redefining their role to include paid employment as a norm rather than an exception. Thus, between 1965 and 1975, women increased their representation in the civilian labor force from 39 to 46 percent, a rate that rose to 50 percent by 1985.¹⁵ In 1984, 61 percent of all married women with children were in the labor force—more than twice the 1960 rate of 28 percent—while, in 1985, 54 percent of all mothers of children under age six held jobs outside the home, up from 19 percent in 1960.¹⁶

These trends will persist for the remainder of the century. Thus, between 1985 and 2000, white males, who only a generation ago made up the dominant segment of the labor market, will comprise only 15 percent of the net additions to the workforce. The majority of new entrants will be women and minorities. By the year 2000, about 47 percent of the workforce will be women, and 61 percent of all American women will be employed.¹⁷

Despite their growing visibility in the workplace, however, women continue to be concentrated, in nearly the same proportion today as in the 1960s, in "traditionally female" occupations—such as clerical work, elementary school teaching, nursing, and house-keeping—that pay less than men's jobs. As a result, in 1987, the average, full-time working woman still earned only 70 cents to every dollar earned by the average working man.¹⁸

Such aggregate differences in pay are gradually diminishing, as women increase their numbers in occupations until recently considered "traditionally male." By 1986, for example, 45 percent

of full-time accountants and auditors in this country were women, up from 34 percent in 1979. Women also increased their representation in the legal profession from ten to 15 percent; from 28 to 40 percent in computer programming; from 22 to 29 percent in management and administration; and from four to nine percent in electrical and electronic engineering.¹⁹ These proportions should increase even more in the coming years to reflect the growing number of women graduating from professional schools. In 1983, for example, 45 percent of those receiving accounting degrees, 36 percent of new lawyers, 36 percent of computer science majors, and 42 percent of business majors were women.²⁰

As women constitute larger and larger percentages of the workforce, predicts Peter Morrison, a demographer at Rand Corporation, "jobs by men and women will be very much alike" with shrinking pay differentials. One Rand study projects that women's wages will equal 74 percent of men's by the year 2000. "The *best* people are going to be very much in demand," Morrison adds, "both men and women."²¹

As a 1986 Equal Employment Opportunity Commission report confirms, women are advancing more rapidly in high-growth, "high-tech" industries than in the older, declining industries. Says Sandra Gunn of Lotus Development Corporation, who has started two new divisions in her first four years with the company: "When you're growing at 500 percent a year, you grab whoever walks in the door who can get the work done."²²

As we will discuss later, women's large-scale return to the labor force has already caused some companies to rethink their personnel strategies. Wishing to attract and hold valuable female employees, a number of employers are becoming more flexible and innovative in their administration of hours and company benefits, particularly those related to raising a family.

Fact 4. One-Third of New Workers Will Be Minorities

By the year 2000, members of American minority groups—especially blacks and Hispanics—will be less of a "minority" in the workplace than ever before. Over the next several years, almost a third of all new entrants into the labor force will be minorities—twice their current share.²³ Approximately eight million black Americans were in the workforce in 1965;* that number

*Although the Bureau of Labor Statistics did not keep separate data on blacks in 1965, the "non-white" category, which included 8.3 million persons, was substantially—probably 90 percent—black, according to a Bureau economist. That category began including more Asians in the 1970s.

increased to 9.3 million in 1975 and 12.4 million in 1985. Although statisticians only recently have begun counting the Hispanic population separately, Hispanics have almost doubled their numbers in the workforce between 1975 and 1985, growing from 4.2 million in 1975 to 6.1 million in 1980, to 7.7 million in 1985.²⁴

Minorities will continue to increase their representation in the labor market over the next 20 years for yet another reason: both the black and Hispanic populations* in this country have grown more rapidly—both through immigration and high birth rates—than has the white population. Between 1970 and 1984, for example, the black population rose a net average of 15.8 percent a year, compared with 8.3 percent for the white population, and this trend is expected to continue through the end of the century.²⁵ Another recent Census Bureau report shows the U.S. Hispanic population growing five times faster than the non-Hispanic population.²⁶

Black women will comprise the largest share of the increase in the non-white labor force. In fact, by the year 2000, black women will outnumber black men in the workforce, a striking contrast to the pattern among whites, where men outnumber women.²⁷ Young black women already have surpassed their male counterparts in higher education and occupations requiring advanced degrees. For example, a 1986 Census Bureau report estimated that 770,000 black women in the 25-54 age group were college graduates, while only 633,000 black men of that age group had finished college.²⁸ National Black MBA Association president Leroy Nunery has estimated that 60 percent of all black MBAs in the U.S. are women, and a College Board study found that, in recent years, gains by black women in such fields as accounting, engineering and law have far exceeded those by black men.²⁹

Despite these impressive strides by black women, there are still many minority workers—both men and women—who continue to suffer disadvantages in education and training that may prevent them from moving into the new jobs that are becoming available. Moreover, blacks and Hispanics are overrepresented in industries that are losing jobs, and underrepresented in the most rapidly growing occupations.

Further complicating matters, a large number of minority youngsters—tomorrow's workforce—are still born in poverty. For example, according to Harriette McAdoo, a Howard University social work professor, many highly educated, successful black men and women are foregoing marriage and children, such that the largest proportion of black children are born into less-educated,

*The Hispanic population is included in both the black and white population growth figures shown above.

less-affluent families. The Census Bureau reports that even in the mid-1980s, out-of-wedlock births represented the fastest growing segment of the black population.³⁰

Fact 5. There Will Be More Immigrants Than Any Time Since WWI

As the destination of choice for those seeking economic opportunity or political refuge, the United States has always been a nation of immigrants, and this is as true in the 1980s as it was in the early 20th century, when millions of European refugees crossed the ocean to begin new lives in America. Although often viewed with suspicion or even hostility by native-born citizens, immigrants have contributed immeasurably over the years to the nation's economic development and cultural richness. British and Irish settlers mined our natural resources; German and Russian refugees worked in garment factories; and Irish, Chinese, Italian, and Slavic immigrants built the nation's extensive railroad network.

Recent immigrants, about a third more than entered the country during the 1960s, have come primarily from Latin America and Asia, the majority of them settling in California, Texas, and New York. Despite language and cultural differences equally as—or even more—profound than their European predecessors, these new residents are quickly finding their niche in American society, some as entrepreneurs, some as workers in family businesses, but nearly all those of working age as members of the labor force.

Between 1970 and 1980, the foreign-born population of the United States increased by about 4.5 million, and approximately 450,000 more immigrants are expected to enter the United States yearly through the end of the century. Immigration at this rate would add about 9.5 million people to the U.S. population and four million people to the labor force.³¹ If illegal immigration also continues at recent rates—about 750,000 per year—total immigration would add 16.1 million to the population and 6.8 million to the labor force. Of course, changes in immigration laws or an unexpected influx of refugees from war-torn countries could alter this forecast.

Today's immigrants represent a wide range of social and educational backgrounds. Of adults who entered the United States in the 1970s, 25 percent had less than five years of school, compared to three percent of native born Americans. On the other hand, 22 percent of 1970s' immigrants were college graduates, compared with 16 percent of natives.³² But regardless of background, most immigrants share a strong determination to better themselves, and it is not uncommon to see new immigrants holding down two or three low-paying jobs at once.

Better educated and trained immigrants often find it discouragingly hard to find jobs that use their skills. For example, one college-educated history teacher from Nicaragua cleans houses for \$100 a week. "I worked so hard for my education," she says. "Now, here, I have a language barrier." An Ethiopian man with both a bachelor's and master's degree from American universities is still driving a cab, though he has applied for dozens of jobs in business management.³³

Despite their difficulties, immigrants seem to attract complaints that "the foreigners are taking away the jobs" from native-born Americans. But several recent studies conclude otherwise, suggesting that legal immigration stimulates, rather than hinders, economic growth. For example, in the Los Angeles labor market during the 1970s, where more than a million foreign-born settled during that period, more jobs were created and unemployment was lower than in the nation as whole. Another study, released in early 1988, concluded that "immigrants have been absorbed into the American labor market with little adverse impact on natives"—not even on young blacks and Hispanic-Americans, who work in many of the same occupations as new immigrants.³⁴ "Sometimes I see people who resent the foreign-born," says one county job training director. "[But] we'd be in straits without them."³⁵

New immigrants tend to accept lower-paying, less prestigious jobs than the native born: cleaning houses, supervising children, busing tables, or sweeping streets. "No matter how hard it is," says a Cambodian refugee who works at two janitorial jobs, "it's not hard for me. I worked in a communist labor camp from morning until it was so dark you couldn't see the ground anymore." The owner of a custodial service in Reston, Virginia, began hiring Central and South American immigrants when she couldn't find teenagers to fill the jobs. "Before, people quit for the same reasons you or I would quit: The work is boring, demeaning, and all those things you don't want in a job. But most of these people are trying to improve themselves. I know many of them are thinking, 'I don't want to be a janitor for the rest of my life. But this is a start.'" ³⁶

Fact 6. Most New Jobs Will Be In Services and Information

Since Eli Whitney invented the cotton gin in the 1790s, Americans have been at the forefront of labor-saving technologies. Almost 200 years later, that talent for technological innovation is leading the United States to the next step along the road of economic development: the transformation into a predominantly service-oriented economy. As the 21st century arrives, in fact, U.S.

manufacturing will comprise a small share of the economy—less than a fifth of the GNP—and all net *new* jobs will be in the service sector.

We are already witnessing the beginning of this transformation. The early 1980s brought plant layoffs in older American mining and manufacturing industries while "high tech" enterprises on the west coast boomed. High-priced "consultants" selling knowledge and contacts have become almost as familiar in Washington D.C. as company representatives selling tangible products.

Such a transition is to be expected. Over the years, economists have identified three distinct phases that all modern societies appear to go through: an agricultural phase, followed by an industrial phase, followed by a service phase. Prior to the 1890s, for example, the United States was predominantly an agricultural nation, with approximately half its workforce employed in farming, forestry, or fishing.³⁷ Then the industrial revolution shifted about 20 percent of the population to the cities—and 15 percent of the nation's workers to manufacturing jobs.³⁸ Many Latin American and African nations still have predominantly agricultural economies; a number of Asian countries have recently moved into the industrial phase.

But there is more behind the increase in services and decline of manufacturing than just economic theory. New technologies, which require less manual labor to produce a product, have made manufacturing much more productive in recent years. The government's efforts to deregulate some markets has helped stimulate competition and innovation in a number of once-lethargic industries.

While more productive workers will increase America's volume of manufactured goods, their value still is increasing more slowly than the Gross National Product. In other words, whereas manufacturing produced some 30 percent of all U.S. goods and services in 1955 and 21 percent in 1985, its share will drop to less than 17 percent by 2000. And as this trend continues, manufacturing will become less and less important to the economy as a mechanism for creating wealth. It seems ironic that productivity gains, not Japanese competition, are responsible for gradually eliminating manufacturing jobs. But while there will be fewer manufacturing jobs in 2000, these losses should be much more than offset by net new jobs in the service sector. Between now and the year 2000, service industries will create all the new jobs, and most of the new wealth.³⁹

Service industries, by definition, create economic value without producing a tangible product. And as factories become more mechanized and automated, a greater percentage of each product's value can be attributed to various services occurring both before

and after the product is actually manufactured. Product research and design, market research, engineering, tooling, transportation, wholesaling, retailing, and advertising: these functions can employ more people overall—and at higher wages—than the factories that produce the tangible product.

America's business and government leaders can respond to these inevitable economic developments by taking advantage of the many opportunities for continued progress. How they meet this challenge today will strongly influence both America's long-term prosperity and the well-being of America's labor force.

Fact 7. The New Jobs Will Require Higher Skills

What do a nurse in a large Philadelphia hospital, an assembly-line worker in a New Jersey plastics factory, the manager of a supermarket in northern California, a financial analyst in Boston, and a legal secretary in Houston have in common? Within the last five to ten years, they have all learned to use new forms of computerized equipment on the job. Whatever the occupation, technological innovation has already made it necessary for workers to constantly update and adapt their skills.

In a sense, the American workplace is getting simpler, as technological improvements make it more streamlined and more productive. Computerized equipment allows manufacturing firms to produce a greater number of products with fewer employees. The same is true in offices, where managers learn to use computers and word processors, reducing the need for clerical help. Technology then eliminates many lower skilled jobs, and replaces them with jobs requiring more sophisticated skills and education. Companies thus find themselves requiring more highly skilled workers.

Also contributing to this demand for more highly skilled workers is that today's companies are producing much higher quality products and services in order to compete with foreign manufacturers. David A. Garvin, a professor at the Harvard Business School and the author of *Managing Quality*, says there is a "profound change" in the way U.S. companies are thinking about product quality. "Historically, quality was only a production idea, but in the last decade it has become a marketing concept. We've moved from a view that says quality isn't just a problem to be solved to one that says it's a competitive opportunity."⁴⁰

The 21st century labor force will not only need to adapt to new technologies, but to a new distribution of jobs as well. The vast majority of new jobs will be in service occupations, most requiring post-secondary education. For example, in the year 2000, the labor market will demand 71 percent more lawyers than in 1984. Jobs for scientists—whether in natural, computer, or mathematical sciences—will increase by 68 percent. Jobs in health diag-

nosis and treatment will jump 53 percent; 44 percent more jobs will be available for technicians; and 40 percent more will open for social scientists. Mining, agriculture, forestry and fisheries, and manufacturing occupations all will lose jobs before the end of the century.⁴¹

It is easy to see why more than half of all new jobs created over the next 20 years will require some education beyond high school, and that almost a third will be filled by college graduates.*

While most new jobs—especially those in the fastest growing categories—will demand much higher language, math and reasoning skills than many current jobs, the opposite is true for slower-than-average-growth job categories. This means that the lowest-skilled workers will be eligible for only about four percent of all new jobs, compared with nine percent of all jobs today.⁴²

There will still be a number of jobs created in the services field for medium- to low-skilled workers: cooks, nursing aides, waiters, janitors, secretaries, clerks, and cashiers, to name a few. But even lower-skill occupations will require workers who can read and understand written instructions, add and subtract, and express themselves clearly.

For example, assembly line workers in many manufacturing plants are learning statistical process control, a system that is beyond the reach of those without a solid grounding in mathematics. Factory employees "now need to think sequentially on the job," says one manager. "Before the advanced technology, they didn't have to think as much."⁴³ Unskilled workers will need training to bring them to the minimum level.

Fact 8. The Challenge for Business Will Be Immense

Just after the stock market crash of October 1987, a survey by Manpower Inc., a company highly respected for its employment forecasts, noted that 21 percent of American businesses nonetheless were planning to step up hiring. The study concluded that increased productivity and a shortage of young workers was spurring "an increase in the pace of hiring activity."⁴⁴

But, given the developing worker shortage, what must successful companies do to ensure they have the workers they need to produce their products, to provide their services, and generally to conduct business? Managing and maintaining a skilled workforce in the face of the baby bust will require "imaginative" personnel policies, advises Peter Morrison of the Rand Corporation.⁴⁵ In other words, more than ever before, the competitive

*Today only 22 percent of all occupations require a college degree.

edge in hiring will depend upon how well companies attract and keep good workers.

Employers must recognize that the labor supply is changing. Organizations from the computer to the trucking industries will be forced to look beyond their traditional sources of personnel—often young, white males—and work to attract minorities and women, and other members of the “new workforce.”

For example, women of the baby-boom generation, who are likely to become some of a firm's most experienced, well-trained, and stable employees, are increasingly drawn to companies that accommodate them in their dual role as workers and mothers. Although more than half of all working mothers are employed full time, a recent Gallup poll found that only 13 percent of these women want to work full-time and regular hours. Six of ten working mothers would prefer part-time employment, flexible hours, or stay-at-home jobs, and 16 percent would prefer not to work at all.⁴⁶ Employers that understand and act on these needs will have an advantage among potential female employees. Innovations like flexible hours, use of sick leave to care for children, more part-time work, parental leave for both mothers and fathers, and other innovations are not necessarily cheap, but they may be ultimately necessary changes in the structure of work that will accommodate the combination of work and family.

Not only will employers need to find ways to keep well-qualified women on their payroll, they also face the challenge of helping others to become *more* qualified to perform well. With fewer potential workers to choose from, companies will have an expanded, and more expensive, role to play in developing their own workforces. The number of disadvantaged minorities and immigrants who will join the labor force between now and the year 2000 is growing rapidly, and unless educational and cultural gaps can be closed, many of these new workers will be ill-equipped to meet the advancing skill requirements of the new economy.* It is in companies' interest to offer training to the disadvantaged, particularly while they are still young, and to later reap the benefits of their investment as these persons' work capacities rise.

A study by Morgan Guaranty sums it up: “Companies that invest heavily in training, which often goes hand-in-hand with emphasis on internal advancement of workers, may well find that the payoff is unusually high. Firms that carefully consider labor

*The Census Bureau reports that black adults are completing college at only half the rate of white adults. And the U.S. Hispanic population is completing college at less than half the rate of blacks. (*The New York Times*, December 3, 1987, p. A23.)

supply in making decisions on office and plant locations also stand to profit." 47

The economic and labor force changes already under way in the United States will require American businesses and industries to revise their thinking in a major way. Companies wishing to hire and retain the most talented workers will need to develop innovative strategies directed toward the "new workforce," who will comprise an increasing share of available labor in the year 2000. As the following chapters will show, many successful U.S. businesses are already moving aggressively in this direction.

How to Survive and Thrive in a Tight Labor Market

The combined impact of labor scarcity and the emergence of the new workforce presents both challenge and opportunity.

America has the chance, for the first time, to make good on its commitment to opportunity. If companies are to meet their labor needs, they will have to broaden the ethnic and gender makeup of their workforces. In other words, "affirmative action" will no longer be primarily a matter of social responsibility or legal compulsion, but of economic necessity.

On the other hand, companies will be faced with the challenge that traditional forms of affirmative action will not be enough. Rather, if our nation's companies are to remain productive and competitive, they must go beyond traditional notions of affirmative action, moving aggressively to remove the practical impediments that prevent people, whatever their color or ethnicity or gender or disability, from taking full advantage of the employment opportunities now available. It means a substantial investment in human capital—the one type of capital that can set us apart from our world competitors.

In the pages that follow, we profile dozens of successful companies that have made this commitment. Their experiences show that a fullscale effort by our nation's industries to this objective will keep our companies competitive while helping millions of individuals reach their full potential and earn their share of the American Dream.

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Chapter 1

WORK AND FAMILIES

"The growing number of women in the labor market is probably the most important development in the American labor market that has ever taken place."

—David E. Bloom, labor economist, Harvard University¹

"The family comes to work with the employee. If we forget that, we'll have difficulty recruiting and keeping good workers."

—Maurice Wright, Community Relations Officer, Shawmut Bank

In the year 2000, every group of 100 potential workers will include almost 50 women. Many of these will be mothers; some, single mothers. This represents a major demographic change from just one short generation ago, when fewer than a third of all American women were employed and very few mothers of young children worked outside the home (19 percent in 1960 versus 54 percent today). White women have constituted the major part of this shift, however, since the proportion of black women with young children working outside the home has always been fairly substantial.

What does a higher female representation mean for business, and particularly for established, predominantly male-run businesses? Few employers would disagree (and none publicly!) that women are as capable on the job as men, and that such qualities as loyalty, honesty, and diligence cannot be assigned to one gender over the other.

On the other hand, most women do come into the workforce with certain disadvantages that, if not dealt with in an appropriate way, can stifle an employee's motivation, productivity, and opportunities for advancement.

Physical Strength

In today's increasingly service-oriented economy, women are less likely than in the past to find their muscular strength an issue when seeking employment. Still, even where legally protected against discrimination, women in construction and some manufacturing industries may find their typically smaller physique holds them back from opportunities that they might be able to handle with proper training.

Lower Paying Occupations

Despite women's growing visibility in the workplace, large numbers of women continue to be concentrated, in nearly the same proportions today as in the 1960s, in "traditionally female" occupations—jobs such as clerical work, elementary school teaching, nursing, and housekeeping—that pay less than "men's" jobs. As a result, in 1987, the average, full-time working woman still earned only 70 cents to every dollar earned by the average working man.² Still, there will continue to be considerable demand for personnel in these fields.

In addition, there is evidence that women's earnings also tend to be less in jobs held by both men and women, particularly in management. A 1983 Census Bureau study, for example, showed that women in executive, administrative, and managerial occupations were earning only 60 percent of men's salaries in the same occupations. And a Gallup survey taken around the same time reported that 70 percent of the 722 female executives polled felt they had been paid less than a man of equal ability.³ Such differences may be attributed to factors like seniority, merit, or productivity, since the federal Equal Pay Act (1963) forbids wage discrimination based on gender alone.

"The Glass Ceiling"

Women with their eye on top management positions in larger corporations often find their male colleagues have more credibility with the established leadership team, especially if that team consists of men aged 50 and older whose wives have remained at home throughout their marriage. The data suggest that such barriers may be more real than individual success stories would indicate: Fewer than two percent of officers in the Fortune 500 companies are women.⁴ Nor do trends appear to be improving.

A 1987 survey by the University of Michigan of 800 newly promoted corporate chairmen, presidents, and vice presidents, for instance, revealed that fully 97 percent of the executives were men. The survey also found that the percentage of women managers being promoted to vice president actually was decreasing.

Childbearing

The days of banning conspicuously pregnant women from the workplace—and even from public view—are, thankfully, long over. Still, women who become pregnant while employed can see their career plans thrown permanently off track as they are torn between two worlds that often refuse to accommodate one another. Mothers who choose to stay home during their children's early development—sometimes at great financial sacrifice to the

family—may find they have no job to return to or, if they do, that they are out of the running for promotions. Those who return to the office full-time immediately after giving birth may feel guilty, and are faced with the added stress of finding affordable child care services that will accept infants.

Supporting this theory that it is more difficult for mothers to climb the corporate ladder, a 1984 survey by *The Wall Street Journal* reported that 52 percent of women who had reached the corporate position of vice president or above, compared to seven percent of men, had no children. Similarly, Fortune's 1983 survey of Harvard Business School's 1973 women graduates—many of whom had made significant strides up the corporate ladder—found that 54 percent were childless.

Care of Dependents

As women have become increasingly important members of the American workforce, their husbands have become gradually more involved in fatherhood and the home. However, the popularity of childbirth and parenting classes that include both parents, as well as evidence that a greater number of married men are doing housework, does not change the fact that women, even when employed full time, spend more time than men caring for dependents, whether children or elderly family members. One study concluded that working women are six times more likely to stay home with a sick child than are men.⁵ Another reported that women, more than twice as often as men, are the primary caregivers for elderly dependents.⁶ A third survey found that even women managers at the corporate vice presidential level say they are responsible for a disproportionate share of work in the home.⁷

"It's always the woman that conforms or sacrifices in a difficult situation, and it will be a long time before that's going to change on a culture-wide basis," says one woman, a corporate manager who believes top management should be educated about the family demands placed on working women. "Otherwise, unless senior management shares the experience (i.e., has both a working wife and children or elderly dependents), progress doesn't happen."

Geographic Mobility

Any woman married to a military or foreign service officer knows that she will be uprooted from her home, friends, and job—if she has one—every two to three years. Spouses of corporate managers in major companies often find themselves in the same position. Certainly, women officers or executives are as likely to be transferred as their male counterparts; and there are men willing to quit their jobs to advance a wife's career. But in the

majority of cases, it is the woman who sacrifices her job or career to accommodate her husband's. Consequently, women with families are generally less free to pursue opportunities that require relocation.

The staffing manager for one large bank maintains that this situation has held back some exceptional women tellers from advancing into loan officer or management positions: "People, especially women, want and need to work where they live. Bank branches are relatively small, so if a teller wants a promotion, she may have to move to another branch where there is an opening. But unfortunately, as much as the working world has changed in recent years, women are still not the "mobile" ones in a family. If a man gets a promotion, his wife usually gives up her job to move with him. It seldom works the other way around." While this manager's comment reflects a widespread perception in the business world, no scientific data supporting it currently exists.

Sexual Harassment

Although there are laws designed to protect both men and women from unwanted sexual advances in the workplace, a number of surveys show that sexual harassment is not uncommon in the business world. Other studies show that the majority of victims are female clerical workers, usually single parents, who work for male supervisors.⁸ Because complaining about such advances can be risky and embarrassing for these women, the harassment often remains a secret.

Sexual harassment, whether reported or unreported, unfortunately can be destructive to the affected woman's potential for advancement, not to mention her self-esteem. Management-backed employee grievance mechanisms can help alleviate the problem, but probably still are underutilized, even where they exist and are effective.

Employers as Problem Solvers

The historical barriers described above have not prevented many outstanding women—particularly those who have chosen the entrepreneurial route—from achieving top positions in the corporate world, but they undoubtedly have kept other capable women from reaching their full potential. Sensitive to these challenges, and knowing that women are daily becoming more critical to the success of American businesses, many employers are implementing policies to attract more women into their ranks, ensure that these employees' talents are used effectively to meet the companies' needs, and avoid losing their most capable female employees to dissatisfaction or better opportunities elsewhere.

Businesses also recognize that their success will depend, to an even greater degree than in the past, upon promoting a positive company image among women in general, who represent at least half their potential clients and customers.

Many companies have seen the trend toward women's increasing importance in the workforce. Some have acted already—and some in a big way—to recruit and promote more women and to initiate flexible scheduling, child care benefits, and other family-related policies. Others have adopted a “wait and see” attitude, acknowledging that issues of particular concern to working women (especially child care) will have to be dealt with very soon. “We try to be receptive, flexible with respect to our employees' needs,” says one corporate recruiter. “I sense that such arrangements will become company policy when the men start asking for them too. And that will take a while.”

But it does not have to be that way—and cannot long be, as many businesses will soon discover. Close attention to the needs of working women, and especially of women with families, is no longer just a matter of legal requirements, or corporate “social conscience,” or even simple fairness, but rather, competitive necessity in the scramble for high-quality, productive and dedicated workers. Consequently, the companies that are most successful in the 1990s and beyond will be those that take steps to provide equal opportunity for all workers, regardless of gender or family responsibilities.

Following is an overview of some creative ways employers already are following this course, and thus preparing for a more female-dominated workforce. These companies have adopted such policies believing their businesses, as well as their employees, will benefit, and many already are seeing positive results. To be sure, many of these examples highlight nationwide efforts by larger corporations, which typically have the greatest resources to devote to workplace improvements. But in many cases, the necessary changes are relatively inexpensive, such that medium- and smaller-sized companies can adopt the concepts for their own use, if not in-house, then through a contracted or consortium arrangement. In short, size or profit level need not—and farsighted managers know they cannot—prevent any business from including women's work and family concerns in their plans for the future.

Recruiting Women

Over the last twenty years, many American businesses have expanded the number of women in their workforces: a direct response, one suspects, to the corresponding increase in supply. Service industries like health care, banking, and insurance, as well as certain manufacturing industries, have major concentrations of

traditionally female-dominated occupations and hence employ high percentages of women. Other major companies have been able to even out their men-to-women ratio somewhat, but surprisingly, many continue to hover between four and three to one.

Although businesses employing highly-trained computer programmers, engineers, accountants, and lawyers have witnessed a gradual increase in their small pool of qualified female college graduates, competition for these women is intense. Yet, in a time of low unemployment, even industries with high non-management female concentrations are exploring ways to bring new women, particularly those not currently in the workforce, into their businesses. Just as companies are realizing that marketing strategies are most effective when they reflect the diversity in America's population, they know that attracting and retaining the best workers will mean recruiting women—in addition to minorities, veterans, and persons with disabilities—as aggressively as they recruited able-bodied, white men in the past.

Recruiting by Reputation

Unlike some groups of potential employees—the educationally or economically disadvantaged, for example—that may be reluctant to venture into certain occupations, women represent a cross-section of the economy and are likely to be found in every type of business. Attracting qualified women, therefore, demands more than just placing job announcements where trained or trainable women will see them. Rather, the companies who are successfully expanding their ranks of qualified women are doing so by promoting company policies they believe will appeal to working women, holding up their top women as examples, and encouraging satisfied employees to promote the company among qualified job seekers.

One company that uses these techniques effectively is the Gannett Company, owner of more than 100 publications and a dozen radio and television stations. Calling itself "The Opportunity Company for Women," Gannett aggressively recruits on college campuses, including women's colleges, and at national conventions and industry association meetings. "Our best recruiters are Gannett employees," says Madelyn Jennings, Gannett's senior vice president for personnel and administration, "They know it's part of their jobs, and they refer people they think would do well here." ⁹

Gannett also uses the "Opportunity Company" theme in magazine advertisements and in a color brochure highlighting more than a dozen women, in cities and towns throughout the country, who are happy with their career progress at Gannett publications. One woman is quoted, for example: "My first job

with Gannett was as a secretary. Today, I am vice president and advertising director for . . . a publication with more than 12 million circulation. I have worked for other companies, but I came back to Gannett because it is a company on the move and a great place for people who want to move with it."

Similarly, Johnson & Johnson's (J&J) reputation as a company with high principles has been important to its success in recruiting women, according to Equal Employment Opportunity (EEO) manager, Marion HochbergSmith: "J&J's best recruiting tool is its integrity."

Clearly, being known as a company that treats women well is a plus for any employer's recruiting efforts. But even deserving employers will not reap the benefits without positive public relations efforts. Whether through formal media campaigns or simple word-of-mouth, any company can take steps to make its strong points known to prospective female employees.

Recruiting into "Traditionally Male" Occupations

Another way public relations efforts can help a company expand its female ranks is by educating women about opportunities in fields that have attracted predominantly male applicants in the past. Women traditionally have been underrepresented in engineering and other scientific careers, for example, and because many of these jobs require extensive preparation, companies must reach prospective women employees while they are still in school. Employers that hire many people in these technical fields have an interest in developing the future workforce with programs that encourage young women, as well as young men, to prepare themselves academically. Introducing students to successful women already involved in technical careers, combined with intern and mentoring programs later on, can broaden these companies' applicant pools.

An outstanding example of this long-range workforce development approach is the 3M Company's Visiting Technical Women (VTW) program, which gives students in the Minneapolis/St. Paul area an "opportunity to meet and interact with women who enjoy their technical careers and the associated benefits." More than 100 women participate each year in the program, which was organized in 1978 under the Science Encouragement Committee of 3M's community-wide Technical Forum. 3M has helped other locally based companies to develop programs of their own and has produced a how-to booklet for interested organizations.

VTW recruits women from diverse backgrounds in a wide variety of technical occupations to visit elementary, junior high and senior high schools in the Twin Cities area and attend career

fairs and special programs in local colleges and vocational schools. Occasionally, they travel to schools outside the metropolitan area.

The Visiting Women "show students how science knowledge is applied everyday in industry and that one doesn't have to be a genius to have a successful technical career," explains the program brochure. They also give students information about the educational preparation they will need for technical positions as well as about financial aid and work-study programs in technical fields. The women recount personal experiences on the job, describe how they combine career and family, and demonstrate products.

In testimony before the Task Force on Women, Minorities, and the Handicapped, Christa Lane-Larsen of 3M notes that "responses [from the community] are always favorable and demonstrate that our program has a positive impact on the students we reach, especially the young women, as some teachers have noted that more young women are enrolling in science and math classes throughout the high school years. [The Visiting Technical Women program] has proved its worth to 3M and to thousands of young women around the country."

3M hopes to expand this program to involve women at the company's manufacturing sites, which are usually located in small rural towns.

On a smaller scale, women employees at California Institute of Technology's Jet Propulsion Laboratory (JPL) participate, as members of the Society of Women Engineers, in a speakers program directed at high school girls. JPL also routinely sends speakers into grammar schools to talk with students and help them prepare for science fairs.¹⁰ This kind of community-wide approach could work well for smaller companies that do not have enough female technical personnel to run their own program.

Recruiting "Returning Women"

Women who have dropped out of the workforce temporarily to raise children or accommodate a husband's career can be a fruitful source of new workers for companies that know how to take advantage of their strengths and help them bridge the gap back to full-time employment.

Some "returning women" have developed specific skills in their non-professional lives that can save companies the time and money they might otherwise devote to training employees who lack those skills. For example, the nurturing abilities developed through raising a family may be transferable to various healthcare or counseling occupations. Running a household often involves such skills as accounting and financial management, negotiating with contractors, diplomacy, mechanical repair, and food prepar-

tion. Membership in volunteer organizations can provide valuable leadership and organizational experience.

On the other hand, while these women may be well-educated, a dozen or more years outside the workforce could easily have left them unfamiliar with recent technological developments—even those as widely used as word processing or data spread sheets. Attracting these "returning women," therefore, may involve bringing them up to date on office equipment, training them for jobs that may not have existed when they left, or taking other steps to help rebuild their self-confidence. Other "returning women" may have lost touch with advances in the field they once worked in and need "refresher" training before assuming their former level of responsibility.

By offering training programs geared to persons who have never worked with computers, The Procter & Gamble Company (P&G) is one employer that has successfully attracted a number of "returning women" to the company. Like all P&G employees, these women, regardless of age or experience, are encouraged to set goals for their own professional development and receive counseling on how best to meet them. One woman told training director Fran Shepherd, "What a wonderful opportunity you have given me by supporting my personal growth."

Another interesting strategy for drawing experienced women back into the workforce after a long absence comes from California-based Hewlett-Packard's (HP) experimental policy in a country generally thought to have conservative attitudes toward working women. "In Japan, women are expected to quit work when they marry and have children," explains Worldwide Equal Opportunity specialist Bob Ingram. "So the managers in our Japanese location are making a special effort to keep in close contact with female employees who taken several years off to raise their families." The women are kept informed about developments in the company and permitted to take computer terminals home. The company also sends them business and professional publications and invites them to participate in technical seminars. By keeping the women "in the loop," HP hopes they will want to return to work at their first opportunity.

A business that caters to military families, USAA Property and Casualty Insurance Company, decided that military wives' knowledge of protocol made them ideal candidates to handle telephone claims from USAA's clients, many of whom are military officers. Recruiting efforts by the company's Washington, D.C. area claims office resulted in two full units staffed predominantly by these women. "Their knowledge of military etiquette made them perfect for the job," explains personnel and training manager Jacky Yeates. "These employees treated our clients with the re-

spect they are accustomed to. And there was a great sense of camaraderie among our claims staff, since they had so much in common."¹¹

Recruiting "Second Career" Women

One more category employers might consider are women who have retired from one profession and are looking for another, who work in their chosen profession only a portion of each year, have lost their jobs because of downsizing, or are simply ready for a change. Unlike women just out of school or those returning to the workforce, these women have the benefit of long-term, day to day experience; they have proven marketable skills, and they are likely to bring a fresh outlook to the business.

The armed forces are known both for excellent occupational training and their young retirees. As a result, recruiters from the Campbell Soup Company say they consider military bases a fruitful source of well-educated, well-trained women who are looking for a second career.

Other potential "second-career" resources for business include teachers, former entrepreneurs, free-lance writers, and factory workers displaced by automation.

Reconciling Family and Workplace Needs

As discussed above, companies wishing to recruit women need to focus not only on finding women whose interests coincide with theirs, but also on publicizing their positive efforts on women's behalf. And, certainly, if an employer is to compete for and retain the cream of the female workforce, those efforts must address another body of issues that dramatically affect both their working and personal lives.

In 1897, American women's rights pioneer Charlotte Perkins Gilman wrote, poignantly, of a dilemma that persists, to a certain degree, even today: "We have so arranged life that a man may have a house, a family, love, companionship, domesticity and fatherhood and yet remain an active citizen of age and country. We have so arranged life, on the other hand, that a woman must 'choose'; she must either live alone, unloved, unaccompanied, uncared for, homeless, childless, with her work in the world for sole consolation, or give up world service for the joys of love, motherhood, and domestic service."¹²

Most women can't afford—and do not want—to make this Hobson's choice. Nor can the men who live and work with them. And it is becoming increasingly evident that the economy, as well, cannot afford to have half of its workforce producing below its capabilities. Yet thousands of working women find themselves in this situation, in varying degrees, every day.

Unless employers and employees can find some middle ground between the competing worlds of work and family, someone is bound to pay the price: either the woman herself, in terms of stress, or the employer, in terms of productivity. Either way, both parties lose.

So, how should companies respond to this issue, which affects more and more employees—both women and men—every day? Where should the line be drawn between home and the workplace? Is it even appropriate for business to become involved in child care, counseling, or other family matters? J. Douglas Phillips of Merck and Company thinks it is: "Corporations have to realize that people don't leave their home problems at home and their work programs at work. It behooves the company to create work environments that are conducive to employee well-being."¹³

Lynwood Battle of Procter & Gamble agrees: "At one time, it was considered paternalism for a company to become closely involved in providing for the needs of its workers' families. It had a negative connotation. It's not so much that way anymore; people expect certain benefits. And we're seeing clearly that providing for those needs is in the company's interest."

Maternity-Family Leave and Benefits

Until the 1970s, many people considered childbearing exclusively a "women's issue," not only for the obvious, physiological reasons, but because pregnancy—or even the remote possibility of pregnancy—kept many women from being hired for positions of responsibility and sometimes resulted in their being fired. Women fought hard to overcome this kind of discrimination, maintaining that pregnancy was a temporary condition that in no way reduced their ability to be capable, reliable employees.

In 1978, Congress passed a law that forbids employers from firing or refusing to hire a woman because she is pregnant, requires employers offering disability leave to include pregnancy and childbirth in its definition of "disability," and dictates that women be allowed to return to work after giving birth. Although the law does not require any employer to provide maternity leave (time off beyond the disability period), those that do must offer men the same benefits: hence the development of "family leave" policies.

California and a few other states have enacted legislation requiring employers to provide a minimum maternity leave. In 1987, California Federal Bank and several other companies unsuccessfully challenged the state's law as discriminatory against men, since fathers were not similarly guaranteed minimum leave. As of mid-1988, the U.S. Congress was also considering legislation to require minimum parental and disability leave with job security.

Such proposals have raised concern in the business community. "Few entrepreneurs object to the notion of parental leave," says businesswoman Laura Henderson in an interview with *Fortune* magazine, "but they don't like Washington telling them what to do. There's a sense of loss, a true loss, of the flexibility that entrepreneurs hate to give up. The fear that I have about mandated parental leave is that you lose that dialogue, you lose that flexibility. If you mandate something, it's not going to be *my* workforce it's mandated for, but some kind of amalgamation of the world."¹⁴

"A law like this would have a devastating effect on small business owners," asserts Sydney Minich, a southern California entrepreneur who is herself a mother. "It's unrealistic and doesn't begin to consider how difficult and expensive it is for a small companies to let a key employee go for an extended period of time and then not be able to hire someone permanent to assume those responsibilities. Most small employers simply do not have the resources to do that. It's more economical to computerize than to operate under such restrictions. Small companies are creating most of the new jobs in this country. That is a fact. Why make things impossible for them?" Minich believes expanding the child care supply is a preferable option to mandated family leave, and her company has offered employees an innovative parental leave plan that avoids some of the government 'proposals' pitfalls.¹⁵

Apart from these concerns, employers know they have a genuine interest in attracting and retaining women of childbearing age, particularly the mid-baby boomers with ten years of experience or more behind them, and that family leave policies can be one way of accomplishing that goal. About 40 percent of larger American companies currently provide maternity/parental leave (in addition to paid disability leave) with full jobs guarantees.¹⁶ Company benefits may continue during parental leave, but employees usually receive no salary during this time. A few companies also provide financial assistance to new parents.

Family Leave Policies in Larger Companies. Family leave appears to be one benefit that medium-sized and larger companies can offer with much more regularity than smaller ones. Larger companies typically offer three to six months' leave, some up to a year, at the birth or adoption of a child. Some employers even broaden the definition of "family leave" to permit care of other ill or disabled family members.

A larger employee base helps make such absences workable; employees with training in interchangeable skills can fill in while new parents are out. Profitable, career-oriented companies also know they have a good chance of recouping their investment in family leave, since they may have already invested a great deal in

their employee's training and other benefits and chances are good that she (or he) will repay the company with loyalty.

At Campbell Soup Company, for example, either spouse may take up to three months unpaid leave to care for a newborn or newly adopted child, as well as for sick children and ill or elderly family members. Employees who take advantage of this policy do not lose their benefits during their leave and are guaranteed the "same or a similar" job upon their return.

HBO/Time, Inc. recently extended its 8 to 12 weeks of job-guaranteed paid disability leave to a maximum of 26 weeks. The company also offers an additional 3 months unpaid leave for new parents and \$2500 to help cover adoption costs.

In 1977, Procter & Gamble introduced a parental leave policy which allowed either parent—or both parents, by splitting the time—to take up to six months off at the birth or adoption of a child. In early 1988, the company liberalized its policy, in response to widespread employee requests, extending parental leave from six months to a year, with an option to work part-time during the leave period. The company also picks up adoption expenses up to \$2,000, with a \$6,000 maximum per family.

P&G's decision to expand its parental leave policy was motivated, in large part, by its desire to retain experienced female employees while saving money. Industrial relations manager Neil Barnett explains, "Before the change, we were losing some of our key people: talented women who thought it was worth losing their job to spend a year with their babies, or even to work part-time during that first year. We found that when they were ready to come back, we were re-hiring many of these women as contractors. From the standpoint of expenses, paperwork, etc., it seems to make more sense just to keep them on."

At one of the world's largest companies, IBM, employees may continue to receive their base salaries for up to 52 weeks of medical leave within a two-year period. Paid leave for childbirth begins with the employee's admission to the hospital and continues for 6 to 8 weeks—longer, if there are medical complications. New mothers or fathers employed by IBM—whether natural or adoptive—may also be granted up to a full year of unpaid personal leave, with an option to work for the company on a supplemental, part-time basis during that period. Throughout the leave period, employees continue to receive their full benefits. At the leave period's conclusion, upon returning to work, they are guaranteed reinstatement in the position they left, if available, or to a comparable position. The company also assists adoptive parents by paying 80 percent of their eligible expenses, up to a maximum benefit of \$1,750 per adoption.

Family Leave Policies in Smaller Companies. Generous family leave policies, such as those described above, while attractive to employees and feasible for larger employers, may be difficult for smaller businesses to implement. Very small employers, which are unlikely to hire more full time workers than they can keep busy, may not feel they can get along without a valued female employee for four months to a year. Hiring someone on a temporary basis to replace a highly trained professional or technical staffer can be expensive in terms of training and benefits (as the new mother continues receiving benefits), and the difficulty in laying off the new person after the new parent returns to work.

Where truly temporary arrangements are possible—using agencies for short-term clerical or bookkeeping staff, or college students for summer assignments, for example—small companies will find it considerably easier to accommodate requests for family leave. As it stands, smaller companies generally find it makes more sense to handle such requests on a case-by-case basis, but one company, an independent computer services firm in southern California called Executive Time Systems, devised a creative, across-the-board approach that allowed new parents time off without substantially reducing the number of hours spent on the job. In response to requests from her small staff, Executive Times Systems' founder Sydney Minich, permitted expectant parents to accumulate "compensatory time" for extra hours worked in the months preceding the birth. The policy made it feasible for the small firm to continue an employee's salary while he or she took time off to be with a new child.

Flexible Work Schedules

In addition to making special leave arrangements for new parents and others facing family transitions or short-term obligations, a growing number of businesses are finding it advantageous to accommodate employees' day to day family responsibilities by offering flexible scheduling on a more routine basis.

Flexible scheduling can be as simple as allowing employees to choose between starting work at 8:30 a.m. or 9:00 a.m. and as sophisticated as permitting each employee to apportion his or her own allotment of annual leave to cover vacation, illness, and personal business. Flexible scheduling may also involve part-time hours, or two persons sharing the same full-time job.

While 10 to 20 years ago, deviation from the straight 9-to-5, Monday-through-Friday, 50-week year was practically unheard of, a Catalyst survey of the largest American businesses found that, in 1986, one in three were offering some form of flexible work scheduling. Once viewed with skepticism, such flexibility has been found to improve, rather than harm, employee productivity,

and to reduce business costs associated with tardiness, absenteeism, and high turnover.

Adjusting Arrival and Departure Times

Flexitime, the best known form of flexible work scheduling, came into wide use in the United States after having been tested in European businesses for over a decade. A German aerospace company was reportedly the first to use flexitime, in 1967, to help employees cope with severe traffic congestion. The concept spread rapidly throughout Europe in the early 1970s, which was a time of low unemployment on the continent.¹⁷

With flexitime, workers generally may choose their daily arrival, departure, and lunch hours, given certain guidelines. Employees work an eight-hour day and usually must be in the office during specified "core" hours. After selecting their arrival and departure times, employees may either be required to maintain that schedule on a daily basis, or allowed to vary those times according to personal circumstances, providing they work the required eight hours. Some employers track these variable hours with time cards or sign-in sheets; others simply trust employees to work the appointed number of hours.

However flexitime is implemented, employers are finding that even small scheduling adjustments allow workers to meet their family responsibilities more easily, cut down on commuting time, and minimize the stress associated with both. Moreover, office staff managers report that staggered arrival and departure hours reduce distractions and wasted time that is common at the beginning and ending of a day, and increase productivity by allowing workers to tailor their workdays to their natural cycles of alertness and drowsiness.

This type of scheduling appears to work particularly well in both large and small office settings. Flexitime may not be appropriate for every job—a receptionist in a small office, for example, or a smaller factory that requires all workers to be present at once—but in most cases, only minor variations in the workplace routine are necessary.

Today, an estimated 10 million workers in the private sector participate in flexible time arrangements.¹⁸ In addition, the Federal Government's six year experiment with flexitime worked so well that it was made permanent in 1985. An estimated 500,000 employees at 41 federal agencies currently take advantage of the program.¹⁹

One of the first major U.S. companies to institute flexitime was Northwestern Mutual Life Insurance, whose policy has been in force since 1973. Most employees arrive between 7:00 a.m. and 9:00 a.m. and leave between 3:00 and 5:00 p.m. One employee

remarked that the variable working hours are a "real boon to the working mother." Another told the company magazine: "I love it. I get home in time to pick up my son from school." ²⁰

Two companies that have successfully implemented flexitime in a manufacturing setting are Control Data Corporation (CDC) and Hewlett-Packard. Both tried the new scheduling policies in one or two plants on an experimental basis before putting them into effect, company wide, on a permanent basis.

CDC allows its assembly line workers to pick their own arrival time, subject to clearly defined "core" hours, and end their workday eight hours later. First-line supervisors are responsible for coordinating workers' schedules. While workers enjoy considerable flexibility in a number of CDC's production facilities most manufacturing location schedules are carefully monitored so that operating units do not overlap unnecessarily between shifts. Though flexitime is not mandatory in any of Control Data's divisions, the corporate leadership now encourages all its subsidiary organizations to adopt it.

Hewlett-Packard takes a slightly different approach to flexitime, which affects more than 22,000 of its employees, almost 90 percent of these in manufacturing jobs. HP's flexitime system has no formal mechanism for monitoring hours; all employees—whether in office or manufacturing jobs—work on the "honor system." Flexible scheduling allows programmers and others whose performance does not depend entirely on the presence of other workers to control their own work pace. But plant workers have also adjusted well to the system.

The company first tried staggered work hours at its West German locations, and later introduced the concept as a summer experiment in its Waltham, Massachusetts plant. Workers were given the choice of arriving any time between 6:30 a.m. and 8:30 a.m. and leaving, after eight hours of work, between 3:00 p.m. and 5:00 p.m. Plant management, operating on a three-shift, 24-hour schedule, allowed evening and night shift workers similar flexibility, and maintained continuity between the three shifts with buffers of work-in process inventories.

Since factory jobs typically require an entire team to be present at once, HP restructured certain jobs, enlarging their scope to allow workers to perform independently for portions of the day. First line supervisors received special training to help them adjust to these changes.

The summer flexitime experiment worked so well that HP management extended it to other locations and made it a year-round policy. Interestingly, even when left to their own devices, the majority of workers chose to begin their day at 6:30 a.m. and

established a regular, dependable pattern of arrival and departure times.²¹

HP's Art Young, Corporate Benefits Manager, believes that flexible scheduling improves morale by demonstrating the company's confidence in its employees: "Flexitime was a breakthrough in how we view our people. It requires a great deal of trust. That is a small thing, but it says so much about the value you place on your employees. To be believable, you have to have credibility."

Other companies using flexible scheduling on a day-to-day basis include: Procter & Gamble, IBM, Shawmut Bank, Campbell Soup, Baxter Healthcare Corporation, American Standard, Hammond Organ Company, and USAA.

Compressed Work Week

Another scheduling approach that has been successful in retail stores and some factories is the compressed work week, which provides for full-time, 40-hour-week employment in less than five days. Under this system, for example, rather than working five eight-hour shifts, employees work four ten-hour shifts, affording them extra time for personal business, such as children's doctor appointments or other family responsibilities, that might normally take time out of the work day. There is evidence that the compressed schedule reduces absences, tardiness, and other expenses related to a five-day workweek, but some unions have opposed the idea on grounds that it reduces employer-paid overtime.

USAA's Washington, D.C. area claims office has used a four-day workweek since the 1970s. Personnel officers say it has been a strong recruiting tool, particularly in times of low unemployment, and it is especially appealing to mothers who must work full time. Offices are closed on the standard weekend; employees have a rotating day off each week: Wednesday, Thursday, or Friday.

Two pharmaceutical companies have adopted an interesting round-the-clock approach to the compressed week. Ciba-Giegy and Eli Lilly, both continuous-operation facilities, schedule individuals for alternating three- and four-day work cycles, during which each individual rotates between day and night shifts, week days and weekends.²²

Except where barred by union contract, the compressed work week could be an attractive option for restaurants, hotels, supermarkets, department stores and other establishments that remain open more than five days a week or eight hours a day.

Seasonal Hours

While "seasonal hours" technically means a form of flexitime available only during the summer months, the term, as used here, describes a schedule of rotating certain employees in and out of

jobs on a seasonal basis. For example, some businesses, especially those in tourist areas, require a larger workforce during school holidays than during the rest of the year. Other businesses and factories involving many repetitive functions can circulate trained workers through a variety of jobs, bringing in additional help as the demand increases. Seasonal hours are also a way of attracting a larger or replacement workforce at certain times of the year while also freeing other workers to pursue their family responsibilities.

Susan Ensey of McKesson Industries gives one example of how this concept can work. Managers at McKesson's Worcester, Massachusetts plant were having trouble recruiting factory workers a few years ago but found that by allowing mothers of school-age children to work during the school year, they could recruit high school students to fill those jobs during the summer. USAA is looking at a similar arrangement for its telephone claim handlers.

Flexible Vacation and Sick Leave

Giving employees flexibility in scheduling paid time off can be another attractive recruiting and retention tool, as well as a hedge against excessive absenteeism for personal business.

One rather unique approach is Hewlett-Packard's "Flexible Time Off" program, which, despite its seeming complexity, could save money for businesses that would like to offer—but cannot afford—a liberal paid sick leave policy. In 1982, encouraged by its success with flexible daily schedules, HP responded to employee suggestions to offer a combined vacation and sick-leave package. Before a new policy went into effect, employees were allocated between 10 to 25 days each year for vacation, and 10 additional days of sick leave that could be carried over from year to year and redeemed after 20 years for up to 50 percent of its cash value. Under the new plan, employees receive the same number of annual vacation days as previously (based on years of service), but in place of the 10 annual "sick leave" days, which relatively few employees will use, the company created a five-day block of "flexible leave" for all employees, who may use the leave to accommodate short-term illness, personal business (including child care), or vacations. Employees may continue to carry over unused leave from year to year, and regardless of their years of service, may cash in on accumulated days when leaving the company.

Another workable way to accommodate working parents' need for extra time off without added expense is Procter & Gamble's recent change to its vacation policy. The company now allows employees to use a portion of their annual vacation in half-day increments, giving them an extra few hours or day, as needed, to deal with child care matters, attend their children's school

functions, take care of personal business, or rest. This concept may be attractive to companies with smaller budgets.

Working from the Home

At-home is an idea that has been on the horizon for a number of years. Futurists of the late 1970s and early 1980s have depicted single offices that spread from downtown to the distant suburbs, with workers seldom leaving their homes and joined to other workers solely by their computer terminals and telephones, and the concept is already in use in a number of businesses and public sector offices. Yet equipment-based work in the home, or "telecommuting," has been relative slow to take hold in the corporate world.

Certain industries, such as cottage handicrafts, translation services, free-lance journalism, direct sales, and telephone marketing, often operate out of workers' homes. More recently, businesses have also begun employing telecommuters for transcribing, computer programming, technical writing, and other jobs requiring minimal supervision. A few states have labor laws governing home-work, primarily in factory-type occupations; states without such laws fall under the jurisdiction of the U.S. Department of Labor and the Fair Labor Standards Act of 1938.

One company that hires skilled computer programmers and technical writers to work at home is the Learning Company. The small, northern California computer firm contracts with telecommuters to produced educational software and manuals, and pays them by the job. Two companies that regularly hire home workers across the nation for telephone work are the Gallup and Harris polling firms.

For workers whose family responsibilities do not coincide with the traditional workday, telecommuting can allow them full time employment at the most convenient hours for them. For some new mothers, this option might make the difference between continuing to work and dropping out of the workforce for three or more years.

Despite the success some industries have had with employees accustomed to working independently, some employers are hesitant to try this approach, fearing that without close supervision, workers will not be productive. But other companies report that telecommuters are more, not less, productive than office employees performing the same jobs.

This has been true for Blue Cross and Blue Shield's South Carolina offices. Telecommuting began as an experiment in 1978, when a manager took claim reports home to key into a computer. A few years later, the office hired 14 more "cottage keyers," to key and code claim reports. The company was surprised to find

that for paid hours, these workers were about 25 percent more productive than their office counterparts, and had zero turnover for the first five years. Considered part time employees, these workers are not eligible for the same benefits as full timers, but, paid by the claim, they may end up with a higher monetary income than hourly or salaried claims processors.

A few companies actually employ more telecommuters than office staff. One of these is F International (FI), a small data processing company that is virtually 100 percent home based. Unlike other companies mentioned here, FI started out, 20 years ago, as a telecommuting company and has only recently moved into more on-site work. Ninety-six percent of FI's international workforce (and 84 percent of its U.S. workforce) are women, most of them with family responsibilities, and most of them part time. Interestingly, though these workers are scattered worldwide, they work in teams involving from as few as two to as many as 75 people at one time. The company uses many free-lancers as well—both men and women.

Another company that has built its success on telecommuters is the American Service Bureau, headquartered in Des Plaines, Illinois, which contracts with several hundred telecommuters to collect and process medical data for the insurance industry. Telecommuting staffers, working within a franchise-like structure (but with no investment), interview insurance applicants, collect medical histories, and fill out reports. The company provides training and full benefits. Workers earn according to what they produce; an employee in a busy territory can reportedly earn up to \$60,000 a year.²³

Telecommuting can even work for managers, according to Pacific Bell, which began a telecommuting program for managerial employees in April 1985. By the end of the first year, approximately 80 programmers, analysts, engineers, marketing planners, project managers, external affairs managers, and forecasters were working at remote sites or at their homes throughout California. The company believes this approach allows employees more flexibility to handle family situations, but also feels their employees should find day care rather than using telecommuting to work and care for their children at the same time.

Part-time Scheduling

For men and women with pressing family responsibilities, working part-time, that is, working fewer than the standard 40 hours each week, is an attractive option. In fact, in a 1977 Department of Labor survey, more than two-thirds of mothers of young children said they would prefer to work shorter hours, even if it meant lesser pay, to spend more time with their families.²⁴

Switching from full- to part-time arrangements can allow both employers and employees to maintain professional contact during a time when the employee might otherwise be forced to abandon the workplace altogether. Maintaining the relationship allows the employer to continue training and developing these employees, with less chance of losing them to a different company when they decide to return full-time to the workplace. Some companies are reluctant to allow full-time workers to switch to part-time, citing payroll and benefit costs, but others see such arrangements as a way to retain talented female employees with children or other family responsibilities.

The Boston law firm of Foley, Hoag & Eliot permits its attorneys to ease back into their jobs following maternity or parental leave, usually on a three to four day per week schedule. Similarly, several women in high-level technical jobs at Bank of America's San Francisco headquarters switched to a three-day work week following the birth of children.

To keep working mothers in non-professional jobs, a company may simply adjust one of its functions to accommodate a shorter workday. Honeywell Corporation tried this at one of its plants in Massachusetts, placing interested women on a "mothers' shift." These workers put in hours that coincide with the hours their children are in school, and high school and college students fill the women's jobs during the summer months.

On a smaller scale, this approach also has been a success in medical offices. One four-doctor practice hired a woman to work part-time, during school hours, processing insurance paperwork. The employee's duties do not require her to consult directly with patients or keep the same hours as the nurses and appointment staff. Twenty hours a week is sufficient time to complete the work, and the arrangement seems to work well for all parties.²⁵

Job Sharing. "Job-sharing" is one permanent part-time arrangement that is used fairly widely in government offices (particularly at the state and local level) but that, like telecommuting, has been relatively slow to catch fire in the private sector. Yet the idea is gaining more acceptance as news spreads about successful pairs who, with each person working half-time, share a single job.

Introduced in the late sixties as a way to provide career-level opportunities for persons unable to work a 40 hour week, the concept has been tried in occupations ranging from service to professional. Examples of jobs that have been successfully restructured to accommodate two people include: receptionist, legislative aids, executive secretary, probation officer, facilities engineer, computer programmer, medical technologist, program director, and college president. Employers have generally adopted such arrange-

ments only in direct response to prospective job-sharers; to date, very few companies have institutionalized job sharing.

Depending upon the duties involved, job-sharing can mean splitting one position—usually clerical or blue collar—with the two workers doing the same job but sharing few if any overlapping duties. The pair's main responsibility is to ensure the job is covered at all times, coordinating their schedules so that one worker is present if the other must be absent or is on vacation.

When two secretaries at Johnson & Johnson's corporate headquarters' Law Department gave birth around the same time, they approached their supervisor about sharing a position. The two women agreed to split each work week in half, with one picking up assignments where the other left off. The company pro-rates the position's salary, benefits, and vacation days between the two employees, and the women save money on day care by watching each other's child on days off. Reportedly, the supervisor is very pleased with the arrangement and feels he is getting more than just "two for the price of one." Each secretary is actually more productive working half time.²⁶

One of the first factories to institutionalize job sharing was The Rolscreen Company, a 2,000-employee door and window manufacturing company in Pella, Iowa. In 1977, two factory workers, sisters-in-law in their late twenties with young children, approached management about splitting a job. The improvement in the two employees' absentee and performance ratings inspired the company to extend the option to any job that could be adapted to it. Today, more than 50 pairs of employees, mostly unskilled line workers, share jobs. The personnel department keeps a list of employees interested in job sharing, but prefers that sharers find their own partners. While job-sharing employees, as individuals, generally work fewer than forty hours a week, the company continues to provide them the same health and dental benefits they received as a full time employees.

Genuine job sharing, as opposed to job splitting, involves positions that are ordinarily available only to full time workers. Such jobs cannot be easily broken down into small, stand-alone tasks and usually include some supervisory duties. These employees take a team approach to their shared job, communicating often with one another, both by phone and in weekly face-to-face meetings. Because it is important that such job sharers be compatible, both in personality and in ability, partners usually choose one another before approaching their employer. The best matched job-sharing teams will offer their companies twice the experience—and often a much broader range of experience—twice the creativity, and twice the energy of an ordinary employee, with fewer absences.

In late 1977, TRW Vidar, a small business within giant TRW's telecommunications empire, had its first contact with job-sharing when two women in the personnel department approached their supervisor about sharing the demanding position of Personnel Representative. (Both had become pregnant at around the same time.) The supervisor turned them down, but agreed to let both women continue working, part time, in the jobs they held at the time. When it later became evident that the Personnel Representative position was busy enough, and project-oriented enough, for a two persons, the women took over the job as a team.

By 1983, each was working 2½ days a week, with a half hour overlap on Wednesday. The salaries were pro-rated to account for one partner's more extensive experience, and even though they were technically part-time employees, the two women received full company benefits. "They bring to the job a full-time commitment, not a part-time attitude," said Bill Connolly, TRW Vidar's Manager of Recruitment and Staffing. "After all their years of experience . . . [t]o think that one would have had to go away, that we weren't willing to change a little bit, would have been sad. I'm proud to have the example of teamwork in a business environment."²⁷

Job sharing is working even in highly-skilled professional positions. For example, two sisters working as anesthesiologists at Kaiser Medical Center share their practice, each working three days a week and sharing responsibility for each other's children. Harvard Medical School has experimented with shared residencies to allow students with families to extend their intensive, on-the-job training over a period of three years. Even at half-time, residency schedules are rigorous: Job-sharing student doctors still put in between 35 and 60 hours a week.²⁸

Child Care

Seemingly overnight, the child care issue has moved to the forefront of national consciousness. Advocacy groups are campaigning vigorously for large-scale federal spending programs, and more than 100 bills have been introduced in Congress as a result. U.S. Secretary of Labor Ann McLaughlin recently released a Department task force study on child care, and announced her intention to focus national attention on the issue. Day care centers have been regularly featured in both print and electronic media; the topic comes up daily in trade association conferences, town meetings, and talk shows.

With rising numbers of working parents, the demand for high quality child care is on the rise as well. Waiting lists of 100 children or more are common in the best metropolitan area facilities. For economically disadvantaged persons, particularly single

mothers, finding affordable child care could well make the difference between talking a job and continuing to live on government support programs. A 1982 Census Bureau study found, in fact, that more than 1 in 3 non-working high school dropouts say they would go to work if they could find affordable child care.

But with 75 percent of the demand for day care coming from families earning more than \$25,000 a year, quality and choice, rather than affordability, remain the prime concerns for most families. In *Fortune's* 1987 survey of working parents, for example, a majority said they felt their children were not receiving enough time and attention in day care. And high turnover among low-earning child care workers seems to contribute to the shortage of trained, experienced care-givers.

Seeing the need for day care among their own employees, a number of employers have begun offering child care assistance as a benefit. Some subsidize their employees' child care expenses, sometimes in lieu of other fringe benefits. Some companies are working to expand the supply of child care in the community; a number sponsor facilities on company premises. Still others direct their energy toward improving the overall quality of services in their communities and making sure their employees know where to find high-quality child care. Unions are also starting to push for more day care centers and flexible working hours as part of collective bargaining agreements.

Employers that have become involved are reporting an improvement in turnover and productivity rates and a boost in company morale; many are finding that child care benefits are a valuable recruiting tool. National surveys also show that many companies believe they are saving money by responding to their employees' needs for child care.²⁹

But while demand is high for such benefits, only a relatively small number of American businesses—about 25,000, or two percent, of establishments with ten employees or more—currently sponsor day-care centers for their workers' children. An additional 35,000 provide financial assistance that can be used specifically for child care.³⁰

Employer Subsidies

By offering to subsidize employees' child care expenses, employers are able to provide a needed benefit while retaining parents' freedom of choice and without incurring additional liability for the company. Companies may choose to reimburse their workers, based on financial need, for a portion of their child care expenses. More commonly, however, employers providing child care benefits do not restrict them to lower-earning employees.

Vouchers. Voucher systems allow companies to meet their employees' varied child care needs while maintaining some control over the facilities chosen. Contracting with a high-quality, often licensed, child care provider, the company pays a portion of each enrollee's tuition directly to the provider.

In situations where most of the affected employees live or work in the same area, a company might select one or two specific providers ahead of time, and issue vouchers that employees may redeem for care at those facilities. Companies with employees at more scattered locations can still use a voucher system, even though it is impossible to direct parents to specific child care facilities. Polaroid Corporation, whose workforce is scattered throughout Massachusetts and seven other states, uses vouchers to directly subsidize child-care expenses for employees earning less than \$30,000 a year. The company signs a standard contract with any licensed provider the employee chooses, then pays a portion of the annual bill—between 20 and 80 percent, depending on the worker's circumstances—on a quarterly basis. The program has been in operation since 1971 and, according to Polaroid management, has increased productivity by "freeing employees to work to their fullest potential."³¹

Direct Reimbursement. An alternative to vouchers is direct reimbursement of child care expenses, often as part of a flexible benefits package. Under "flexible" or "cafeteria" benefit plans, an employer permits workers to choose from among a variety of benefits, up to a specified dollar limit. Such plans typically offer basic medical insurance and additional, optional benefits such as extra vacation days, life insurance, college tuition assistance, or child care. Such plans give workers a choice while allowing employers to offer generous benefits at a lower overall cost. Procter & Gamble is one company that offers a child/dependent care option under its flexible benefits program. Employees may use their full credit—worth two to four percent of annual salary, based on time with the company—to spend on this option.

In limited cases, an employer may opt to reimburse parents for child care as it would any other business expense. One company in the Johnson & Johnson corporation, for example, reimburses employees' child care expenses during its annual out-of-town meeting, which the company requires both the employee and his or her spouse to attend.

Employer Sponsored Child Care

Some companies have already found on- or near-site child care facilities to be an effective way to alleviate working parents' on-the-job stress. Because such facilities allow parents to maintain contact with their children, "the line between work and family is

not so brutal," explains one child care professional. Providing this benefit can also mean doing without key female employees for a much shorter period of time, since on-site child care—especially if it accepts infants—gives new mothers an incentive to return to work rather than leave their job for a year or more.

On- or near-site care seems to do somewhat better in smaller cities or suburban areas, as opposed to big cities, since parents working in urban centers may be unwilling to have young children accompany them on crowded public transportation.

Opening one's own center can be a fairly expensive option, and is therefore not widespread among the smaller companies. Some smaller employers have, however, overcome this hurdle with cooperative financing. Child care liability insurance, on average, is still surprisingly low,³² but that situation may worsen if the child care industry runs into the same legal problems as health care and other enterprises that provide personal care. But employers rarely put themselves in the child care business, even if they continue to finance its operation. In most cases, companies are contracting with professional child care providers to operate the centers.

On-Site Child Care. One very popular on-site program is Campbell Soup Company's "top of the line" day care center at the company's Camden, New Jersey corporate headquarters. Campbell contracts with a local child care specialist to operate the center; employees pay (50 percent subsidized) weekly fees ranging from \$70 for infants six weeks and older to \$46 for kindergarten children. The well-received program, which combines supervision with education, can serve 123 children at a time and usually has a waiting list, particularly for infant care.

Johnson & Johnson plans to open its own on-site child care center in 1989, making the facility available both to corporate employees and to employees of its subsidiary companies in the local (New Brunswick NJ) area. J&J learned from an internal employee survey that the company would have substantial support for this move.³³

Hosiery manufacturer Neuville Industries, Inc. claims its outstanding recruiting success is a direct benefit of the on-site child care center at its Hildebran, North Carolina plant. The plant opened in 1979, a time of fairly low unemployment for that region. Consequently, area factories found themselves competing intensely for production workers. Yet Neuville received four applications for every opening, and 95 percent of the applicants said they had been attracted by the plant's child-care center.

Since then, while its competitors experience 80 to 100 percent annual turnover rates, this plant turns over an average of only about 35 percent of its workforce each year. The popular program has been expanded twice since its inception. The company's yearly

investment in the child care program has ranged from \$22,000 initially to approximately \$43,000 following its second expansion, but the investment is offset by more than twice that amount in savings generated by reduced absenteeism, turnover, and payroll taxes.³⁴

Near-site Child Care. In an effort both to help its own employees and to increase the overall supply of child care in the Cincinnati, Ohio, area, Procter & Gamble provided \$375,000 in 1984 to help establish two new child-care centers near the company's largest work sites. In return for this investment, P&G's employees have priority access to approximately three-quarters of the 140 available child-care slots in the two independently run centers. Additional slots, as well as unused P&G slots, are made available to the community at large.

In 1983, the American Savings and Loan Association purchased and renovated a church building (at a total cost of about \$550,000) near its downtown Stockton, California headquarters and established a child care facility there. The Little Mavericks School of Learning currently serves about 160 children between the ages of two and thirteen. Parents using the facility pay their monthly fee through a payroll deduction of \$185 to \$260 a month, and American Savings subsidizes the center's operating expenses. The company also uses the renovated building for other extracurricular activities for employees, such as parenting classes, as well as early childhood education forums and other programs for the community at large.

Using leased space in a partially-empty public elementary school building, the California Institute of Technology (Cal Tech) contracts with a non-profit company to operate a near-site Child Education Center (CEC) for employees of the Jet Propulsion Laboratory (JPL), one of Cal Tech's operating divisions. JPL's Women's Council, having learned through an employee survey that there was tremendous interest in company-supported day care, was the driving force behind Cal Tech's decision to provide a \$31,000 interest-free start up loan for the center.

Open both to JPL employees and the community at large, the CEC specializes in caring for infants, toddlers, and preschool-age children, and even accepts babies as young as two months old, a fairly unusual service for such facilities. Cal Tech/JPL provides liability and workers' compensation insurance and helps offset other facility expenses; its employees receive a 10.5 percent discount on tuition. JPL employees and their spouses also participate in the Center's maintenance and fundraising efforts; parents are expected to put in twenty-four hours a year. Some parents also serve on the Center's board. Co-director Eric Nelson says almost all parents he interviews, "even those who do not choose to bring

their children here," tell him the center's close-to-the-office location is one of its most attractive aspects.

The program has expanded twice over a three-year period and will expand again in the fall of 1988, with JPL increasing its financial commitment in line with the percentage of enrollees who are JPL children. As of early 1988, the CEC's waiting list contained 200 children's names. Nelson says he believes this employer's commitment to child care stems in part, paradoxically, from the fact that "80 percent of the employees who take advantage of the program are men, since their wives' employers don't provide child care. I'm convinced that, as more and more women work, forcing men to take a greater responsibility for day-to-day child rearing, the demand for employer involvement in child care will increase. As men have to deal with the problems women have faced for years, we will see a shift in attitude among male managers. I believe we have a good program here. It is a model all businesses should take a look at."

Day Care Consortium. Smaller companies wishing to establish their own day care centers can do so by joining with other employers clustered in the same downtown or suburban business center. In return for tax benefits and guaranteed slot for their own employees, these companies can form a consortium to jointly fund a near-site center's construction or operating costs. The concept may also be attractive to decentralized companies' remote offices or facilities, especially if those companies do not already have an across-the-board child care policy.

The Tyson's Corner Play & Learn Children's Center in Northern Virginia—one of four such establishments in the Washington, D.C. metropolitan area—is an example of how businesses in a common geographical area can work together to meet their employees' child care needs. In return for tax benefits and reserved child care slots for their employees, 22 local employers contributed \$100,000 (\$1,500 for each reserved space) toward the costs of establishing this independently-run facility. The Center makes scholarships and subsidies available to families who cannot afford the weekly tuition.

Resource and Referral Services

Child care referral services are an option both small and large employers can investigate. Unlike on- or near-site child care, this service seldom requires a large investment of money or facilities. Moreover, such programs are flexible and can meet a wide variety of child care needs.

Resource and referral services usually involve a local agency that becomes a clearinghouse for information about day care options throughout a community. Often, the referral services will

maintain a computer data base that can be searched by location, size, cost, hours, children's ages, or other specifications. Using the data base, agency counselors develop a list of child care providers compatible with employees' needs and preferences. Employees may then contact those providers and select the most appropriate one. In communities that already have active resource centers, companies may contract with them to assist employees. Where there are no independent resource facilities—or those facilities cannot meet employees' demand—a company may decide to start a resource network on its own. Another option is for companies with Employee Assistance Programs to include child care referral among the counseling services provided.

There is evidence that this educational, information-sharing approach helps ensure that higher-quality facilities are supported and expanded. Moreover, an employer who chooses this approach is providing a needed service to its employees without incurring additional liability. Despite its advantages, this approach cannot solve the affordability problem for every employee. In companies where this is a problem, managers may opt to augment resource and referral services with income-based subsidies.

Employer-Initiated Referral Services. The most dramatic employer initiative in this area is IBM's nationwide Child Care Referral Service. The first such network in this country, the referral program has assisted more than 25,000 IBM parents, free of charge, and helped expand the supply of child care providers in local communities throughout the United States.

IBM began the referral program in 1984 as a way to help employees meet their child care needs and to improve both the availability and the quality of care for the community at large. The company hired Work/Family Directions, a consultant in Wattertown, Massachusetts, to develop a network of 250 community-based resource and referral organizations to provide service to IBM parents in local areas. The consultant reviewed regulations in each state and worked to remove zoning and other impediments to child care in hundreds of localities; the company also funded production of a child care handbook and pamphlets on child care regulations. Additionally, IBM donated personal computers to a number of organizations in the network and funded the development of special software to help these organizations manage their data bases of local providers.

IBM's director of dependent care programs, Jack Carter, says the program has been successful because "it helps meet the diverse child care needs of IBM parents. Each organization in the network is able to target its recruitment and development activities in response to specific community needs."

"For example," Carter explains, "in Atlanta, there was a great demand for suburban day care centers but not enough available. The local child care resource and referral organization saw that suburban churches could be a potential source of child care centers, so, with IBM funding, a conference was held for churches interested in establishing non-denominational child care centers. Those that decided to go ahead with a center received technical assistance, as well." These efforts resulted in three new church-based centers, with spaces for approximately 230 children; six more are in various stages of development.

With additional funds from IBM and other sources, organizations in the resource and referral network have helped recruit or develop about 43,000 new care providers since the program began. More than 33,000 of these are home-based family day care providers. The company has also funded training for 20,000 child care providers in such areas as child development, safety, nutrition, and business management.

Few companies will want to undertake such a large-scale effort as IBM, but they can apply the same principles on a smaller scale, as Procter & Gamble did, in a single metropolitan area.

In 1984, P&G provided \$35,000 in start-up funding for a day-care resource and referral service open to parents, both employees and non-employees, throughout the Cincinnati area. Like IBM's resource centers, the Comprehensive Community Child Care referral network, known as the "four C's," seeks to recruit new home care providers in the community.

Third-Party Resource and Referral. A relatively inexpensive alternative to a company's starting its own referral service is to contract with an existing service. Boston's Shawmut Bank does this, contracting with the Child Care Resource Center, an independent, nonprofit organization that maintains an up-to-date listing of 3,000 registered or licensed child care providers in eastern Massachusetts. Shawmut makes this service available to its employees free of charge.³⁵ Both U.S. Bancorp and Pacific Northwest Bell, located in Oregon and Washington states, contract with the Northwest Family Network to provide their employees information about day-care centers and other family-related services.³⁶ McKesson Industries in San Francisco also uses a local child-care referral service for its employees.

Employee Assistance Programs. A number of companies have in-house counseling programs, called Employee Assistance Programs (EAP), that were originally intended to help drug-addicted and alcoholic workers find treatment. Today, EAPs are available to assist with a variety of family and personal problems, and are sometimes used as a limited resource for employees seeking child care.

Employee assistance coordinators at Johnson & Johnson can help employees to identify and analyze their child care options. Procter & Gamble, Ameritrust Bank, and USAA also have counselors on staff equipped to guide parents in finding child care.

Day Care for Sick Children

Even with accessible, affordable day care for young children, many working parents have to face the problem all over again when those children reach school-age. Options for regular school days include relatives and neighbors, baby sitters, or after-school sports. But when a child has to miss school because of illness, his or her parent (more often the mother) usually misses a day of work as well. The same is true for younger children, since day care centers often have no special accommodations for children who may be contagious to the other charges. As a result, working parents' attendance and productivity are compromised.

As discussed earlier, flexible scheduling can reduce employees' use of company time for personal business, including parental responsibilities. But another solution to the sick-child dilemma is for companies to provide or help employees find near-site day care especially for sick children.

Clinic-based Care. Hospitals or clinics with partially empty wards may be willing to cooperate with local employers wishing to establish sick child facilities. One company that has had success with this concept is the Transamerica Life Insurance Company, which established a 15-bed sick room for its employees' children at Los Angeles' California Medical Center, just four blocks from the office. Parents paid only \$5 to \$10 per day, depending on how long the child stayed and on whether siblings checked in together, and their employer subsidized the remainder of the \$45 daily cost. Before initiating this service, the company estimated it lost between \$150,000 and \$180,000 a year due to employee absenteeism to care for sick children.

Although a shift of responsibilities recently led the California Medical Center to discontinue its participation in the program, Transamerica is actively seeking to replace it with another health care facility so that the company may continue offering this valuable service to its employees.

Home-based Care. A more costly alternative is home-based care for sick children. 3M Company has a pilot program which sends health care workers from Tender Care for Kids, an affiliate of several major Twin Cities hospitals, into parents' homes to care for children with chicken pox, the flu, or other childhood illnesses. The company subsidizes a portion of the \$9.50-per-hour fee, tailored to the worker's ability to pay.

Resource and Referral. While there are still relatively few programs that provide care for mildly ill children of working parents, employers can attempt to identify the existing services in their communities by checking with local child care resource and referral organizations. Where necessary, companies can fund their own studies. IBM took this approach, contracting, once again, with Work/Family Directions to conduct research on sick child care programs. The results of the study are discussed in a book, entitled "A Little Bit Under the Weather," that has been distributed to child care professionals, the American Academy of Pediatrics, and various state and local government agencies. IBM hopes this information will stimulate innovative community solutions to the shortage of sick child care programs.

Expanding Child Care Options through Corporate Philanthropy

Clearly, American business has an immediate interest in ensuring that employees have access to good, affordable day care. And through efforts to meet this need for their own employees, some larger companies' benefits have already spilled over into the community at large. In the interest of good corporate citizenship, other companies are becoming involved with child care as a community-wide issue, some by forging coalitions among businesses or between private, public, and non-profit entities, to help expand the supply of trained providers.

Business Consortium. One important way that a company can make a noticeable difference in the community is to combine its resources with those of other companies that share its goals. American Express Company, through its American Express Foundation, did this in 1986 by recruiting eight major employers and a national Foundation in New York City to help fund a city-wide expansion of child care services. Together, the nine donors contributed \$395,000 to the Neighborhood Child Care Initiatives Project.

The program helped launch four new neighborhood child care networks and expand two existing ones. Community organization sponsors helped new providers become licensed and operated a referral service for parents. American Express contracted with Child Care, Inc. to provide the new resource centers with recruiting materials, training workshops, and other support services.

Public/Private Sector Initiative. Mobilizing an entire state behind a child care supply building initiative, BankAmerica Foundation organized and ran a collaborative public/private sector program that has recruited, trained and licensed more than 1,200 new providers and created more than 5,000 new child care slots since 1985. Led by BankAmerica, a 33-member consortium of private companies

and public agencies provided money to California's state resource and referral agencies expressly to increase the supply of quality child care in the state.

Care of Elderly Dependents

As the core of the American workforce ages, more and more employees will face the responsibility of caring for elderly relatives, whether as spouses, siblings, or adult children. In fact, the recent drift toward delayed childbearing will place upon many families the double burden of caring for young children and elderly parents at the same time. Confirming this emerging trend, the Travelers Corporation found, in a survey of more than 1,400 employees aged 30 or older, that 20 percent were already providing some form of care to elderly relatives or friends, and eight percent said they spent at least 35 hours a week caring for elderly persons.³⁷ Like parents' problems with juggling children's and professional demands, these responsibilities are an added source of stress, both emotional and financial, to working people.

Since it is a relatively new issue for business, corporate initiatives to address the needs of employees with elderly dependents are much less widespread than initiatives in other family-related areas. But, with the 65-and-older population projected to grow by more than 4 million between 1988 and the year 2000,³⁸ and with more and more people reaching their eighties and beyond, companies will soon need to look at this problem more closely.

Even though retired persons may have a number of resources to draw on for medical expenses and other supplemental care or services, family members may need to assume responsibility for some of these costs. Long term nursing care is probably the largest potential expense elderly persons and their families face, although insurance products to cover such eventualities are starting to appear on the market. Employers may want to consider expanding or tailoring their current benefit programs to include such coverage. One company that has opted to help employees and their families in this way is Procter & Gamble, which makes available to eligible P&Gers' elderly parents a long-term care insurance program. Employees and/or their parents pay for coverage at the company's group rate.

Elderly Services Resource and Referral

Although most persons in their sixties and seventies remain active and live independently, more and more people are living to their eighties and beyond, when they are more likely to require some kind of regular assistance. A generation ago, it was fairly common for younger relatives, usually women, to care for frail

elderly persons at home. But juggling such responsibilities with full time employment, as many affected families must today, is considerably more difficult, and the problem becomes even more acute when the elderly relative lives far away or requires round-the-clock supervision. Evaluating and selecting professional nursing care or other services can be a confusing and painful process, and these pressures can affect even the most conscientious employee's performance on the job.

Company-supported referral programs for nursing care and other services for the elderly can be a relatively inexpensive, yet flexible, way to help employees address this family responsibility, although independent referral services, such as those available for child care, may be difficult to find. Depending on its employees' needs, a company may wish to fund a regional survey of services for the elderly.

Taking the lead in employer-sponsored programs, IBM has recently established a nationwide resource network that can be a model for similar efforts by large companies, business consortia, or other community-based groups.

IBM's Elder Care Referral Service, established in February 1988, lists about 175 community-based organizations that provide service in local areas. IBM employees, retirees, and spouses can call an experienced geriatric counselor in the area where their older relative lives, who will discuss with them various near- and long-term alternatives, offer referrals to potential care and service providers, and provide consumer education materials to assist in making key decisions.

IBM undertook this project in recognition of the United States' growing elderly population. A company survey revealed that 30 percent of company employees had some responsibility for older relatives, and eight percent indicated they had older dependents. "The wave of elder care issues we thought was approaching is already here," explains dependent care program director Jack Carter, "and the common thread for employed caregivers is a need for information and guidance. Most existing information sources are open only from 9 until 5, the least convenient time for someone working full time. Also, there are many providers out there, but the interrelationships among the various care and service providers are often difficult for the uninitiated to understand. What if an employee has a relative in a distant city who needs to be cared for? How can he or she, working alone, begin to find the best possible care for that person? It was obvious that a national network model was needed." Interestingly, IBM's contractor, Work/Family Elder Directions, found that, because a great deal of expertise on geriatric care already exists across the nation, and

setting up a network of organizations with qualified counselors was a very feasible approach.

The Elder Care Referral Service is available free to any IBMer, including overseas employees with elderly relatives living in the United States, but it is the IBMers or their older relatives who select and pay for services found through the network. In the program's first month, more than 2700 employees contacted the network for help—about twice the number contacting the company's child care referral program in its kick-off month.³⁹

Carter believes that the Elder Care program addresses an increasingly important issue, and predicts that before long we will see many companies providing similar or other services to employed caregivers. "Many employees are and will be involved in long-distance care situations," Carter says, "so a national network can be a tremendously valuable component of any corporate elder care program."

Employee Assistance Programs

EAPs, with counselors trained to help employees deal with a variety of personal problems, can broaden their services to include elderly service referrals, although most programs are not equipped to deal with these issues to the same extent as specialized resource centers.

One company's EAP, however, has recently been expanded to accommodate employees seeking care for both children and elderly dependents. "Once we were looking only at day care," says J&J's Equal Employment Opportunity director, Marion HochbergSmith. "But then we realized that today's parents have many more issues to deal with. Since people are having their children later, they're often placed in the dual role of supporting both children and elderly relatives."

HochbergSmith, herself a mother of a young child and daughter of elderly parents, was recently placed in the stressful position of having to find nursing care quickly while juggling a heavy workload at the office. An employee assistance coordinator gave her several leads to investigate. "Not only did I find what I was looking for," says HochbergSmith, "I found it with a minimum of stress and without having to take time off from work."

Other Family Services

Counseling

In addition to the logistical challenges of finding dependent care, emotional or relationship problems can impair even the best employee's performance on the job, while contented employees

are more likely to be dependable and productive and less likely to engage in intra-office conflict. Consequently, EAP counselors are often available to help employees' immediate families.

Control Data Corporation, for example, offers employees and their families a round-the-clock counseling service called "EAR," or Employee Advisory Resource. And USAA's service goes to great lengths to protect an employees' privacy by allowing them to use protected phone lines to reach counselors during working hours. Many other companies sponsoring EAPs also extend those services to family members.

Accommodating Dual-Career Couples

Companies that have lost valuable workers because of conflicts with their spouses' occupations know that incompatible job locations, goals, or other adjustment problems can drive wedges between a working couple—and often, one of their employers suffers. By trying to reduce the incidence of such conflicts, employers can have a better chance of retaining these workers. Permitting or encouraging both spouses to work for the company prevents split loyalties, and can reduce costly turnover. And where both partners worked for the company before marriage, employers can save money by consolidating two sets of family benefits. Of course, to avoid the problems of spouses working together, or even reporting to each other, dual-spouse policies will probably work best in larger or departmentalized companies.

Du Pont is one company that enthusiastically supports dual-career couples. In fact, nearly 7,000 of the 100,000 Du Pont employees in the U.S. are married to another Du Pont. There are 80 married couples, for example, at Du Pont's plant in Cape Fear, North Carolina. IBM and Procter & Gamble also have a number of married couples within their ranks.

Children of Transferred Employees

Nowhere is Maurice Wright's observation that "employees bring the whole family to work," more true than for companies that regularly transfer their managers. Such moves mean that spouses and children are uprooted from their own jobs or activities and separated from friends or families. Companies that are sensitive to these difficulties will have an edge in recruiting and retaining men and women with families.

Companies employing both a husband and wife may try to find a new job for the transferee's spouse, and if there are no jobs available in the company itself, help with his or her job search expenses. Both IBM and Procter & Gamble take this approach, also providing the transferee's spouse a leave of absence, if neces-

sary, and helping to finance job searches for spouses who do not work for the company.

A 1981 employee survey convinced Baxter Healthcare Corporation that its relocation policy needed to focus more closely on the family aspects of employee transfers. Although the company currently moves less than 5 percent of its employees every year, those relocations are considered critical, and the company has found that a heightened sensitivity to personal and family considerations has paid off. For the children of employees being transferred, the company prepares special kits, geared to different age groups, that "try to address relocation from the child's perspective, making an effort to emphasize the positive aspects of moving." Follow-up surveys show that the kits, which include such items as T-shirts, scrapbooks, coloring books, crayons, school bags, address books, key chains, or stationery, are well-received.⁴⁰

Retaining and Promoting Women

Though direct recruiting efforts and family related programs are ways to attract available workers, companies know they must do even more to build the kind of reputation that consistently attracts new applicants and makes them want to stay. With the pool of potential applicants becoming increasingly more female, American business has had to revise its perception of what constitutes "a good company to work for." While sensitivity to family-related needs will give companies an edge among female applicants as a group, attracting top job candidates will also require attention to enriching female employees' development, both personally and professionally.

While not all employees—women or men—aspire to top corporate management, businesses know that those with the most to give will produce for the company, given the opportunity to rise to their potential. Those that feel uncomfortable or unfulfilled will leave; those that feel valued are likely to stay. Businesses can take positive steps to earn the loyalty of women employees, not only by addressing their family needs, but by taking steps to improve their working environment and promotion opportunities.

Employees of either gender will perform better if they know they are respected and will be treated fairly. Even a hint of unfair discrimination can turn a harmonious working environment into an environment filled with suspicion and dissatisfaction. Women, still far from equal representation in corporate management, are particularly sensitive to these issues.

Equal Pay for Men and Women

Although the situation has improved dramatically over the last few years, women, on average, still earn less than men. While

women's higher representation in lower paying occupations partially explains the differential, it still has not completely disappeared from higher paying positions. And it is sometimes difficult to pinpoint whether such differences can be justified by ability and experience, or whether subtle discrimination is involved. To avoid potential problems under the 1963 Equal Pay Act and Executive Order 11246, as well as to develop a reputation for fairness, employers may want to—and federal contractors must—adopt formal policies on the subject.

In very large companies, it is extremely difficult, if not impossible, for top management to be aware of each individual employee's progress. To ameliorate this situation, IBM has developed programs to assure fairness in the administration of salaries for all employees, including women and minorities. Every IBM employee's pay is determined by performance appraisal rather than seniority, but as an additional check, each woman's (or minority group member's) salary is compared with a peer group of IBMers holding the same job in the same appraisal category. If the woman's (or minority's) salary is more than 3 percent below others in the same group, the company's compensation staff reviews the individual's situation for equity. IBM's history on this issue dates back to 1935, when the company began hiring professional women with the promise of equal pay as men for the same work.⁴¹

The company also has a longstanding Open Door policy for resolving work-related disputes. Any IBM employee has the right to raise his or her concerns with any manager, at any level—even the company's chairman, if desired. Don Devey, Manager of Equal Opportunity Programs, credits the policy with greatly reducing the incidence of discrimination charges, since most employee concerns can be resolved internally. Innovative smaller companies that have already seen how Open Door management strategies can lead to better office teamwork, could undoubtedly use the same strategy to deal with discrimination charges.

Sensitivity Education

Another technique for improving the working environment for women involves education: for women, to learn how to be effective within a predominantly male company structure; and for men, to become more sensitive to women's concerns. Offerings may include seminars for women on negotiation and "office politics," or joint sessions, such as Du Pont's "Women and Men Working as Colleagues." Such programs can help employers reaffirm the value they place on women employees.

One impressive—and widely publicized—initiative geared to women employees is the Du Pont Company's Personal Safety Pro-

gram, introduced in 1985 "in acknowledgement of the increasingly greater number of women in nontraditional jobs in the company." ⁴² This educational program was designed to help Du Pont employees deal responsibly with problems like sexual harassment, physical assault, spouse battering, child and elder abuse, and especially, rape. Trained employee volunteers, called "facilitators," conduct workshops in each department and at every plant site. Rape prevention workshops, available to female employees, employees' wives, and female dependents over age 18, teach assertive behavior, preventive safety strategies, and self-defense techniques. Another workshop, open to men, is intended to "shatter myths" and sensitize managers to the needs of rape victims and battered women.

Du Pont employees who become rape victims are entitled to up to six months of paid disability, legal advice, and assistance in handling any publicity, especially if there is a trial. If rape occurs on the job, Du Pont will cover the full cost of psychiatric and medical treatments, and the victim can transfer to any other Du Pont division, if desired. Any woman who has been raped or feels threatened is encouraged to talk, confidentially, to any supervisor in the company. Du Pont also provides a 24-hour rape-intervention hot line and credit cards with safety tips and emergency numbers.

"Managers have noted a new assertiveness and new sense of power exhibited by women who have taken part in the program," asserts a company publication. "There is better sharing and communication between men and women in the organization." Program director Mary Lou Arey believes the policy will aid the company's efforts to attract women. "We want to keep and attract women. And we're trying to say, 'You are important to us.'" ⁴³

Professional Development and Upward Mobility

As students, women and men generally perform equally, but it clearly will take more than educational achievement to propel women along the same paths to career advancement men have traditionally enjoyed. Companies able to single out the top achievers among their workforce will have much to gain. But, because years of cultural bias and work/family conflicts may have prevented some of the most potentially valuable female workers from progressing in their careers, some additional efforts may be needed to ensure that women have the same opportunities for advancement as male employees of comparable abilities and experience.

Achieving this goal will depend upon many factors, including women's willingness to work hard and desire to move ahead, top management's commitment to opening doors, women's access to

training and opportunities to prove themselves, and support from colleagues at all levels.

Decentralization. Bright women, as much or perhaps even more than men, seem to thrive in companies that value individual creativity and initiative. Those who do not find appropriate opportunities in traditional corporate settings may go into business for themselves, evidenced by the rather dramatic increase in the number of small women-owned businesses over the past few years: a 48 percent jump in "sole proprietorships" between 1980 and 1985, compared with a 32 percent increase for sole proprietorships owned by men.⁴⁴

As a result, women appear to do particularly well in rapidly growing businesses and in decentralized corporations, both of which rely on innovative, entrepreneurial managers. For example, to achieve maximum profits, Citicorp operates within what Chairman Walter Wriston calls a "meritocracy," a system of rewarding people according to their performance, not by seniority. Competition for promotions is tight within this "company of over-achievers." Yet because it is so decentralized, "there are lots of small organizations at Citibank, so you feel you can rise to the top of something," said one young manager. Another employee, a young black woman, said, "There's lots of horizontal doors here as opposed to just vertical ones. This institution has flexibility. It's easy to move around."⁴⁵

Management at Nordstrom, the Seattle-based department store chain, also is not afraid of delegating decisionmaking authority to sales persons, the majority of whom are women. With that background, enthusiastic young women are frequently put in charge of new stores and given considerable autonomy. And in another recently decentralized company, Campbell Soup, the "independent business unit" concept has allowed many women to rise to plant manager and assistant plant manager positions.⁴⁶

Corporate Goal-Setting. Another way companies can accelerate the door-opening process for women is through aggressive corporate policies that reward managers for making special efforts to recruit and hire women and give them opportunities to rise as quickly as their abilities will allow. Successful affirmative action efforts will also periodically evaluate each Department's performance and identify any barriers that might impede further advances, or conversely, unfairly discriminate against other employees.

The Gannett Company, which proudly calls attention to its women managers, launched its "Partners in Progress" initiative in 1979 to "assure that the makeup of Gannett's people force—more than 36,000 employees—will ultimately be as diverse as the communities it services."⁴⁷

"Partners" includes a system for setting goals and measuring every manager's success in finding, hiring, developing, and promoting women and minorities, and on how well their community relations, use of vendors, and involvement in social concerns reflects these groups. Managers' bonuses are tied in part to their progress in these areas, and this step, says Madelyn Jennings, Senior Vice President for personnel and administration, represents the most successful aspect of the program: "When their pocket-book reflects their progress, it's amazing how improvement can be made." ⁴⁸

Gannett's management makes no secret of its confidence in "Partners" as a recruiting tool: "To gain the edge in a highly competitive market for talented women and minorities, we communicated openly about our commitment, our programs and our opportunities to our employees, to the industry, and to the public. The results of 'Partners in Progress' built Gannett's reputation as an industry leader in progressive hiring and promotion of women and minorities, further honing our competitive edge." ⁴⁹ "You have to believe in it," says Chairman Al Neuharth, "then practice what you preach." ⁵⁰

Revising Job Descriptions. Employers need not limit their career development efforts to women already on the road to management. Rather, they can start by improving and expanding workers' skills at the entry level. One way they can do this is by redefining lower level jobs to include greater responsibility. This approach may result in increased job satisfaction for these workers, leading to higher retention rates for the employer, as well as make the positions more appealing to potential applicants. Giving workers more responsibility could also encourage them to seek further training and eventually, higher positions. Businesses may also find that restructuring lower-level jobs increases productivity by reducing the need for an additional layer of workers.

This approach can work in the banking industry, which has recently been having some trouble filling teller jobs, or in other businesses, such as insurance, that tend to keep clerical functions separate from account responsibility. For example, as many routine clerical operations become automated, several banks are beginning to restructure traditional tellers' jobs to include more challenging responsibilities. "The added responsibility allows these entry-level workers to plug into the advancement chain," says one bank executive. Northwestern Mutual Life Insurance Company has also tried redefining its clerical staff positions to include new responsibilities.

Funding Employee Education. Formal education is another way to prepare employees at lower-level jobs to take on additional responsibilities, and helping employees obtain that education could

be especially valuable for companies that promote exclusively "through the ranks." Doing so, employers get the best of both worlds: employees who are broadened by recent academic course work but who also know, from day-to-day experience, the business' "nuts and bolts" aspects. Voluntary training courses in job-related skills like typing, computer programming, and written or verbal communication can also help improve employees' performance in their current jobs and, to a lesser extent, help them to become more promotable. If permitted to self-select, motivated women will probably seize the opportunity to take courses that prepare them to move ahead in their jobs.

Tuition reimbursement for job-related courses is fairly common with medium to larger employers. Johnson & Johnson is one company that provides this benefit. "By taking advantage of our tuition reimbursement program, several motivated J&J employees have worked their way into promotions," Marion Hochberg-Smith states. Hewlett-Packard takes a broader approach than most companies to continuing education, reimbursing employees' expenses for almost any educational program, whether or not it is directly job-related.

Pacific Bell, through its Telesis Management Institute (TMI), sees higher education as "an important means for moving women and other 'targeted groups' ahead and redirecting them to jobs as they exist," according to Constance Beutel, who runs TMI's Self-Directed Education program. Pacific Bell, which also reimburses employees' tuition for bachelor's and MBA programs, recently began sponsoring a two year degree program in business or technology for its adult employees. To fit in with a full-time work schedule, course work is accelerated, and whenever possible, taught on company premises. Groups of employees (referred to as "cohorts") voluntarily assemble themselves to go through a course of study together. The program is available to any employee, regardless of age, position, or length of time with the company; the "cohort" groups are generally very diverse, Beutel says.

Mentoring and Career Counseling. For years, men working in business or government organizations have used an informal, voluntary system of counseling and advising younger men whom they consider worthy of career advancement. The older or more experienced men, referred to as "mentors," help their younger colleagues learn the company "ropes," introduce them to top management, give them challenging or visible assignments, and serve as their advocate in the company.

Some studies suggest that most successful managers have had the benefit of such a sponsor;⁵¹ others indicate this is not such an important factor, that ability and performance are the first considerations in any promotion.⁵² But clearly, even the brightest

member of a corporate team will go nowhere unless somebody higher up the ladder notices them.

Women's greater difficulty in finding mentors has no doubt contributed to their comparatively slow ascent into top management positions. In fact, in one recent survey, 44 percent of the managers questioned agreed that women have a harder time than white men in finding someone to nurture their professional growth.⁵³ Moreover, when women do have a mentor, he is very often an older man, which unfortunately, can contribute to damaging gossip against both parties. For similar reasons, women may find it more difficult to build informal relationships with their male peers.

One way to combat this problem is for the women in an organization to help one another through self-help groups or mentoring, or for the company to formally institute mentoring and career counseling programs for them. Such efforts, particularly in medium and larger companies, can help ensure that capable women know and can pursue their opportunities in the same way men can.

Mentors and Role Models. Like many corporations, Johnson & Johnson and its subsidiary companies "mentor" promising female and minority employees on a case-by-case basis by purposely giving them additional responsibilities and special opportunities to prove themselves. But some of J&J's smaller companies, reports Corporate Equal Opportunity Manager Marion HochbergSmith, have more formal mentoring programs that "aggressively seek out bright female or minority employees and deliberately match them with someone further up the ladder." HochbergSmith reports that five or six J&J companies have already seen their efforts yield positive results. Managers at Gannett also regularly single out "promotable" women to participate in the company's management training and executive development programs.

Many companies report that their top female executives are role models for other women, both inside and outside the company. For example, the success and personality of accounting firm Coopers & Lybrand's first woman partner has helped attract a number of top women candidates to the firm. She has also played a very active role in informal mentoring. Women at Procter & Gamble have developed self-help symposia on a variety of subjects related to their professional growth and often invite top female company executives to address the groups.

Career Counseling. Companies that hope and expect to retain their women employees throughout their careers will want to encourage them to look at their jobs as a place to grow. Procter & Gamble is one of many companies that use the annual performance review process to discuss an employee's long-term career

goals, as well as his or her accomplishments and areas for improvement. The company also recently established a corporate career counselor position to help "administrative and technical" (i.e. non-management) personnel to develop personal and professional growth plans for themselves, and to help those aspiring to management to make that move.

Open Posting. "Open posting," or publicizing all company job openings, ranging from clerical to top management positions, is another technique that allows employees to play a more active role in their own career development. Women, in particular, can benefit from open posting by becoming familiar with the qualifications for desired positions and then deliberately gaining those skills through intermediate career steps and supplemental training. Gannett and Johnson & Johnson are two companies that use open posting. "It keeps people motivated to have this information and be able to pursue those opportunities," says J&J's Marion HochbergSmith.

Conclusion

Given the phenomenal increase, in recent years, of American women's workforce participation, businesses have begun restructuring their efforts to attract and retain new employees in ways that take women's special concerns into consideration. Some employers who claim to have seen the trend coming are already far out in front with innovative policies to recruit women and address family related needs such as parental leave and day care. Those that have already introduced these and other policies are reporting, as a result, higher employee retention rates, fewer absences, less tardiness, higher morale levels, and hence, higher productivity among employees.

These efforts are just the beginning, but as work and family issues continue to draw widespread public attention, hundreds of new proposals, in both the private and public sectors, will be thrown into the national spotlight. And companies wishing to conserve and fortify their human resources for the future will want to get on stage early.

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Chapter 2

MINORITIES AND THE ECONOMICALLY DISADVANTAGED

"By the year 2000, there will be a tremendous need for a highly literate workforce with flexible skills. Yet the alarming illiteracy among some minority groups will make progress slow in coming. We will change that situation if we act by treating the disease, not the symptoms."

—William Brock, former U.S. Secretary of Labor ¹

Members of racial and ethnic minority groups have long made important contributions to the American economy. Immigrants and minorities have consistently provided a vital component of the American workforce, fueling national economic growth and climbing the rungs of the socioeconomic ladder.

These traditional patterns have been reinforced in recent years by equal opportunity laws, affirmative action, and increased educational and skill development by many minority individuals. In the most forward-looking companies today, aggressive recruitment of minority employees is the rule rather than the exception.

But such efforts to make minority individuals an integral part of the American workplace pale in comparison to the efforts that will be necessary if companies hope to meet their need for labor in the next fifteen years. On one hand, minorities and immigrants will comprise a far greater share of new labor force entrants than they do today, and companies will have no choice but to more creatively and aggressively bring even the most economically disadvantaged among such individuals into their workforces if they hope to remain competitive. On the other hand, practical barriers to meaningful participation in the workforce will make it more difficult than ever to realize the full potential of such individuals.

The dimensions of this challenge are enormous. Although non-whites presently comprise about 13.6 percent of the labor force, native non-whites and immigrants will constitute 42 percent of the new labor force entrants during the next decade.² For this reason, *Workforce 2000* identified the integration of blacks and His-

panics fully into the workforce as one of the six primary tasks confronting businesses over the next decade.³

Meeting this challenge will require more than merely opening the doors to minority employees; indeed, it will mean far more than the types of affirmative action efforts in which many companies have been involved for the past quarter century. Targeting groups and assigning numerical goals will not compensate for the lack of work skills and other impediments that prevent many minority and economically disadvantaged individuals from taking advantage of opportunities that are increasingly available to them.

This chapter examines methods by which employers can more fully tap this vast reservoir of potential labor. It assumes that vigorous enforcement of existing laws and policies is adequate to redress barriers that are discriminatory in nature, and deals instead with other types of disadvantages that separate individuals from opportunities. These disadvantages transcend racial and ethnic lines, but disproportionately burden minorities and the poor. The type of action outlined in the following pages, then, consists of efforts to surmount those disadvantages and to enable minority and economically disadvantaged individuals to become fully employable members of society.

The Dilemma: Unemployment in a Sea of Opportunity

Despite the combined impact of equal opportunity laws, the growing shortage of labor, and an increasing share of minorities in the labor force—all of which would suggest a unique opportunity for minorities to earn their share of the American Dream—many minority individuals remain outside the economic mainstream. As sociologist William Julius Wilson has observed, many minority individuals have made enormous gains in recent years, but for millions of others, “the past three decades have been a time of regression, not progress,” resulting in a “growing economic schism between lower-income and higher-income black families.”⁴

Despite labor shortages, the unemployment rate for blacks is more than twice as high as the rate for whites.⁵ Additionally, the number of minorities participating in the labor force (i.e., employed or looking for work) has been steadily declining. Consequently, while 81.6 percent of all young black males were employed in 1965, that figure by 1984 had declined to 58 percent, reflecting a problem that sociologist Wilson concludes has reached “catastrophic proportions.”⁶

If the trends projected by *Workforce 2000* persist, these problems will worsen. Blacks and Hispanics are overrepresented in

occupations and heavily concentrated in urban areas that will lose the greatest number of jobs over the next decade.⁷ As the study concludes, "[i]f the policies and employment patterns of the present continue, it is likely that the demographic opportunity will be missed and that . . . blacks and Hispanics will have a *smaller* fraction of the jobs by the year 2000 than they have today."⁸

Meanwhile, unless they much more fully bring such workers into their own labor pools, companies will be forced to "bid up the wages of the relatively smaller numbers of white labor force entrants, seek to substitute capital for labor in many service occupations, and/or move job sites" to other areas of the country or world where skilled labor is more readily accessible.⁹ Obviously, it is much more desirable—from the standpoint of most businesses, of the economically disadvantaged, and of society as a whole—for the private sector to satisfy their labor needs by developing and tapping much more fully the potential labor available from minorities and the poor.

What are the impediments separating the goal from the reality? The problem is primarily one of inadequate investment in human capital: the economically disadvantaged typically lack the essential skills necessary to satisfy the needs of employers; and they are typically isolated—physically and/or socially—from the opportunities that would otherwise be available to them.

Deficiencies in basic skills are growing even as the level of skills necessary to fulfil even the most basic jobs is increasing, and the shortfall is most acute among minorities and immigrants. The recent National Assessment of Educational Progress undertaken by the U.S. Department of Education found that among 21-25 year olds:

- only about 60 percent of whites, 40 percent of Hispanics, and 25 percent of blacks could locate information in a news article or almanac;
- only 25 percent of whites, 7 percent of Hispanics, and 3 percent of blacks could decipher a bus schedule; and
- only 44 percent of whites, 20 percent of Hispanics, and 8 percent of blacks could determine the change they were due from the purchase of a two-item restaurant meal.¹⁰

The basic skills included in the survey are the types of skills necessary to even apply for many jobs, let alone to function effectively in virtually any job. These findings underscore an alarming and pervasive basic skills shortfall that companies will have to redress in order to fully utilize untapped portions of the labor market.

In addition to these deficiencies in work-related skills, many of the economically disadvantaged are isolated from job opportu-

nities in one or more ways. Many are physically isolated, with low-skilled jobs moving away from the central cities in which many unskilled or low-skilled workers are concentrated. Many are isolated by language barriers that prevent or frustrate individuals from applying for or performing jobs. And increasingly, many are socially isolated from the work culture. William Julius Wilson explains that in ghetto neighborhoods, "the chances are overwhelming that children will seldom interact on a sustained basis with people who are employed," and will be exposed instead to "joblessness, as a way of life." As a consequence, such individuals are isolated from job opportunities and fail to develop good work habits.¹¹

The effects of such isolation and skills deficiencies cut across racial lines, requiring non-racial solutions. One company's affirmative action director echoed a widely shared belief that despite the labor shortage, a youngster growing up without adequate educational skills will not be able to find work whether white or black.

Accordingly, something more than traditional affirmative action may be necessary. Sociologist Wilson argues that race-specific programs "tend to benefit the relatively advantaged segments of the designated groups," i.e., "those with the greatest economic, social, and educational resources," while "ghetto underclass individuals are severely underrepresented among those who have actually benefited from such programs."¹² Wilson concludes that what is needed are efforts "targeted to truly disadvantaged individuals regardless of their race or ethnicity."¹³

Efforts geared to increase an individual's human capital to enable that person to take advantage of opportunities are the common element in successful company efforts to reach the economically disadvantaged. Still, the benefits of these efforts will accrue largely to minorities, since they are disproportionately afflicted by the impediments that separate the economically disadvantaged from job opportunities.

Such efforts also serve the interests of companies seeking to fill their labor needs. While many companies began affirmative action efforts as a matter of legal obligation, a number of them increasingly view outreach and investment in human capital a matter of competitive necessity. One company official described this changing perspective by noting that "in the past we concentrated on numbers counting, and we did this because someone told us we had to. Now we do it because there's no other option but to learn to manage a multi-cultural workforce."

National Alliance of Business President William H. Kohlberg recently summarized the business community's stake in such efforts. "Inadequately prepared workers are not productive workers; low productivity and low economic growth will seriously jeopard-

ize business' ability to compete in world markets." Moreover, he added, "unemployed or underemployed workers are a poor market for business' goods and services. Our nation cannot leave to chance the resolution of the massive societal and economic problems facing us in the next 10 to 15 years." ¹⁴

A number of companies occupy the cutting edge in efforts to develop and employ productive workers from the ranks of minorities and the economically disadvantaged. These efforts can in turn be used by other companies looking for ways to better fulfil their labor needs. Although many of those featured here are undertaken by large companies in large-scale fashion, all can be adapted to use by any company, whatever its size. In almost every instance where one business is facing problems finding enough workers with the right skills, it can be assured other companies nearby are facing the same problems. This commonality of needs gives rise to opportunities to work cooperatively—as many of the examples below illustrate.

The Solution: Building Human Capital

Because inadequate investment in human capital is the key obstacle today to the full participation of minorities and the economically disadvantaged in the workforce, building human capital is the key to efforts by businesses to tap this rich source of labor. And it is the key not only to bringing more minority and disadvantaged workers into the workforce, but to retaining and promoting them. In the pages that follow, we provide illustrations of some of the most successful efforts.

Training and Recruiting Minorities and the Economically Disadvantaged

Training and Education

A pervasive and serious barrier separating companies with a need for workers and economically disadvantaged individuals who would like to fill those jobs is lack of basic skills. Xerox Corp. Chairman and CEO David Kearns recently warned that the "American workforce is in grave jeopardy. We are running out of qualified people. If current demographic and economic trends continue, American business will have to hire a million new workers a year who can't read, write or count." ¹⁵

The problem is one that affects virtually every business. As *The New Republic* recently observed, "In the service economy of the 1980s even 'unskilled' jobs require more than brute labor. They

require literacy and other basic skills. Even a fast-food job requires that an employee know how to read, to accept orders from a supervisor, to show up for work on time, to treat customers in a friendly manner"—skills many among the economically disadvantaged do not have.¹⁶ As Linda Tufo, Director of Training for Boston's Shawmut Bank explains, "Reading and writing are essential for even entry-level jobs. In our business, one mistyped zero can be a mega-error—and the difference between one hundred thousand and a million dollars."

Unfortunately, the public schools are simply not producing enough functionally literate graduates, let alone graduates with skills tailored to the technologies of the 1990s and beyond. Add to this the fact that urban schools are often worse than average and that a disproportionately high number of inner-city youths never graduate,¹⁷ and the result is a plethora of economically disadvantaged people who are unprepared for even the most basic jobs. If businesses do not attack the skills gap, these people will be underproductive at best and possibly altogether unemployable.

Employers are combating the skills gap in a variety of ways. The more direct their involvement in basic skills training, the greater is the likelihood of producing workers with the skills they need—but also the greater the cost. Nonetheless, *any* effort companies make in training the economically disadvantaged will increase the overall supply of human capital, thus increasing the number of employable workers.

Direct Basic Skills Training. The costliest but most effective method of preparing the economically disadvantaged for the workplace is to do what many public schools have failed to do: train workers in the skills necessary to do a job. While many companies have long carried out special task-related training in some fashion, the concept of training is expanding as the quality of public school graduates declines and the number of drop-outs increases. Thus, while training in the past typically involved building upon basic skills the employee brought to the job, the training in many companies today often includes such basic skills as literacy, simple mathematics, personal grooming, and work habits.

One of the most comprehensive corporate training facilities in the nation is Aetna Life & Casualty's Institute for Corporate Education. Established in 1981, the Institute reaches about 20,000 people a year, either in person at its state-of-the-art facility in Hartford, Conn., or through tele-education via satellites. The Institute addresses a number of training concerns, including advanced education for existing employees, basic skills training for new employees, and supplemental education for public school students in Hartford (which will be discussed in a subsequent section).

The Institute was conceived during the 1970s at the direction of former Aetna chairman John Filer that "the only resource that will distinguish us from other companies is our people." As a consequence, recounts Vice President for Corporate Human Resources Richard McAloon, the company began to methodically forecast future labor needs and skills; and, recognizing it was not going to be the only company competing for such skills, tried to figure out how it could come out on top. "The company that solves this dilemma first," McAloon says, "is the company that will be the winner."

The Institute, explains its President, Dr. Badi Foster, is the company's vehicle to fulfil its top-level commitment to education and employability. One of the Institute's new functions is its Effective Business Skills School. The school offers basic skills programs with three main focuses: training for unskilled applicants, which enables the company to bring unskilled individuals into its workforce; training for existing unskilled or low-skilled workers, to enable them to move up to other positions; and night courses to teach supplemental skills. Dr. Foster emphasizes that the skills training does not take place in a vacuum, but integrates values and ethics to produce the work compoment the company desires.

The Institute requires a large financial commitment from Aetna, but in return it has increased substantially the labor pool from which the company can draw—both in terms of previously unskilled individuals who are trained to fill entry-level positions and existing lower-level employees who acquire skills to move to other positions.

As the labor shortage becomes especially severe in many areas, other companies are finding themselves compelled to provide basic training themselves. Such is the case with Shawmut Bank in labor-starved Boston. The bank's Community Relations Officer, Maurice Wright, explains that "because the public schools are terrible, we're doing a lot of basic skills re-training." He adds that "this is becoming a mandatory trend in business: to take people where they are and develop them, train them with the skills the company needs."

The company now provides training not only in such skills as data entry, but also in such areas as basic English, basic mathematics, and reading comprehension. Moreover, the second and third days of orientation for new employees includes training in corporate citizenship, with skills such as dealing with customers and answering the telephone. Wright stresses that these various skills must be integrated with one another: "We can train you to use a word processor, but if you can't spell, what good does it do? We can train you to talk on the telephone, but if you don't know

how to think logically, what good does it do?" Furthermore, he adds, "Unless basic skills are integrated into employment training, trainees will find any job is a dead-end."

These experiences suggest important lessons for other companies:

- If companies hope to fill their labor needs, they will probably have to get more involved than ever before in training in order to expand the pool of workers with the requisite skills.
- The skills that need to be taught go beyond those specifically necessary for the job, and extend to such areas as basic literacy and work habits.
- Such training can be a good investment since it provides the skills essential for lateral and upward job mobility, thus enabling the company to fill many of its labor needs from within.

Cooperative Basic Skills Training. Not every company can afford to provide basic skills training itself. But these companies can still provide such training through cooperative methods, such as:

- forming a consortium with companies requiring similar specialized skills;
- working with training facilities provided by civic groups such as the National Urban League;
- establishing relationships with community colleges, technical institutes, or public manpower services; or
- encouraging local business groups to create training centers.

As Johnson & Johnson's Marion HochbergSmith says, "Companies should think more about becoming creative in a collaborative way. We can still compete with one another, both for customers and for employees, but if we can combine our resources, we'll create a pool of talent we can all tap."

Many companies have used such approaches to produce qualified potential employees. One particularly ambitious and successful example is the Microelectronics Consortium Training Center in San Diego. The Center was formed six years ago by a group of semiconductor manufacturers in conjunction with the San Diego Private Industry Council in an effort to develop high-calibre candidates for entry-level positions. The participating firms pooled their resources, donating equipment and expertise to get the program off the ground.

The Center's main objective, according to Contract Manager Brenda Barrett, is "to integrate members of San Diego's economically disadvantaged population back into the economic mainstream." In addition to low-income status, entrance requirements include demonstrated abilities in perceptual accuracy, manual dexterity, and reading and following written specifications. No high school diploma is required.

Barrett explains that the Center's strategy "is to provide skills that prepare participants for entry-level career opportunities, not just jobs." Thus, in addition to teaching the technical skills necessary for employment as a wafer processing operator or microelectronics assembler, the Center's three-week program integrates work orientation skills such as preparing a job application, interviewing, and resumé writing. The Center advertises in area newspapers and receives referrals from employers and graduates. In 1986-87, 28 companies, ranging from small to large, participated in the program. The Center trained 163 people that year, and has an industry placement rate in excess of 90 percent. The Center's success shows that what a single company alone might lack sufficient resources to accomplish can be achieved by cooperation for mutual benefit.

Similarly, the Greater Washington Board of Trade has launched an ambitious training program to relieve that area's severe shortage of workers for entry-level positions, particularly in the retail sales area. With funding from the District of Columbia Private Industry Council, the Board of Trade hired an organization called "70,001" to conduct a program for unemployed or economically disadvantaged individuals who need job skills training.¹⁸

The seven-week program combines skills training with an apprenticeship. For four weeks, the participants are taught basic job-seeking and job-keeping skills, such as interpersonal communication and self-motivation. For those who have not completed high school, "pre-G.E.D." counselling is provided. After this period of formal classroom training, students are placed for three weeks in "job shadowing" experiences—on-the-job work training under the guidance of an experienced staff member of a participating employer. As Program Director Enrique Palacios explains, "In those situations where the retailer likes the associate's work, they hire them." Those not hired in this manner receive placement assistance and can participate in a "Career Day" sponsored by the Board of Trade, at which area employers interview candidates.

Once these basic skills are developed, companies have a larger base from which to draw managerial candidates. Some of the associates placed by the program, says Palacios, have "move[d] into management roles in less than a year." The program also provides an opportunity for employers to refer potential employees who they feel could be "job ready" with some training. As Joe Culver, retailer Woodward & Lothrop's Vice President for Human Resources explains, "With the area's current shortages of entry-level candidates, it's important for us to utilize all approaches to augmenting the available talent pool."

Many companies also work with community organizations to provide skills training for the economically disadvantaged. In 1968,

IBM sponsored its first Job Training Center in Los Angeles in cooperation with the Urban League. Since that time, IBM has sponsored 70 other centers nationwide, graduating more than 25,000 people. In tandem with other businesses, IBM helps establish each center and provides equipment, management advice, curricula, and, in some cases, classroom instructors. The local community organization (e.g., Urban League, Opportunities Industrialization Center, SER-Jobs for Progress, etc.) manages the center, recruits and selects the students, arranges placement, and raises operating funds.

Under the IBM program, students pay no tuition and can receive transportation assistance. They are expected to conduct themselves through their attitude, attendance, and dress as if they were working in an actual office. The particular skills taught vary according to local labor needs, but all of the centers provide training in word processing, typing, and general office skills. Training is also provided in mathematics, literacy, assertiveness, personal grooming, and business conduct.

According to Caleb Schutz, IBM's Program Manager for Community Programs, the program has had a placement rate over 80 percent. A follow-up study conducted in 1986 with 274 clients found that 93 percent were still employed and 17 percent had been promoted. In 1987, Schutz says, the centers' graduates earned combined salaries of \$50 million.

Other companies have opted to undertake training on their own rather than in conjunction with other firms, but have contracted outside the company to produce the skills they desire. In Saginaw, Michigan, for instance, the Dow Chemical Company contracts with the local school system to provide potential local job applicants with special training in English, math, and science.¹⁹ Last year, 50 people were trained in this way, and eleven of these were hired by Dow.

Likewise, four years ago, Newark New Jersey's Prudential Insurance Company, faced with a large number of applicants rejected for lack of basic skills, contracted with Control Data Corporation to provide computer-assisted training in reading and math to produce a greater potential applicant pool with entry-level skills. According to James Robertson, Prudential's Director of Equal Opportunity Programs, "For many of these people, it was their first shot ever at learning the minimum skills necessary for really meaningful jobs in today's employment market."

The experiences of these companies demonstrate that resources are often available in the community for businesses to produce the training necessary to enlarge the skilled applicant pool. The keys are for a company to:

- identify the skills needed,

- locate others (e.g., companies with similar needs, community self-help organizations, business associations, schools) with similar objectives, and
- commit the resources necessary (instructors, equipment, capital) to get the job done in the best manner possible.

Through cooperative ventures, companies can find training to be a relatively low-cost, high-return investment—one that benefits everyone involved.

Literacy Training. Companies are often discouraged from hiring workers who are not literate in English because they believe the cost of teaching the language outweighs the benefits. But as immigrants (and non-literate Americans) assume a larger portion of the shrinking pool of available labor, companies must come to grips with the language barrier.

The benefits of teaching English are substantial: it not only substantially enlarges the labor supply, but also makes workers more capable of performing a greater variety of tasks and provides a future in-house pool for promotions. Thus, a company that invests in worker literacy is increasing its flexibility and efficiency, while one that does not may be severely limiting its own future options.

Moreover, the cost of teaching English is decreasing as companies become more adept at doing so. For more and more companies are learning that many jobs require only limited knowledge of English, and that the best way to teach these skills is by integrating language training with job experience.

Among these companies is Northeast Utilities, based in Hartford, Conn., which launched a Hispanic meter reader training program in 1984. With support from state and local social service agencies, the program provided five weeks of classroom training at two local vocational/technical high schools, followed by one week of on-the-job orientation. Training included instruction in specific job skills, the English necessary to perform the job, and general career skills.

The benefits of the program were significant. Of the 20 individuals trained in 1984, nine were hired in full-time positions and ten others filled temporary vacancies. The company also reported a much higher than average rate of productivity. The experience of Northeast Utilities illustrates that once the language barrier is surmounted to the extent necessary to perform the job, immigrants can often be among the most productive workers.²⁰

One of the most unique and effective literacy programs is conducted by Amtek Systems, a small high-tech firm based in Arlington, Virginia. Amtek found it was so successful in training Asian immigrants for itself that it has developed a full-scale pro-

gram to train immigrants for other high-tech companies in the area.

With support from the Fairfax County Department of Manpower Services, Amtek provides language and skills training for Asian immigrants, many of whom are unemployed or on welfare. The company immerses the trainees, who come from different countries, in three months of intensive instruction, including education in the terminology of electronics and computers, basic assembly job functions, and general employment skills such as resume writing, interviewing, and grooming. "Everything we do is hands-on," says Amtek President Long Dinh, a Vietnamese refugee who came to America in 1985. "After they complete this training," he adds, "they are ready for the jobs in every way."

The company has a 96 percent placement rate. Amtek itself farms out part-time employees to other companies at \$6 per hour, keeping \$1 per hour as profit. Local high-tech firms report that as many as 40-50 percent of their assembly line workers are immigrants, mostly from Southeast Asia. Many of these companies provide financial aid for such workers to improve their skills, and a significant number of immigrants are climbing the corporate ladder in these firms.

Recognizing that basic English skills are all that is needed for immigrant workers to perform many jobs, seven New York City unions formed the Consortium for Worker Literacy to address this problem. The Consortium is using "Skillpac," an interactive video-disc computer program developed by Dr. Arnold Packer* of the Hudson Institute that teaches English language and workplace skills for industry. The program is adaptable to prepare individuals for general job opportunities or for a specific type of job. Skillpac can be self-instructional or used in tandem with a teacher, and features a visual presentation with language spoken by real people in real situations. It is infinitely patient, providing immediate feedback and allowing learners to progress at their own rate. Instruction is primarily in English, with "help" aids in the student's native language.

Skillpac has also been successfully used in a variety of settings, including schools in Washington DC, southern California, and Wisconsin. Instructional units include such subjects as basic job skills, handling emergencies, oral and written communications, and so forth. The technology is fairly inexpensive and so highly adaptable that it offers the potential to eliminate the language barriers that otherwise might separate individuals from job opportunities.

*Dr. Packer is a co-author of *Workforce 2000*.

These experiences demonstrate that with creativity and a modest investment, companies can effectively tap a growing reservoir of potential workers. These same techniques can be used to increase the literacy of those with limited English, increasing the variety of jobs they can perform and to which they can be promoted. Viewed in this way, literacy training can be a high-return investment for employers.

Internships and Work-study. Increasing numbers of companies are turning to a time-honored method of developing skills—internships and related programs, such as pre-employment “job practice” experiences. Many companies are finding that the dynamics of the labor market are making such efforts increasingly necessary to lift skills levels and desirable as a form of recruiting.

Internships and related programs offer several benefits:

- they allow employers to recruit from a much larger pool and to take greater risks in terms of the types of workers hired;
- the training benefit may justify a lower beginning wage;
- unlike separate training programs, the employer gains an immediate benefit;
- the training is geared to the specific job; and
- the employer has an opportunity to evaluate a worker before making a more significant investment.

Internships are particularly useful since they allow the company to recruit at an earlier stage, thus reducing the need to compete for workers later. They are also particularly adaptable to bringing the economically disadvantaged into the workforce, since they furnish important basic skills and work acculturation habits that will enhance employability. Perhaps most importantly, they encourage youngsters to stay in school, since the participants gain a taste of the opportunities available if they graduate.

Employers both can expand their labor pool and increase the skills in their workforce by creating internships for entry-level jobs. As with formal training programs, such efforts often can be facilitated by business associations and community groups serving the economically disadvantaged, many of whom coordinate work/study and summer employment programs.

One such summer jobs program is conducted each year by the San Francisco Private Industry Council. Last year, Coopers & Lybrand, a “big-eight” accounting firm, agreed to sponsor the program, viewing it as an excellent opportunity to help young people while providing a service for companies in the city.

Coopers & Lybrand took a number of creative steps to bolster the program’s success. They enlisted a professional artist to design a provocative poster, and wrote to company CEOs asking them to describe their first work experiences, many of which were re-

counted in area newspapers. The accounting firm solicited meaningful jobs of at least six weeks duration from local businesses, and developed a skills inventory to enable companies to evaluate the applications. And they inaugurated the process with a full-day job enrollment fair, which included information on the basics of working. The program used high school guidance counselors to pre-screen applicants to make sure they were serious and to prepare them for the interview process.

The effort resulted in 1,113 summer jobs, primarily for minorities and economically disadvantaged young people. Says Coopers & Lybrand partner James T. Clarke, who chaired the summer jobs initiative, "This program accomplishes more than giving young people jobs. This program prepares young people for life."

Hartford's Aetna Life & Casualty employs a substantial number of high school students in its work/study program. As corporate staffing official Jack O'Neill explains, "For entry-level jobs, we're now looking for technical skills that high schools don't provide." The work/study program provides exposure to keyboards, which are used in 70 percent of all jobs at Aetna, as well as to the work environment generally. Approximately 40 percent of the work/study students go on to permanent jobs with the company, making it an effective entry-level recruitment technique.

Aetna's work/study program is also linked to its "Project Step-Up," a program for 15-year-olds who are not college-bound and who are recommended by their guidance counselors. The program provides 15 two-hour instructional sessions in such areas as computers, interviewing, and business ethics. Many of the students in this program are later employed in the work/study program.

Other companies can readily emulate such efforts as an effective way of bringing new workers into the labor market and of producing a steady supply of reliable new employees into the company's own workforce. By planning and investing in human capital at this early stage, companies can avoid the often insoluble crunch that occurs when labor needs are greater than supply.

Public School Partnerships. If public schools are not producing graduates with the types of skills needed by employers, one way to remedy this failing is for businesses to lend a hand. Many companies are doing just this, forming a variety of partnerships with local schools to supplement the educational resources available in the community.

Whatever the motivation of companies taking on such commitments, there is no question that these efforts are an important part of the solution to the burgeoning shortage of skilled workers. For companies are in the best position to evaluate their own future needs, and by becoming directly involved in the educational proc-

ess they can directly influence what kinds of graduates the schools produce.

Companies typically play two kinds of roles. They offer personnel to provide training in skills (e.g. physics, computers, etc.) for which schools lack the necessary resources. And they provide role models and support to encourage students to stay in school and to establish worthwhile goals.

Some of the rules of thumb that can be derived from successful public school partnership programs are the following:

- create an ongoing advisory board that will plan and monitor progress and whose membership will include representatives of all involved entities, both inside and outside the company;
- establish a close, formalized relationship with school authorities, wherein the school system assumes an active role (e.g., selecting or transporting participants);
- develop a close working relationship with community organizations and other entities (such as colleges or other companies) that will expand the available resource base;
- determine the best contributions the company can make in light of educational problems in the district (e.g., mentoring, literacy, computer technology, etc.);
- link the program with the company's personnel office to ensure as close a tailoring of objectives as possible; and
- publicize the program widely within the company and encourage widespread staff participation.

As in the area of skills training, public school partnerships can be promoted effectively by business associations. The National Association of Business, for instance, has launched a campaign in seven cities** called "The Fourth R: Workforce Readiness."²¹ The plan is modeled after the successful Boston Compact, in which businesses in Boston have pooled their resources to help the public schools reduce a dropout rate that had reached 60 percent.

In each participating city, a program is designed to respond to local educational needs. In Louisville, for instance, program managers identify students they consider most "at risk"—low achievers, the economically disadvantaged, pregnant girls, children from welfare families, and so on. The program provides counseling, remedial instruction, job skills, and assistance in locating summer jobs or part-time work. The students' progress is monitored with additional help provided as necessary, including guidance beyond graduation in finding jobs or going on to further education.

**The cities are Albuquerque, Cincinnati, Indianapolis, Louisville, Memphis, San Diego, and Seattle.

Efforts sponsored by business associations are often effective because they can be very systematic, pooling a wide range of corporate resources and reducing the administrative effort required by individual business participants. But individual companies can have a direct impact, either in spearheading collaborative efforts or working with schools on their own.

San Francisco-based McKesson Inc., for example, has launched a prototype program at Mission High School designed to improve retention and college-attendance rates among Hispanic students. The company has sponsored and organized a Career Exploration Club, which encourages students to remain and perform well in school and helps them to develop job hunting skills, explore career opportunities, and obtain summer jobs. Some workshops include parents, both to develop support for the club's efforts within the family and to extend the program's benefits to other family members.

McKesson hopes to expand the program in two directions: to middle school students, for whom high school club members will serve as mentors; and to establishing an alumni network, which will help future graduates with job opportunities. The program's advisory board includes representatives from the company, the school district, and the community, and is linked to San Francisco State College's "step-to-college" program. The company hopes to expand the program to other high schools and believes it can be easily duplicated by other firms.

In Fairfax County, Virginia, Honeywell is among several companies that have established partnerships with public schools. Jerry O'Brien, Honeywell's Director of Implementation and Support Services, recounts that the company wanted to focus its volunteer efforts to improve student learning, but "at first we didn't know what we could offer." In Summer 1985, the company began strategic planning with Fairfax County school officials and crafted a program involving Honeywell in three schools, one each at the elementary, intermediate, and secondary level.

At the elementary level, the company sponsors an early morning tutorial program called "Excel" for students whose grades are below average. At the intermediate level, the company lends expertise in planning science fairs, graphic arts projects, and so on. And at the high school level, the company also helps plan special events and provides guest speakers on such subjects as space shuttle launches. Honeywell also sponsors a mentor program to work with students who have low self-esteem, and a "shadow program," in which high school students come to the company for a day to experience life at work and to see what skills are used in high-tech jobs.

O'Brien says the program benefits both the community and the company. The Excel program, for example, has lifted skills up to grade level. Likewise, employees who participate find it provides "a different dimension in their lives," since the programs "allow people with fairly narrow technical specialties to interact with kids and make a positive contribution to a kid's life." And, he adds, they "might be tutoring a future Honeywell executive."

IBM's partnership program involves lending employees to teach at colleges and universities serving blacks, Hispanics, Appalachians, American Indians, women, and disabled individuals. Since 1971, the Faculty Loan Program has made available more than 700 IBM employees, who bolster the staff or fill in the gaps in a school's curriculum. The employees usually teach computer science, engineering, or business administration, and also assist with planning, curriculum development, student counseling, and programs designed to increase participation among minorities and the disadvantaged in engineering programs.

IBM provides full salaries for the employees who are on leave. Proposals for partnerships are submitted by educational institutions, and all must focus on helping minority or economically disadvantaged students. IBM Program Manager Dolly Christian says the program provides benefits for the schools beyond the short-term, since many of the curriculum innovations launched by IBM employees are retained after they leave.

While most partnerships involve companies going out into the community, Aetna Life and Casualty's Saturday Academy brings the community to the company. The program is a collaborative effort between Aetna and the Hartford Board of Education. The school system nominates students and provides transportation while Aetna furnishes the facilities.

The program brings a cross-section of Hartford public school seventh graders to the Aetna Institute for nine weeks of classes. The group is intended to be diverse enough to enable youngsters to interact who would otherwise not have an opportunity to do so. As Aetna Institute President Badi Foster explains, "If you continue to have kids coming out of segregated schools, you will have kids who are not equipped to operate in a diverse environment." The goal of the Saturday Academy, says Foster, is to help make groups outside the mainstream the future employees of first resort, by investing them with basic technical skills, enthusiasm for learning, and the ability to adapt and interact with persons of different backgrounds.

The students learn computer literacy, math, science, and oral communication from Hartford public school teachers and Aetna volunteers. The program emphasizes hands-on activities, role playing, and other creative techniques to stimulate learning. One

unique feature of the program is the requirement that a parent participate in the program as well. Parents serve as teaching assistants and field trip chaperones or attend adult education classes and thus develop a personal interest in their children's participation in the program.

In order to facilitate support for the Saturday Academy from the Board of Education, Aetna cultivated grass-roots support from community organizations. The relationship has enhanced Aetna's image in the community and has helped to enlarge the potential future pool of skilled applicants. The program has been so successful that Aetna may replicate it in cities in which it has field offices.

Similarly, IBM, in its efforts to redress the declining numbers of engineering students (particularly among blacks), helps train faculty in science and engineering. One such program brings high school teachers for a summer to the University of Wisconsin for state-of-the-art training, and then to an IBM facility for hands-on experience. In return, the high school principal commits to enhancing the school's science curriculum.

Other companies can fairly easily emulate such efforts. Many company facilities, including training facilities, are vacant during evenings and weekends, and can be put to good use for educational enhancement programs. Companies generally find more than enough interest among their own employees to satisfy volunteer needs, and many report that involvement with students helps keep the employees vibrant. And increasingly, companies are finding that public school officials welcome a helping hand.

These experiences demonstrate that public school partnerships are an important investment in developing human capital. They provide perhaps the most mutually advantageous way to focus volunteer efforts given the realities of our educational system today.

Corporate Philanthropy. Although an indirect method, companies can make a contribution to increasing the availability of skilled workers by targeting their philanthropic efforts to improving and expanding educational opportunities for the economically disadvantaged.

The General Electric Foundation has made education a top priority, with an emphasis on helping minorities and the economically disadvantaged pursue careers in engineering. Phyllis McGrath, Program Manager for Civic and Cultural Contributions, describes the Foundation's efforts as "strategic philanthropy."

The Foundation provides seed money for promising educational programs, and often backs its grants with personal assistance from GE employees. In Spanish Harlem, for example, GE is providing a large three-year grant to the Manhattan Center, a new

science "magnet" school with an emphasis on educating minority students for careers in engineering and science. GE is sponsoring 27 talented juniors as "GE scholars," who receive assistance in the form of financing for field trips, courses at Columbia University and Hunter College, preparation for Scholastic Aptitude Tests, and monthly meetings with advisors from GE. Similarly, GE provided a grant to Eastern Montana State College to develop a Native-American pre-engineering program. Other philanthropic efforts are geared toward efforts to keep high school students in school and to helping dropouts to enter the job market.

IBM directs a significant share of its philanthropic giving to summer work/study programs serving at-risk high school students (disadvantaged youths with a need for academic improvement). Working in conjunction with its Job Training Centers, IBM provides grants to community organizations to recruit and place students, who work for up to ten weeks and receive academic reinforcement and job preparation skills. The program served more than 1,900 students in 21 centers in 1987.

These philanthropic efforts produce immediate and visible dividends in terms of vastly increased human capital. Companies can maximize the benefits of such programs by tailoring their giving to programs that will develop the kinds of skills they will need in the future.

Influencing Educational Policy. One official from a company that has made a substantial investment in supplementary educational programs warns that "if the public schools don't start producing employable graduates, companies are simply going to have to get into the education business themselves." Given the tremendous cost of public education to businesses, both through tax dollars and through the supplemental efforts described in this section, the business community could benefit by taking a very proactive role in ensuring a return on its investment.

Hence company officials can profitably get involved in formulating educational policy, demanding improved educational standards and curricula geared toward the demands of today and tomorrow. Many company officials are working with government officials at the national, state, and local levels to improve public education in this way by making it more efficient and relevant.

Business officials also can encourage competition in education, applying the lessons and principles of free enterprise to improve educational quality and broaden opportunities. In their thoughtful and provocative new book, *Winning the Brain Race*,²² Xerox Chairman and CEO David T. Kearns and the Hudson Institute's Denis P. Doyle, for instance, call upon businesses to take the lead in promoting school reform so as to produce the educated workforce necessary to keep America competitive. Kearns and Doyle advo-

cate a complete restructuring of America's school system from the ground up, offering a six-point program based on choice, flexibility, and performance designed to meet the needs of the 21st century.

Apart from the children themselves, the business community has the most direct stake in American education. If our educational system can become more effective, many of the other strategies to increase human capital outlined in these pages will be merely icing on the cake. If it does not, U.S. firms face an imminent crisis in their ability to compete.

Recruiting Minorities and the Economically Disadvantaged

In addition to developing the skills levels of existing and potential employees, businesses must expand their recruitment efforts if they hope to draw from a labor pool as large and skilled as in the past. Recruitment should be expanded in the following ways:

- geographically, to include potential workers in areas not drawn upon in the past.
- demographically, to reach workers not relied upon in the past, including the economically disadvantaged.
- methodologically, to employ techniques that have not been used in the past to help bring new workers into the labor pool.
- strategically, to plan and take steps now for future needs.

All of these approaches require changes in the ways companies think about their workforces. If companies continue to rely upon sources that produce mainly white male employees, they will find themselves competing for a shrinking supply of labor while overlooking other potential workers who may be readily available. And if companies wait until they have actual vacancies to fill before initiating these innovative recruitment efforts, they may be forced to settle for less-qualified employees. As IBM's Sally Odle, Manager of Employment and Recruiting states, "If you haven't recruited students early in their college years, you're out of luck."

Accordingly, corporate personnel efforts must take a long-range approach, seeking to develop and access new sources of labor. The following are among the most successful techniques used by businesses to date.

Developing Labor Pools Through Training and Community Programs. The companies that succeed in attracting minorities and the economically disadvantaged will invariably be those with the highest profile and best reputation in the community. Whereas in the past the payoff for community programs was primarily in attracting customers, that payoff now extends to attracting employees. As

with all company programs that impact its ability to compete for workers, the company's personnel and human resources specialists should be brought into the process to maximize results.

Perhaps the best example of effective strategic planning in this regard is Aetna Life & Casualty's community education and training programs. Aetna's efforts, beginning at the middle school level with the Saturday Academy and proceeding to Project Step-Up, work/study, and skills training, create enormous good will in the minority community, increase human capital, and establish an ongoing relationship with potential future employees. These efforts illustrate how a creative and forward-looking company can beat the skilled labor shortage by cultivating its own labor supply, methodically and systematically. In addition to providing enormous benefits to the community, efforts like Aetna's and those of other companies that are willing to take risks and provide opportunities give them a huge advantage in competing for the shrinking supply of skilled labor.

Bringing Job Opportunities to the Source of Labor. One of the principal impediments separating minorities and the economically disadvantaged from job opportunities is physical isolation. Since many of the new jobs are in the suburbs while many minorities and economically disadvantaged people are concentrated in urban areas, companies that desire to recruit from these groups cannot simply sit back and wait for them to apply. They must bring information about job opportunities to the source of labor.

A number of companies have developed innovative techniques to do just that. In the Washington, D.C. area, Giant Food, Inc. was having trouble attracting employees. As Vice President for Public Affairs Barry Sher recalls, "We weren't getting great feedback from traditional methods such as recruiting through the stores." Accordingly, Giant created an "office on wheels"—a rented Winnebago van, draped with a Giant banner and parked in locations with good prospects for potential labor: schools, shopping centers, and so forth. The van is a totally self-contained recruitment center, equipped with applications, brochures, and anything else necessary to facilitate employment. Sher characterizes the effort as "extremely successful" in taking advantage of new sources of labor in the area's tight labor market.

Louisville-based Kentucky Fried Chicken also uses a recruitment approach of "if you won't come to us, we'll go to you," according to Flo Barber, Director of Field Human Resources Development. In addition to renting vans for recruitment, Kentucky Fried Chicken tries to anticipate the ways in which it can get information on job opportunities out to the desired audience. For instance, the company places ads and mini-applications in mass transit systems and in product promotion coupons that are sent to

residences. Other companies can replicate these efforts by identifying specific sources of labor and tailoring information about and access to job opportunities in creative ways that are most likely to reach that audience.

Bringing the Labor Supply to Job Opportunities. In addition to bringing job opportunities to the source of labor, companies may need to "import" workers to the source of jobs. Even in a tight labor market, pockets of unemployment will exist. The companies that fill their labor needs most successfully will be those that take creative steps to tap those pockets.

When Kentucky Fried Chicken's stores in booming central Florida were looking for managers, they turned to the depressed Houston market for help. The company placed ads for managers in Houston papers, trained the new hires in Houston restaurants, and offered them jobs in Orlando. As Flo Barber recalls, "It worked out well for everyone—Orlando got employees [and] several of Houston's unemployed got gainful employment with career potential in Houston."

But companies need not always look across the country to find available labor. In many suburban areas, workers are available in nearby cities, but lack transportation to the jobs. Companies can access such workers if they develop ways to overcome this logistical barrier.

Polycast Technology Corporation in Stamford, Conn., for instance, contracts with a private van company to provide round-the-clock transportation for factory workers and machine operators from the Bronx and other parts of New York City. Although New York—and its abundant labor supply—are not far from Stamford, the lack of transportation makes commuting difficult. As Polycast's Employee Advocate Philip Demas observes, with the company providing transportation the "employees are very happy and they're always on time. It works!"

Transportation from urban areas to the suburbs is ripe for collaborative efforts. In Atlanta, Temp Force Inc. offers to transport temporary workers to suburban companies that are not accessible by public transportation. "Due to job growth in the suburbs," explains Corporate Service Manager Dean Morgan, "there were more jobs than there were people. We provide a guarantee that the companies will get the people they need, and we'll get them there." From a base of one or two companies in 1985, Temp Force now transports workers—running the gamut from clerical to telemarketing to warehouse help—to 30 to 40 companies in its own fleet of vans. Says Morgan, "It's a very effective tool, and it gives us a competitive edge."

One way to avoid the need to import workers is to consider the adequacy of the workforce when making corporate location

decisions. An official of a company that moved a facility from the inner city to the suburbs recounts, "We wanted to get closer to our customers but found there weren't any workers there. So now we've got this facility out in the suburbs and have to bus employees from the city to work there. It doesn't make sense."

These experiences suggest that companies who resolve to eradicate the practical barriers that separate workers from job opportunities—like lack of transportation—are the companies that will have a more reliable source of labor. All it takes is some creativity and the determination to implement it.

Making Use of Community Resources. Companies also can take advantage of the growing number of resources available in helping to locate potential employees from nontraditional sources, developing what Shawmut Bank Community Relations Officer Maurice Wright calls "a grass-roots approach to gathering information." Public unemployment, welfare, and workfare programs are a good source of labor for entry-level positions.

But public sector resources are insufficient. In terms of recruiting minorities and the economically disadvantaged, Wright emphasizes that "agencies don't always successfully track these people." Accordingly, he urges the creation of ongoing relationships with community organizations. Virtually every major ethnic group in most metropolitan areas with a large percentage of disadvantaged members has (or can develop) some system of identifying potential workers. Likewise, training centers can provide a supply of applicants. Employers should encourage these entities to provide skills inventories for potential workers, and to provide training for skills in the highest demand.

In return, companies should attempt to provide as large as possible a number of meaningful job opportunities with an upward career path. As a particular company becomes known as a good place for minorities and the economically disadvantaged to work, this reputation will spread and the company's efforts will reap an ever-growing rate of return.

Gearing Recruitment to the Needs of the New Workforce. It is sometimes not enough for a company to set up shop or advertise job opportunities in areas of high poverty or minority concentration. Just as companies personalize product promotions to specific audiences, so must they personalize their recruitment messages. This can mean, for instance, using recruiters who speak the same language, or being sensitive to the special needs of a particular labor market.

Coopers & Lybrand tailors its recruitment by sponsoring an accounting career day for Asian students and participating in other career events geared toward particular minority groups. The com-

pany also employs as recruiters successful minority businesspersons who can serve as mentors for prospective minority applicants.

Likewise, giant IBM tries to personalize its recruitment process by taking steps to be sensitive to the needs of a multicultural labor market. One upstate New York facility that was having trouble attracting blacks worked with the local Urban League to develop a resource guide to the community geared toward minority living. Instead of traditional "wining and dining" recruiting, the company made black candidates feel welcome by inviting them to the homes of IBM employees. By beginning the corporate acculturation process at the recruiting stage as IBM did, companies can more successfully diversify their sources of labor.

Eliminating Unnecessary Job Requirements. One way for companies to secure more minority and economically disadvantaged applicants is to carefully scrutinize the prerequisites for every job to determine whether they are necessary.

One common prerequisite that many companies are reconsidering is fluency in English. For many jobs, only minimal English is necessary; and, as noted earlier, language can be taught, frequently in tandem with work or job training.

Aetna Life & Casualty Company's personnel office, for instance, reviews all employee requisition requests to determine whether all the minimum skills sought by the supervisor are necessary. Any skills that can be developed at the Aetna Institute for Corporate Education (e.g., knowledge of a specific computer language) are deemed non-essential. Likewise, some jobs have been determined not to require English proficiency, although Aetna provides training in English as a Second Language and literacy for employees who are not proficient.

San Francisco's Bank of America surmounted a language barrier in a creative way. The bank found it was having enormous success in hiring non-English-speaking Vietnamese immigrants as "proof operators." But although English was not required to perform the job, the company needed some way to test applicants for proofing skills. The company looked into translating the test into Vietnamese, but learned that the language encompasses too many distinct dialects to make a single standardized test viable. Bank of America solved the problem by turning to its bilingual employees, who administer the test informally. This individualization of the recruitment process enabled the bank to recruit from an entire pool of productive workers that would otherwise remain untapped.

Where a company finds that certain skills are essential, however, it need not end its inquiry there. Can these skills be learned on the job? Is there another job, or a training program, in which the individual can acquire the skills? One of the keys to survival

in a tight labor market is to never let a promising potential employee go if he or she can become a productive employee with a small human capital investment.

The companies that are succeeding in maintaining a sufficient labor supply in a tight labor market are those that are recognizing the emergence of a multicultural workforce and are taking steps to deal with the challenges and opportunities it presents. Proactive recruitment efforts can only have the effect of producing a more vibrant, diverse, and skilled workforce—a vital ingredient in the success of any company.

Retaining and Promoting Minorities and the Economically Disadvantaged

Companies must take steps not only to recruit minorities and the economically disadvantaged, but to ensure their meaningful participation in the workplace. Again, this is no longer solely a matter of law or morality but of competitive necessity. For a company's failure to retain such employees or to provide opportunities for upward mobility is a waste of increasingly scarce human capital. And in a tight labor market in which minorities and the economically disadvantaged make up a growing portion of new labor entrants, companies must view such individuals—indeed *all* individuals—not only as entry-level employees but as prospective professionals, supervisors, managers, and officers. And they must take steps to make sure minorities and the economically disadvantaged have access to those opportunities.

Once again, this means more than adherence to equal employment opportunity laws. It means building human capital, and structuring the company in a way that will take advantage of that human capital. The challenge to retain and promote minorities and the economically disadvantaged is two-fold:

- to break down the barriers that prevent or inhibit the full participation of minority and economically disadvantaged employees in the workplace; and
- to build the human capital of minorities and economically disadvantaged employees to take advantage of opportunities for upward mobility.

The key facets of these challenges are summarized below.

Corporate Acculturation

The social and physical isolation of many minorities and economically disadvantaged individuals can make transition to the corporate world very difficult. Companies that fail to acculturate individuals who come from backgrounds different than those they encounter in the workplace—or to acculturate supervisors and

other employees who are not used to a multicultural workforce—will invariably face problems. On the other hand, companies that successfully integrate minorities and the economically disadvantaged into the workplace in a way that allows them to be judged on the basis of individual characteristics will build their store of available, accessible human capital. An investment in corporate acculturation—both in adapting new employees into the corporate workplace and adapting present employees to a multicultural environment—is an investment in a stable, reliable, diverse, and productive workforce. Companies today are using with success a number of methods to deal with both sides of this equation.

Pre-employment Exposure. As noted earlier, internships, work/study programs, and other efforts aimed at bringing minorities and the economically disadvantaged into company settings is a good device not only for training and recruitment, but for corporate acculturation as well.

Two utility companies—Carolina Power & Light Company and New Jersey's Public Service Electric and Gas Company (PSE&G)—are active in introducing minority and disadvantaged youth to the corporate world. Carolina Power's "Career Beginnings" program is targeted at high school juniors who have demonstrated tenacity and drive but who are at risk of dropping out of school because of financial, personal, or family pressures. Working in tandem with other companies, Carolina Power provides a mentor program, work/study experience, and year-long support service to students recommended by high school guidance counselors. In addition to encouraging the students to remain in school, these efforts bring them in touch with the business world and help them develop career paths.

PSE&G is involved in a number of programs with a focus on stimulating interest in engineering careers among minority and disadvantaged students. Joseph E. Liedtke, Manager of Equal Opportunity Activities, notes that "it's getting tougher with job opportunities available so readily to get people to turn their heads and look at jobs they might not ordinarily seek."

PSE&G's "Black Achievers Linkage Program" matches black high school students with successful black managers, who provide inspiration, career guidance, and advice. The company offers opportunities for the students to observe their mentors in action in the work environment, and to hear from other management personnel about jobs in the company and how to gain the skills needed to perform them. Often, it is the first time the students are exposed to successful black business professionals.

The company's "Inroads" program begins at the 7th and 8th grade levels, explains Liedtke, so as to "stimulate interest in engineering so when the students get to high school, they don't take a

general curriculum. The focus is to reach them early enough so they can steer their career in that direction." The company makes presentations to the students and provide on-site visits to nuclear and other power generating plants. Once imparting an interest in engineering, the company tries to support the students through college with mentoring, remedial education, and internships—followed in many cases by a full-time career with the company.

While many youngsters are exposed through their parents and neighbors to the business world at an early age, far too many minority and economically disadvantaged youth rarely or never have such opportunities. Those youngsters who have a chance to see the business world from the inside will likely be more career-directed and better prepared to enter the labor force. For a small investment of time and human resources, companies can do a great deal to help prepare the workforce of tomorrow.

Mentoring. One way to help acclimate an individual to a new experience is to assign an experienced "mentor" to guide that person's progress. A number of companies are establishing formal mentoring programs to acculturate workers from nontraditional or disadvantaged backgrounds into the corporate structure.

Opinions vary about whether the employee should be matched with an individual with a similar background: the benefit of matching similar backgrounds is that the mentor may be more sensitive to the protege's needs, while the benefit of mixing is that the relationship promotes acculturation between the mentor and the protege.

Chicago-based Amoco has an extensive "Advisor Program," through which new employees are acculturated into the company. Advisors, who are selected for their interpersonal skills and knowledge of the company, supplement the role of the new employee's supervisor in smoothing the transition to Amoco.

The program is divided into three phases. Prior to the employee's first day, the advisor calls the new employee, explains the advisor role, offers assistance for special needs (relocation, benefits, and so on), and works closely with Human Resources personnel to make sure all necessary information is available. In the first few weeks of employment, the advisor helps the new employee become familiar with the building and procedures; introduces the employee to co-workers; and provides guidance as necessary. Thereafter, the relationship matures from a "hosting" role to an "advising" role, wherein the advisor encourages independence while remaining as an interested and available friend and helper.

According to Zelda Hughes of Amoco's Corporate Recruiting Coordination, the advisor program was initially designed to "help minorities and females assimilate into the corporate environment as soon as possible." She explains that "the assumption that the

networking process always works is not always true, particularly for minorities and females. So this program has particular relevance in helping them become a part of the corporate culture."

Amoco's advisor program was so successful for minorities and women that the company decided to extend it to all new employees, regardless of ethnicity or gender. This experience illustrates that many of the programs that are especially beneficial to minorities and the economically disadvantaged are good human resources practices across the board.

In addition to direct mentoring, companies can help minority employees by sponsoring resource groups. Employees in U S WEST and Pacific Northwest Bell have organized a variety of groups such as the Black Employees' Telecommunications Association and Viento, a Hispanic employee organization. These groups provide an organizational resource and aid in professional growth and job advancement for their members.

These types of steps are low-cost ways to promote effective integration of a diverse workforce. Companies will find that they pay off in terms of morale, stability, and productivity.

Managing a Culturally Diverse Workforce. Acculturation is not simply a matter of assimilation of individuals into the corporate environment; it is a matter of corporate evolution as well. Aetna's Badi Foster, for example, characterizes his company's massive investment in education as "far more a vehicle for the transformation of the company than for corporate education."

A company cannot hope realistically to compete in today's labor market without being able to manage effectively a culturally diverse workforce. A typical insurance company supervisor who had a staff of 20 white male claims adjusters a decade ago will likely today supervise a staff that includes women, blacks, immigrants, and handicapped workers. A company (or, for that matter, a supervisor) who expects this new workforce to be the same as the old will not be optimally productive for long.

Fortunately, the legal consequences of failure to adapt to the workforce's changing demographics—including exposure to liability for racial or sexual harassment—have resulted in substantial investment in mechanisms designed to reduce discrimination and conflict. The challenge for companies today is to move beyond the antidiscrimination context to harnessing the dynamism of cultural diversity as a matter of productivity and competitiveness in a tight labor market. Sylvia Gerst, Manager of Worldwide Equal Opportunity/Affirmative Action for Hewlett-Packard, puts it this way: "We must realize that diversity is a reality *today*, not some phenomenon that is 'coming.' We have to build into our way of doing business the flexibility to deal with that diversity."

Myriad approaches have been developed to equip supervisors to manage a diverse workforce. Some companies take on the task themselves, while others turn to specialized consultants. The task, as Aetna's Foster describes it, is "to concretize the concept of a diverse workforce." He explains, "People say 'I get along with everyone.' But it's a much tougher problem than that."

Successful approaches generally share the following characteristics:

- they extend to every supervisory employee in the company;
- they utilize learning experiences tailored to realistic work-type situations;
- they require the participants to work out the answers for themselves, so that the "right" answers are *their* answers;
- their participants reflect the diversity of the workforce; and
- they often cast members of the dominant ethnic group in "minority" roles and vice-versa.

In one particularly significant example of corporate commitment to better management of a culturally diverse workforce, Bank of America has joined with 30 other companies, including Apple, Mobil, Kraft, Hewlett-Packard, Pacific Bell, Ford, Avon, Xerox, Hallmark, Pillsbury, and AT&T, to produce a series of three videotapes called "Valuing Diversity." The series uses specific situations to show how misunderstandings in the workplace can result in conflict and poor performance, and how such situations can be handled in positive and constructive ways. The videotapes also emphasize how to communicate, particularly through listening and observing, so that people from all backgrounds can work together comfortably and effectively. The goal of the series is to increase flexibility, sensitivity, and awareness among supervisory staff, in order to prevent problems or solve them before they become serious, and to position the company to derive the greatest possible benefits from its multicultural workforce.

Public Service Company of Colorado is one company that has brought in consultants on an ongoing basis to provide diversity training. In 1985, the company decided that such training should be provided to all management personnel. Betty Franklin Harrelson, Public Service's Equal Opportunity/Affirmative Action Coordinator, explained that the company had traditionally provided training "on the letter of the law," but "felt we needed more of an experiential focus to help increase the commitment to equal employment opportunities." She argues that it's not enough to "teach people how to parrot the correct answers. If they have the right values, the correct answers will come."

That, of course, is a far more daunting task. Public Service undertakes it through an intensive three-day workshop for all

management personnel entitled "The Pluralism Experiential Workshop: Valuing Differences." The workshop is conducted by Denver-based Transformative Management, which also provides diversity training for Mountain Bell and U S WEST.

The workshop, says Harrelson, forces members of the majority to confront their prejudices and preconceptions. As Transformative Management's founder Linda Guillory explains, "To begin to address the needs of a diverse staff, managers must first understand what it is like to be 'different' in the work environment." The workshop features an exercise developed by Peabody Award winner Jane Eliot, which, as Guillory describes it, "'puts the shoe on the other foot' by making participants who normally are not the object of discriminatory preconceptions" experience irrational discrimination first-hand. As Harrelson observes, the program places "vice presidents and managers in the role of underdogs, often for the first time in their lives."

Class size is limited to 10-20 to promote individual interaction. In addition to the experiential exercises, the forum also features lectures on how attitudes affect interaction in the workplace and how to capitalize on diversity in a competitive environment. It also encourages people from different backgrounds to talk and listen to one another.

The companies that will succeed in the 1990s and beyond are those that successfully manage a diverse workforce. Companies in a tight labor market and a competitive economic environment cannot afford to waste an ounce of human capital. That's what effective management of diversity is all about.

Retention and Upward Mobility

The retention of minority and economically disadvantaged employees is not an issue that can be treated in a vacuum. Rather, it is inextricably related to two other issues: acculturation and upward mobility. If an individual from a different background feels comfortable and views himself or herself as a full-fledged member of the company workforce—and if that individual has the opportunity for career advancement—that individual is likely to stay. Hence a company can best invest in a stable multicultural workforce by focusing on corporate acculturation, as discussed above, and in upward mobility.

To a large extent, a company can promote minorities and the economically disadvantaged into positions in its upper ranks by continuing to do the same types of things that it does to prepare and recruit such employees for entry-level jobs—that is, continue to develop individual human capital and break down the barriers that hinder full participation in the workforce. But it also requires an important shift in attitude: *companies must view each and every*

employee as a candidate for advancement. Just as companies can no longer expect an endless supply of applicants for entry-level positions, so will they also experience a tightening of the supply among upper ranks. As a consequence, companies can best meet their needs for upper-level employees in the future by preparing their present employees to fill them.

Once this attitude is ingrained in a company, many of the techniques described earlier can be adapted to upward mobility. For instance, companies should ensure that information about promotional opportunities is readily accessible. Memphis-based Federal Express Corp., for instance, posts more than 200 position vacancies at every one of its facilities and gives existing employees the first opportunity to apply. The company fills 65 percent of its vacancies that way. Since Federal Express has a large percentage of minority employees, this process has led to substantial upward mobility for minorities.²³

"Career pathing" is another worthwhile technique. For every position in a company, specific opportunities for lateral movement or upward advancement should be specified. No job should be a dead-end. Companies should provide counseling to assist employees to plan career growth, including guidance on how to obtain necessary training. In the short-term, opportunities for upward mobility improve motivation, and in the longer term provide a much larger pool from which to draw in filling positions above entry-level.

Companies also should eliminate unnecessary requirements for jobs above entry-level. In particular, companies should avoid excessive emphasis on degree requirements. Hands-on experience in moving up a career ladder within a company often can be more valuable than a college degree or some other experience.

Most importantly, companies can facilitate upward mobility by providing or supporting education. Federal Express, for instance, offers more than 250 courses on such subjects as "Effective Business Writing" and "Is Management for Me?" The Aetna Institute for Corporate Education provides an entire range of classes for employees at every level, including literacy training, that enables service workers to enter the company's mainstream.

One of the most sophisticated upward mobility-oriented employee education efforts is the Self-Directed Education program of the Telesis Management Institute, which was created by the Pacific Telesis Group in 1985. The Institute promotes three objectives for Pacific Telesis employees: "engage your mind, empower your future, extend your education."

Like many other companies, Pacific Telesis provides tuition reimbursement for degree programs linked to corporate interests. But the Institute goes far beyond this by facilitating self-directed

education on company premises in collaboration with California colleges and universities. The process is initiated when 15 or more employees form a "cohort" to indicate interest in a particular subject or degree program. The Institute contacts the appropriate school and maps out the desired course, which is integrated into a degree program at the Associate, Bachelor, or Master of Arts level. The Institute provides space and covers tuition, while the school furnishes instruction, counseling, testing, and so forth. The Institute also provides counseling to help employees align career goals with educational programs.

More than 500 employees of Pacific Telesis and its subsidiary companies were enrolled in on-premises programs in 1987. Students now can obtain degrees on an accelerated basis with classes taught entirely on company premises.

As the Institute's Constance Beutel explains, Pacific Telesis' emphasis on continuing education is an important part of the company's effort to promote upward mobility for minorities and women. But it is also vital to its ability to keep up with technological change in the industry. "Without extensive continuing education," she declares, "we'll lose competitively to the Japanese. Employees and management both know education is important—they can see the handwriting on the terminal screen."

Other companies, individually and acting in cooperation with others, can duplicate this approach. Companies would benefit from supporting continuing education to the maximum feasible extent—providing it themselves like the Aetna Institute, establishing collaboratives with schools like the Telesis Management Institute, or offering tuition assistance. But regardless of the investment a particular company can make, every company can encourage education, and reward it with opportunities for upward mobility. Companies that do so will reap the rewards of a dynamic and diverse workforce.

"Trickle-Up" Benefits

The investment by companies in individual human capital plainly benefits the individual and the company, often in ways that are impossible to quantify. But it also benefits society as a whole.

IBM calculated the cost and return for its Job Training Center program in 1985 and found extremely impressive results. The average graduate had received \$4,574 in public assistance before enrollment. The job training program cost \$3,091 per student. After graduation, the students earned an average of \$11,687 and paid \$2,155 in federal, state, and local taxes. The total cost of training 4,409 students was \$11.45 million, who then earned \$43.33 mil-

lion, most of which was circulated into the economy. While the graduates and the companies that employed them derived direct benefits, the public as a whole benefited from reduced welfare expenditures, increased tax revenues, and a more skilled and dynamic workforce. And these benefits will persist—and grow—year after year.

These benefits are created whenever a company makes an investment in human capital. In this case, the old adage is true that states what is good for business is good for society. The opportunity is ripe for creative companies, acting in their own best interest, to reach out more than ever before to extend the American Dream to minorities and the economically disadvantaged. As they do, they will also move a considerable distance in enhancing our nation's competitiveness and ensuring its continued vitality for the 21st century.

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Chapter 3

DISABLED WORKERS

"The difference between handicapped and other job applicants is only physical. I would encourage employers to look not at the applicants' appearance, but at their capabilities. And hold them to high standards."

—John Yeh, President, Integrated Microcomputer Systems

"[By developing programs to hire, train, and promote handicapped persons, companies] can tap into a talented, skilled pool of people who have learned to persevere and succeed despite unusual difficulties they face. If these people are properly integrated into the company, the potential for loyalty and achievement is enormous."

—Honeywell Handicapped Employees Council ¹

"Disabled persons are a great untapped resource for American business."

—Jack Honeck, Manager of Equal Opportunity Programs,
IBM

American history is filled with extraordinary achievers who also happened to be disabled in some way. President Franklin Roosevelt, inventor Thomas A. Edison, musicians Ray Charles and Stevie Wonder, and physicist Stephen Hawking come immediately to mind. Others, including Grand Canyon explorer John Wesley Powell, newspaper magnate Joseph Pulitzer, cartoonist Al Capp, tuberculosis researcher Edward Livingston Trudeau, humorist James Thurber, track star Glen Cunningham, and Washington Roebling, the engineer who personally supervised construction of the Brooklyn Bridge, are but a few of the many talented Americans whose physical limitations in no way prevented them from making major contributions to society. Yet society has tended to look on successful people who are disabled as special cases, and not as representatives of a sizable minority population whose less conspicuous members' capabilities have gone largely unappreciated.²

Over the years, individuals with disabilities have found themselves isolated from job opportunities, in large part because they have lacked access to normal educational and workplace environments. Today, laws and technology are rapidly closing the accessibility gap for hundreds of thousands of such persons, and as a

result, many more persons with disabilities are attending mainstream schools, finding jobs, becoming involved in the community, and participating in sports. Wheelchair entrances and marked parking spaces are now common in business establishments ranging from supermarkets to concert halls. And public awareness campaigns are helping to reshape attitudes about what disabled persons can or cannot do.

Yet, of the 13 million disabled persons of working age in the United States, only 34 percent work full or part time, leaving 66 percent, or almost 8½ million, unemployed.³ When public opinion research firm Louis Harris and Associates talked to members of this latter group, two out of every three, or 66 percent, said they wanted to work.⁴ Knowing this, and given today's growing competition for new employees, American businesses will want to look closely at this huge underutilized group of workers called the disabled community.

Who are the disabled? "They range from functionally dependent quadriplegics to asthma sufferers," says one author. "They include persons who have never worked, those with limited skills and education, others who are afflicted with transitional problems as they adjust to their disabilities, but some who are fully employed and drawing good salaries."⁵ For purposes of law, "an individual with disabilities" is defined as one who: (1) has a physical or mental impairment that substantially limits one or more of such person's major life activities; (2) has a record of such impairment; or (3) is regarded as having such an impairment.⁶ Interestingly, even if a person's condition in no way affects his or her ability to work, travel, or communicate, Federal law protects the person against discrimination resulting from a history of disability (such as a recovered alcoholic or someone whose symptoms are controlled by medication), or a perceived disability. The 1980 U.S. Census puts the total "handicapped" figure at 35.6 million, or about one in six Americans.

It is important to remember that virtually every American family, regardless of race, ethnic background, educational level, or income, has, or will have, some direct connection to the disabled population, and as a result, has a personal interest in assuring equal employment opportunities for members of this group. Statistics demonstrate that, as we age, we have a one in four chance of becoming disabled,⁷ and an ever-present, if small, chance of becoming disabled, whatever our age. "People with a disability are not 'those people,'" says advocate Florence Weiner, "they are ourselves and those dear to us."⁸

Speaking in 1987 at a seminar cosponsored by the Smithsonian Institution's Woodrow Wilson Center and the National Office on Disabilities (and funded by Xerox Corporation), syndicated

columnist George Will emphasized the universal importance of ensuring equal opportunities for disabled persons: "The most striking fact about the [disabled population] . . . is that it is the most inclusive. There is a sense in which we live in the antechamber of the handicapped community. I will never be black and I will never be a woman. I could be handicapped on the drive home tonight."

Historic Barriers

During World War II, American industry recruited women and physically limited persons in large numbers to keep production going while the able-bodied male population was fighting overseas. But when the war ended, many of these workers, and particularly the disabled, lost their jobs to returning soldiers. The wartime employment opportunities that brought thousands of these persons into the workplace for the first time disappeared, almost overnight.

In August 1945, Congress passed a resolution calling for a "National Employ the Handicapped Week," to encourage employers to rehire disabled persons for the jobs they had learned during the war. And in 1947, President Truman signed an Executive Order establishing what is known today as The President's Committee on Employment of People with Disabilities, an advisory body organized primarily around volunteer action and disseminating information to employers. More than 20 years later, Congress passed the Rehabilitation Act of 1973, whose affirmative action provisions apply to firms that receive federal grants or do business with the government in excess of \$2,500.

But these Federal initiatives did not remove many employers' discomfort with hiring disabled workers, and the owners and managers of these firms often remained unsure of these workers' limitations and capabilities, and worried about the costs of accommodating them in the office or factory. Even today, most managers do not realize that these people want to work and are capable of doing a good job. According to a 1986 Harris survey, for example, only one in ten top managers displayed a strongly optimistic attitude toward disabled people as a potential source of employees; the managers were more likely to consider minority groups and elderly people as an excellent source of workers.⁹

"Although most believe that the disabled will be more reliable, they fear involuntary absenteeism and turnover . . . also . . . a lack of flexibility in job assignments and the difficulty of promoting."¹⁰

Contributing further to these employment problems, the disabled population had become rather isolated over time, such that the majority did not receive the necessary education and training

to gain a step up in the job market. Mobility barriers also kept them out of sight and away from most office buildings and factories, and some disabilities made standard office procedures—such as typing, filing, or answering the phone—difficult, if not impossible. Over the years, these factors, combined with typically inadequate information about employment opportunities, have contributed to a crisis in self-confidence among large segments of the disabled community that keeps far too many of these otherwise employable persons confined to hospitals, isolated group residences, or their own homes.

Challenges and Solutions for Today's Employers

American businesses already have begun to feel the effects of a "baby bust" economy. The number of young adults—once the mainstay of a company's entry-level workforce—has dropped precipitously. At the same time, the increasing importance of technologically oriented tasks in all aspects of business has raised the minimum requirements for many new jobs. And this is by no means a short-term difficulty. Attracting and retaining good workers will continue to be a major challenge for employers through the end of the century.

Demographic research indicates that women will continue to increase their participation in the workforce—up to 47.5 percent by the year 2000—and many companies have responded by recruiting heavily among female college students, grooming current women employees for promotion, and revising benefit packages to better serve working mothers. We also know that members of black, Hispanic, and other American minority groups will represent the largest percentage of new workforce additions between now and the end of the century, and businesses are responding to this trend with stepped up recruiting and training programs and company-wide seminars on managing cultural diversity. Shortages of young job entrants have prompted other employers to encourage their seasoned workers to remain longer on the job, or even to return to the job after retirement.

But these are far from the only efforts businesses can undertake to improve their competitiveness in the labor-short 1990s. The disabled community is another potentially important, though often overlooked, source of capable new workers, a group particularly well suited to the economy's shift toward service occupations and away from physically demanding manufacturing jobs. According to firms who have hired them, persons with disabilities are, more often than not, highly safety-conscious, reliable, loyal, and motivated employees who perform well on the job, and who tend to keep their jobs. In fact:

- A recent survey of the hotel and restaurant industry concluded that hiring disabled workers could alleviate the problem of high turnover.¹¹
- A 1981 employee survey by the Du Pont Company found that disabled workers' safety and performance records matched or surpassed those of their able-bodied counterparts.¹²
- A 1987 Harris poll reported that an overwhelming majority of managers of disabled employees gave them a good or excellent rating on their overall job performance, and that nearly all disabled employees did their jobs as well as or better than other employees in similar jobs. The study also found that eight out of ten department heads and line managers felt that workers who had a disability were no harder to supervise than able-bodied employees.

In addition to disabled persons just entering the workforce, companies will find that, inevitably, some of their present employees will become disabled, and that group will include those suffering from the debilitating effects of drug and alcohol addiction. To avoid losing valued workers in whom the company already has made a considerable investment, therefore, employers will need to be sensitive to such developing problems. "Unfortunately," confided one personnel manager, "it's usually easier for companies to deal with a handicapped person coming into the personnel office from outside the company than it is to deal with someone already working for the company who becomes disabled."

Of course, making the most of this reservoir of talent—whether or not a company is required by law to do so—will not be easy. Firms that resolve to seriously pursue this goal will have to break down some well-established barriers, and doing this will require management's total commitment and non-disabled employees' full cooperation. But those that join these companies as a result will not be the only beneficiaries: companies that make a concerted effort to expand opportunities for persons with disabilities will find they have a head start in the intense hiring competition that is just around the corner.

Recruiting and Hiring Persons With Disabilities

Finding qualified people—whether or not they have disabilities—to perform needed jobs has become an increasingly difficult challenge for U.S. employers. Companies already engaged in heavy competition for women and minority candidates are turning their sights to the disabled community.

Types of Disabled Job Applicants

First, it is important for companies to retain experienced people who become disabled while employed; these are the people in whom employers have invested the most. Fortunately, reasonable accommodations (which will be discussed later) can help valued employees remain on or return to the job.

The second group employers will want to look at very closely are experienced persons whose disabling injury or illness has necessitated a career change. For example, Tom Clancy, who heads a nine-person department at New York University's Computer Center, came to the job with considerable management experience. Before an accident left him a quadriplegic, Clancy was a ship steward and later, foreman of a large industrial bakery.¹³ Persons like this, who may have already spent many years in the workforce, are likely to apply for new positions through the same channels non-disabled applicants would use.

Also likely to be attractive candidates are persons who have been disabled since fairly early in life, but who essentially "mainstreamed" themselves by voluntarily placing themselves in situations—community events, public schools, college degree programs—dominated by able-bodied participants. These persons are the ones with the courage to knock on employers' doors on their own, without any special introduction from rehabilitation counselors or other job placement professionals. These individuals tend to be highly motivated with a healthy degree of self-confidence, and probably have already completed training or an educational program. "Success stories" often feature such persons.

Finally, there is a large number of persons with disabilities who have never held a job (or have only limited work experience), but are enrolled in school, or in training and rehabilitation programs. Like members of other disadvantaged minority populations, they may be less knowledgeable than other people about the job market and less likely to have developed a network of contacts that will lead them to jobs. Having been out of the mainstream for so many years, getting a "foot in the door" is often the most important thing for a disabled job seeker, hence the disabled community is a potentially important pool of entry-level talent for business.

Finding Qualified Job Applicants

In addition to retaining employees who become disabled and being receptive to those who apply independently for employment, where should companies go to find qualified applicants from among the disabled community? Clearly, companies that wish to hire and to "mainstream" disabled persons into their

workforces will need to aggressively recruit new employees, using some of the same techniques they use to recruit their able-bodied counterparts—through contact with schools, training centers, and employment agencies.

Recruiting from Rehabilitation Agencies

Rehabilitation agencies, many connected with state or county health facilities and others privately operated, help newly disabled persons relearn everyday tasks and prepare for employment. Rehab centers may offer skills training or help clients obtain the additional education or training they need to enter their chosen field. Rehabilitation professionals may also provide job placement services, such as preparing resumes and letters of reference; providing employers with information about particular disabilities; and arranging special assistance for the client (such as sign language interpreters, transportation, etc.) during the application and interview process—and even, if necessary, extending through the new employee's initial period of adjustment. Most rehabilitation agencies will also maintain regular, follow-up contact with employers and placement offices after a client has been hired.

Rehabilitation agencies are also meant to serve as an employment resource to the business community, although it is sometimes difficult to match rehab clients' training with a business' specific needs. This problem can be alleviated somewhat if employers regularly visit rehabilitation facilities and communicate business employment needs to those running the centers. One company that does this successfully is Marriott Corporation, which, through its regional Human Resource Representatives and Operations Managers, works directly with rehabilitation professionals to communicate the Company's business objectives, types of jobs available at Marriott hotels, restaurants and contract service accounts, and the types of skills needed. Marriott managers will often arrange for rehabilitation counselors to visit potential job sites to gain a better understanding of how the businesses operate.

Another company that has developed a helpful partnership with a local educational and training facility is Shawmut Bank in Boston, Massachusetts. In an effort to address the company's deficit of skilled clerical workers, a deaf employee at Shawmut led company recruiters to the Horace Mann Austin School for the Deaf. Shawmut donated educational materials for the school's proof-and-coder curriculum, and in return, school instructors taught the bank's supervisors sign language. A number of persons trained in the program eventually came to work for the bank.

For companies willing to work with them, rehabilitation and training organizations can be an excellent resource, since it is in

their clients' interest to provide the best, and most relevant, preparation for the workplace. Hank Viscardi, the founder (in 1952) of Abilities Inc., and an advisor on disability issues to more than one U.S. president, says that above all, "[rehabilitation organizations] must understand the employer's point of view. [Employers have] always wanted, and still want, the best, the safest and most productive worker [they] can find. . . . We have to offer employers more than anyone else has offered them. We can't take a risk of assuming it is a different world, [because] it isn't." ¹⁴

One training facility in southern Virginia has become a specialized resource for architectural firms. Smith McMahon Architects in Washington, D.C. recruited a Computer Aided Design (CAD) system operator from the Woodrow Wilson Rehabilitation Institute, after having learned about the Institute's program for accident victims from the manufacturer of its computerized drafting equipment. "The Woodrow Wilson Institute is an excellent recruiting source," says partner Bob McMahon. "They have some very good instructors, and the operators they train are conscientious and focused workers. This kind of equipment is so specialized by manufacturer that finding an employee already familiar with it can be difficult, and because this young man was job-ready, we saved the six months it would have taken to train someone ourselves. And in a busy, small company like ours, six months can make a big difference in our productivity."

Sheltered Workshops. Persons considered severely "vocationally disabled" (such as moderately-to-severely retarded individuals) may not be comfortable or productive in a competitive employment setting, but can nevertheless earn wages and receive valuable training and work experience in sheltered workshop programs. Most sheltered workshops are private, non-profit corporations from which state governments or private employers can purchase services. Workshop teams often work at their own facilities, but for certain jobs, they will come to the contracting company's office or factory.

Contracting with such organizations makes sense from a business standpoint. According to businesses that have used them, such teams of persons with disabilities provide good work at a reasonable cost. For example, the Du Pont Company saves between 25 and 30 percent (over the estimated in-house cost) on some of its advertising work by contracting with teams of disabled workers at the "Wilmington Opportunity Center." The Center frequently handles mail order responses to Du Pont promotional offers placed in magazines. ¹⁵

Using these services, companies can also effectively expand their workforces during "peak and valley" projects without incurring the additional expense of placing those persons on the com-

pany payroll. One company where this has been true is Quaker Oats, whose Lawrence, Kansas plant contracted with a team of 45 mentally retarded workers from the nearby Cottonwood workshop to help assemble several hundred thousand bags of dog food in plastic canisters for a major promotional campaign. Knowing the project was only going to last 12 weeks, Quaker executives knew they wanted people for the job who would work quickly and carefully but felt it would be uneconomical to hire extra workers on a permanent basis for a twelve-week project.

The arrangement seemed to work well for all parties. "Quaker treated our employees as their own," says J.R. Congra, Cottonwood's vocational director. They wore the same uniforms, shared the same break room, and were very well accepted by the employees. Quaker executive Sherry Schaub advises other businesses to make use of workers with mental retardation.¹⁶

McKesson Industries supplements its workforce with workshop employees from Goodwill Industries. Goodwill transports both workers and supervisors to one of McKesson's 1,000-employee warehouses, where they help to fill and label boxes.¹⁷

Other Businesses Staffed by Persons with Disabilities. Rehabilitation organizations may also sponsor bona fide businesses that are staffed predominantly by persons with disabilities. Unlike sheltered workshops, these businesses operate for profit and are subject to Federal minimum wage laws. The Chicago Lighthouse for the Blind, for instance, uses trainees from its High Skills Program on competitively subcontracted jobs with companies like Western Electric, Zenith, Sunbeam, and Kraft. This workshop, while providing industry an immediate service, is also intended as a training ground for blind persons who will go on to permanent, skilled jobs in mainstream companies.

General Electric has found that Abilities, Inc., a division of the Human Resources Center, is "fully competitive" in the component part manufacturing services it markets to "mainstream companies."¹⁸

As valuable a resource as such facilities can be for mainstream businesses, contracting with them, technically, cannot be considered a way of demonstrating affirmative action as required for law,¹⁹ and in some cases, may actually shut off other opportunities within the company for which the employee is qualified.

Recruiting from Disability Organizations

National Associations. Just as it is nearly impossible to find an industry that does not have a corresponding trade association, national associations concerned with specific disabilities also serve as advocates for their constituencies. These organizations may be involved in such activities as: funding medical research or scholar-

ship programs; educating the general public about the disability; lobbying Congress; or providing vocational training and job placement for persons affected by particular disabilities.

Employers seeking to recruit disabled persons may contact the local offices of organizations with employment referral or job placement services: the Association for Children and Adults with Learning Disabilities, the Association for Retarded Citizens, Disabled American Veterans, the Epilepsy Foundation of America, Goodwill Industries, the Leukemia Society of America, Little People of America, the March of Dimes Birth Defects Foundation, the National Amputation Foundation; the National Federation of the Blind (which operates a nationwide, computerized employment network called Job Opportunities for the Blind—J.O.B.), the National Spinal Cord Injury Association, the National Association for the Deaf; and the Tourette Syndrome Association, among others.

Third-Party Referral and Placement Organizations. Another resource for employers are organizations that specialize in placing or referring disabled persons to jobs without catering to any particular disability. But while these organizations may provide training, they are not rehabilitation agencies. They are advocates for the disabled, but they are sympathetic to business concerns, too. Their job, as they see it, is to bring employers, persons with disabilities, and rehabilitation agencies together, enabling disabled persons to meet their need for meaningful employment and business to meet its need for trained, productive, and dependable employees.

One such group is Mainstream, opened in 1975 as a legal resource for companies affected by new Federal "hire-the-handicapped" laws. The organization has since broadened its focus to include training and advocacy for disabled job seekers, a computerized placement service for business, and efforts to build cooperative working relationships between businesses and rehabilitation agencies.

Mainstream's information director, Fritz Rumpel, says he was "astounded" to hear many employers claim "they 'don't know how to find qualified applicants,'" and cites, as the cause, a breakdown in communication among employers, persons with disabilities and the agencies representing them. "Rehab agencies and private sector employment offices speak very different languages," Rumpel maintains. "Agencies teach their clients certain skills and then look for a job that 'fits,' while employers look at their business needs, and then try to find a person—whether disabled or able-bodied—who can meet those needs. Preparing an applicant to work and marketing him or her to an employer are not the same thing, so we're trying to bridge the communications gap." ²⁰

To complement these efforts, Mainstream operates a computer-based placement service, called Project LINK, which serves more than 400 employers in the Washington, D.C. and Dallas, Texas metropolitan areas, and another service, modeled on Project LINK and known as the "Search-Match System," to assist existing placement services in nine locations around the country. Prospective employers listed approximately 25,000 job openings with Project LINK in 1987, according to Rumpel.

Mary Jean McClellan, Human Resources Director for Washington, D.C.'s American Security Bank (ASB), is an enthusiastic supporter of Mainstream's efforts, and she encourages all area employers, particularly smaller companies, to rely on the organization's help in recruiting new employees. "With entry level job applicants in short supply and some employment agencies charging large fees for their referrals, an organization that sends you trained people at no cost is really doing a favor for employers." Taking its endorsement a step further, ASB has hosted a number of "industry meetings" to allow groups like Mainstream to introduce themselves and their services to the local banking community. These efforts have spawned such programs as the National Association of Bank Women's mentoring program, whereby members "adopt" and counsel persons enrolled in Project LINK.

Taking a slightly different approach, another Washington, D.C.-based organization called "Operation Job Match" helps employers fill job openings with experienced people while helping those who have become physically disabled to return to or remain in competitive employment. The job readiness and placement program, which began in 1980 as an extension of the National Multiple Sclerosis Society's Peer Program, now assists persons with a variety of disabilities in adjusting to their condition and polishing their job search and interviewing skills. About two-thirds of those completing the program have been hired. While the organization does not place people directly into jobs, it does make its job listings available to qualified clients, who then contact interested companies. Occasionally, Operation Job Match will provide employers with a videotape containing presentations by several applicants.

The organization has developed a 12-part job readiness program that it has already taken to a dozen other cities and that its directors hope can be duplicated throughout the country.

Says program founder Diane Afes: "So often one hears that there aren't any or enough qualified candidates in the disabled sector. We say, here they are." ²¹

Recruiting at Colleges and Universities

Even with a declining young adult population, college campuses continue to be a favorite recruiting source for businesses. Prospective employers may find colleges a good source of disabled job applicants, as well. According to 1985 college freshmen survey by the Cooperative Institutional Research Program at UCLA, 7.4 percent of college freshmen said they had a disability, up from 2.6 percent in 1978.²²

In addition to visiting campus placement offices, companies can attract students with disabilities through informational seminars, such as the one Hewlett-Packard sponsors in the San Francisco area each school year. During the annual "Career Day for Disabled Students," students from four universities and a community-based computer training program attend seminars about Hewlett-Packard and workshops in job hunting. Though "Career Day" is intended as an educational event, a number of participants receive invitations to interview with the company.

Recruiting by Reputation

A company that welcomes persons with disabilities and treats them fairly is, of course, its own best recruiting tool. In the long term, recruiting and attracting applicants from the disabled community will be easiest if a company is known to be an employer that truly offers equal opportunity.

Visibility. Naturally, even an outstanding record of hiring persons with disabilities cannot be an effective recruiting tool unless it is publicized. Several ways companies can do this are: attending conventions and conferences where many disabled persons will be present and participating in these conferences' programs; making company-sponsored promotional and family events accessible to persons with disabilities; and prominently displaying the international accessibility sign on recruiting notices or at trade show displays.

Marketing. Companies can also get potential employees' attention by directing product marketing efforts to the disabled, as well as the able bodied, population. For example, media advertising could picture wheelchair users or use disabled actors. Products not specifically designed for persons with disabilities might nevertheless include tactile labeling or Braille instructions, as well as other small accommodations to make products more accessible.

Advertising—whether to sell products or attract new employees—in such publications as *Paraplegia News*, *Independent Living*, and other periodicals directed to the disabled population is another technique companies can use to become better known among this group of people. IBM is one company that uses this approach,

having developed two advertisements to appeal to physically disabled persons, both as customers and as potential employees. The first shows a computer terminal on a table, with an empty wheelchair next to it. The caption reads: "Compatible Hardware," and goes on to describe the company's programmer training programs. A recruiting advertisement pictures the artificial hand (hook) and business card of one of IBM's data processing instructors, Michael Coleman, and tells about his success.

Another option for larger companies might be to sponsor documentaries or dramas that feature disabled persons, or purchase advertising on programs known to have a large number of disabled persons in their audience, such as closed-caption programs for the deaf.

Educating and Training Persons With Disabilities

Even though there are a number of reputable training facilities throughout the country, the most common reason employers give for failing to hire a disabled person is his or her lack of training. In fact, according to Louis Harris' 1987 poll, 66 percent of managers who had not hired disabled people in the preceding three years said that an important reason for not doing so was the lack of qualified applicants.

The Education for All Handicapped Children Act, passed by Congress in 1975, brought many children with disabilities into the public schools, and as a result, the future workforce will include many more disabled persons who have attended college or at least have received education on a par with non-disabled Americans.

Yet, even with adequate academic education, one of the biggest hurdles to advancement for disabled persons has been their lack of marketable skills and orientation to the business world, a result of the same isolation that kept them out of higher education in the past. Integrated Microcomputer Systems President John Yeh believes the schools should take more responsibility for this deficiency: "I would like to see the school systems focusing their course work on the skills needed for future jobs. Young people should be counseled to get their degrees in subjects that will help them succeed in the real world—computers, engineering, business services. You see college students majoring in history, literature, social skills—how is that going to help them get a job? Handicapped persons must get more training to prepare them for jobs."

Others, including Kaiser Aluminum's Robert Cole, believe students need more practical direction, so that once they have acquired their education and job skills, they know how to market

themselves: "Traditionally, disabled students have found the transition to work difficult, and rather than an initial opening to employment and career opportunities, their 'non-transition' has become the beginning of a cycle of unemployment." ²³

A number of companies have already concluded that neither the educational system nor training programs will reflect the real needs of business unless business becomes directly involved in education and training. As a result, business participation in minority schools and vocational programs has grown in recent years; a similar approach may also be necessary for businesses wishing to bring more educated, trained persons with disabilities into their workplace.

Mary Jean McClellan of American Security Bank agrees: "The quality of training is going to make a big difference in the opportunities that will become available to disabled individuals. Right now, training is often out-of-date, geared toward jobs that do not exist or are on their way out. Edward Sloan, Senior Equal Employment Opportunity Representative at Marriott headquarters, believes disabled job seekers would also have greater success if they received more training in interviewing skills and other "social" aspects of the job hunt.

Academic and Career Counseling

Many companies, including 3M, General Electric, McKesson Industries, and Hewlett-Packard, have been involved for some time with programs directed to young women and minorities. Through such programs, these employers show how classroom knowledge is applied in the business world, counsel students about the course work they will need to prepare them for careers, and help them find internships or summer jobs in their area of interest. This is a concept that employers can begin applying to young people with disabilities, as well, impressing upon them the importance of developing not only job-related skills, but also of acquiring knowledge about the world of work. Such efforts can help instill in these youngsters the confidence to pursue further training and apply for the jobs so eager for young talent. Reaching students before they're too set in their programs is key.

Hewlett-Packard provides this kind of direction to college students with disabilities on a one-on-one basis. Through its mentor program, the company pairs each participating student with a veteran employee or manager who works in the student's specific area of interest. Mentors spend at least two hours a month coaching students in company structures and operations and helping them land summer jobs, either within HP or elsewhere, and advising them about career choices and academic preparation.

Employer Involvement in Training

Today's businesses know it is in their interest to help expand the ranks of trained, employable persons with disabilities. On a broad scale, companies can communicate their needs to rehabilitation professionals, hoping that disabled job applicants reach them with the needed skills. But businesses can become even more directly involved in the training process by becoming a partner in existing programs or, given adequate resources, sponsoring their own training programs.

Computer Programmer Training

The widespread use of computers has changed the way many industries do business and the way a large percentage of their employees do their jobs. So, too, have computers broadened the career choices for intelligent physically restricted persons, by allowing them to move away from rote, unskilled occupations into more rewarding, intellectually challenging jobs. It is not surprising, then, that several companies that hope to benefit from this emerging source of talent are opting to train these people themselves.

At the head of the pack is the computer field's giant, IBM, which has initiated programmer training courses for the severely physically disabled since 1972. Working in partnership with other companies, the federal government, and state rehabilitation and education agencies, IBM helps establish local programs and serves as a consultant until they can operate independently.²⁴ Since the program began, more than 2,500 persons have graduated from the 38 training centers around the country, and the company boasts that 80 percent of course graduates are now being placed in jobs starting at \$20,000 a year.

"We try to gear our curriculum to meet the real needs of the job market," says Jack Honeck, IBM's equal opportunity manager for disability programs, pointing out that program graduates enter jobs not only with IBM, but with other involved companies as well. "[Program graduates] are making valuable contributions as top flight computer programmers in business and industry," says Juan Sabater, IBM's director of community programs. "We view this activity as a means for returning something to our communities and we are committed to it for that reason and for the long run."²⁵

Another computer firm, Control Data Corporation (CDC), brings its training program directly to mobility impaired persons. Taking computers into homes and apartments, rehabilitation centers, hospitals and nursing homes, the company trains participants in programming and other business applications. Following train-

ing, program graduates are placed in full time jobs that they can perform from their alternative worksites.

Consortium Approach. Running a large scale training program, of course, takes a considerably larger commitment of time, personnel, and money than many companies are willing or able to contribute. But they can still participate in and benefit from such programs by joining with other employers to fund and oversee them.

For example, Public Service Electric & Gas Company (PSE&G) in northern New Jersey helped establish, and continues to participate in, an on-going computer training program for severely disabled persons at Goodwill Industries. A Business Advisory Council, set up by one of PSE&G's vice presidents, helps run the program. Of the twenty persons who have completed the training so far, two have found jobs with PSE&G.

One program that has drawn favorable attention from the Reagan Administration as a model private sector initiative is a yearlong computer programmer training course called Business Information Processing Education for the Disabled (B.I.P.E.D.). About 40 corporations headquartered in New York, Connecticut, and New Jersey—including Xerox, GTE, and Reader's Digest—contributed \$225,000 in 1981 to establish the program, which, staffed by 50 volunteers and four salaried employees, trains a dozen participants at a time at facilities in White Plains, New York and Stamford, Connecticut.

Where most rehabilitation programs receive some training grants from the Federal, state, or local governments, executive director Joe LaMaine says B.I.P.E.D., funded entirely by business, "is the only program of its kind in the country."

"Because this is a private-sector endeavor," says LaMaine, "the burden on the Government and the taxpayer is alleviated. And after being accepted, there's no red tape for the disabled person. This is a program by business for business. In a way, it's a college for the handicapped sponsored by the corporations. Our facility is an extension of their office building."

Reportedly, 90 percent of B.I.P.E.D.'s graduates have found positions with salaries beginning in the \$18,000 to \$20,000 range. "[Businesses] know our graduates are well-trained. We have a superior track record," LaMaine explains.²⁶

On the Job Training

Companies with more traditional job requirements can also sponsor or support training programs. Rehabilitation agencies usually place trainees in these programs, paying all or a portion of their wages during the training period. Once training is complete, sponsoring employers may guarantee program graduates a job with their company, place them with other firms; or return them to

their rehabilitation counselors for placement. Usually, such programs are held on the company's premises.

Cleveland Electric Illuminating Company provides a 12-week training experience that rotates trainees through a variety of positions in the company, including customer service representative, accounts payable clerk, computer programmer, and data entry clerk—based on the participants' needs as well as those of the company. The trainees do not work together but are integrated into work groups or departments with long-term, usually non-disabled, employees. These employees, serving as "peer counselors," are said to be effective in helping trainees to develop good work habits.

In contrast, Marriott Corporation trains small teams of mentally disabled workers at its Bethesda, Maryland headquarters to perform jobs in the company cafeteria. During their 13-week program, trainees learn such tasks as refilling flatware containers, sweeping, clearing and cleaning tables, emptying trash barrels, and replenishing supplies along the cafeteria line. At the conclusion of training, the company may hire them for openings in a nearby Marriott facility or send them, job-ready, to their referring agency for placement with another company. Similar training programs, and training geared toward other disabled persons, are offered regularly in Marriott operations around the country, and these efforts have earned the corporation many awards from rehabilitation agencies.²⁷

Supported Employment. "Supported employment" is a form of concentrated, on-the-job training that is usually provided, one-on-one, by a "job coach" or rehabilitation counselor. The "coach" accompanies a trainee to the worksite, helping him or her to learn the job and become comfortable with it, and then remains with the new employee as long as needed.

The Association of Retarded Citizens (ARC), headquartered in Arlington, Texas, is extremely active with supported employment programs throughout the United States. As a result of its efforts, ARC says the organization has placed more than 37,000 people in competitive jobs over the last two decades.

A number of businesses in Washington D.C. and the surrounding Maryland counties have benefited from supported employment programs run by local ARC chapters. For example, the District of Columbia training program, which lasts between a year and 18 months, focuses on the trainee's abilities and interests, in addition to job skills, teaches everyday living skills. A job coach accompanies each trainee to the worksite and remains there until the worker is either ready to handle the job alone or the employer and coach decide it won't work out. The association claims work-

ers trained in this manner remain on the job in 95 percent of the cases.

The Washington area department store, Woodward & Lothrop ("Woodies"), says it has hired more than 100 mentally retarded workers since becoming involved with the ARC program a dozen years ago. Riggs National Bank, the Washington Hilton hotel, and the Southland Corporation also say the ARC's programs have helped them successfully fill a number of jobs with mentally retarded workers.²⁸

Since supported employment programs usually provide such workers with their first job, they occasionally move on to better jobs elsewhere, but on the whole, they tend to remain with the company much longer than other employees, according to Woodies' personnel director. For example, one ARC-sponsored employee has remained more than six years in a job normally expected to turn over two to three times a year.

Two small employers that have benefited from ARC programs are Oliver and Hamilton, Inc., an office services consulting firm in the District of Columbia; and the Willow Tree Day Care Center in Lanham, Maryland. Oliver and Hamilton hired an ARC-trained library assistant to manage the office's 4,000 files.²⁹

The day care center hired three mentally retarded women—two full time classroom aides and a kitchen worker—and the center's director says they are more reliable than the non-disabled persons they had in the jobs earlier. [Speaking of one of the women]: "She has a work ethic that would put most of us to shame. She arrives on time every day, ready not to talk on the phone or take coffee breaks or visit with the other staff members but to work. She takes apparent joy in the repetitive tasks others might find tedious. She is even-tempered and cheerful, and I've never known her to be sick. All she asks is that she be told she is doing a good job That means more to her than the money we pay her or any title we could bestow on her."³⁰

A very successful example of how a company can use its own managers for supported employment efforts is McDonald's "McJobs" program. Managers become Job Coaches, who provide intensive, on-the-job training to four to five persons at a time. The course, which runs approximately 15 hours a week for two to three months, includes classroom instruction, demonstrations and supervised practice on the grill, french fry maker, etc. The Job Coach develops a training schedule and continuously reviews and evaluates each trainee's performance.

McDonald's splits the training costs with the rehabilitation agencies making referrals to the program. The Job Coach, who devotes full time to the program, receives his or her full time

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salary from McDonald's. The referring agency pays the crew's salaries as long as they are in training.

Following graduation from the program, participants are "mainstreamed" into the crew and continue to work at the store where they were trained. Then the process begins again. A new training crew may be brought in or the Job Coach may instead run the program in a different store. The program, operating in 24 regions and 44 stores, boasts more than 3,000 graduates so far.

"Many people who had once been considered 'unemployable' by other employers now hold jobs of real responsibility within the McDonald's system," says the company's president, Mike Quinlan. "Their outstanding performance has disproved the myth that hiring the disabled worker is unprofitable. McDonald's disabled employees have proven themselves to be exceptionally hard workers. They are dedicated, loyal employees with low absentee and turnover rates. They are driven by a desire to prove themselves as contributing members of our society. And their persistence has served as a model for our crews and staffs alike. The McJobs program has helped turn sad stories into success stories. And we're proud of each and every one of them." ³¹

Accommodating Physical and Mental Disabilities on the Job

Most physically disabled persons are challenged in some way by barriers to accessibility. These barriers can range from narrow doors to high shelves to unamplified telephones—things that able-bodied persons encounter on a daily basis with hardly a thought. For those with mental disabilities or "invisible" conditions like heart disease, non-physical barriers, such as inflexible time schedules or high-pressure responsibilities, can be equally handicapping. Such barriers can prevent otherwise qualified persons from finding good jobs.

But extensive research has revealed that there are very few jobs a disabled person cannot perform if physical barriers are removed. Elevators, wide entrance doors, ramps, wheelchair rest-rooms, braille elevator controls, and a host of other accommodations are standard features in newer office buildings. Other disabilities will require some adjustment on the employer's part, in many cases only minor modifications to the work environment.

Virtually overnight, advances in computer and electronics have flung open doors of opportunity for even severely disabled persons who, until these innovations, may have had little hope of pursuing fulfilling, challenging careers. For example, IBM's Phil Bravin, who worked for a year as job counselor to deaf-blind

individuals, says that "for people who are both blind and deaf, the computer is the interface, the connection to the world."³²

Equally encouraging, the majority of occupations that are being reshaped by these technologies are in the fastest-growing job categories: law, sales and telemarketing, information management, financial services, health care, and leisure and travel services. For disabled persons already established in careers, the new technologies have simply made interaction with the non-disabled business world less difficult.

Federal law requires certain private employers—businesses doing \$2,500 or more of business annually with the government or those receiving federal grants—to make "reasonable accommodations" for employees with disabilities. But even when not required by law, creative employers have learned over the years that making accommodations for promising applicants who are disabled or valued workers who become disabled while employed can pay off. Many are realizing that such arrangements could well make the difference between retaining and losing a key employee. "For anyone who becomes disabled while employed with us, we would go to great lengths to maintain them at the same level of responsibility," declared one corporate official. "We'll do everything we can to keep a person whole. It's only a handicap if it can't be accommodated."³³

Companies whose employees are subjected to hazardous conditions know this better than anyone: "Historically, people tended to come to work for our companies early and to stay for their working lives," says George McGowan, Chairman and CEO of Baltimore Gas and Electric Company. "Our companies, more or less routinely, tended to adapt to disabilities as they developed, particularly in the physically demanding jobs. We were 'accommodating' before that word came into common usage."³⁴

Both large and small companies can easily afford most accommodations, according to a 1982 survey by Berkeley Planning Associates, which found that 80 percent of all employer accommodations cost less than \$500.³⁵ And some accommodations cost nothing at all. In addition, many employed persons with disabilities require no special accommodations, and even bring extra strengths to a job as a result of their disabilities. Another recent survey, in fact, revealed that only 23 percent of unemployed disabled persons said they needed special devices or equipment to work full time. Similarly, only 35 percent of those already working said their employers had made one or more accommodations for them, while 61 percent said that no accommodation had been made or was needed.³⁶

Common Accommodations

Equipping offices with specialized computers is one way, but by no means the only way, employers can adapt the workplace for disabled persons. Other appropriate accommodations can include: modifying the employee's work environment; providing other special equipment or aides for the employee; modifying work schedules; changing the location of a job; tailoring an employee's training to his or her disability; restructuring an employee's job; providing special training to supervisors or co-workers; or even selectively placing the worker where no accommodation is needed. Employers should also remember to include disabled employees in emergency building evacuation procedures.

Modifying the Work Environment

Work environment modifications may include initiating architectural or structural changes, rethinking decorating plans or adjusting furniture, improving climate controls and lighting, or even devising creative, unessential changes to make a disabled employee's job setting more comfortable or convenient.

Workplace Modifications—Mobility Impairments. Naturally, businesses that employ persons in wheelchairs should be located in accessible buildings near accessible transportation. Having one's entrance near a bus stop or subway is advantageous, but any business with parking facilities can set aside a few spaces near the work site for the use of mobility-impaired employees. Spaces designed for this purpose, of course, need to be slightly wider than normal parking spaces so that drivers can get in and out of their wheelchairs safely.

Wheelchair users already enjoy fairly free access to modern buildings, since federal law now requires new commercial and public buildings to have wide entrance doors, wheelchair curb cuts, elevators with lowered controls, and at least one set of wheelchair-accessible restrooms. However, some older buildings may lack these features, and tenants who plan to hire wheelchair users may either have to move their offices to the main floor or make the necessary structural accommodations.

One firm that made this type of accommodation for an employee was Smith Segreti Tepper McMahan Harned,³⁷ a Washington DC architectural firm, which modified one restroom near its office suite in an older high-rise building. The architect who managed the change reported that it was not unduly expensive—even to accommodate just one employee—although such an accommodation might cost a little more for companies with no knowledge of construction. Because the firm's suite also had fairly narrow hallways, the office manager arranged for the new em-

ployee to reach his work station through a special security door. Another alternative companies might consider would be to assign their mobility-impaired employees to work stations near the office entrance.

Most businesses should be able to ensure adequate mobility for wheelchair users by keeping halls clear of obstacles and leaving floors bare or covering them with low-pile carpeting. Wheelchair users can use conventional office desks if they are raised a few inches on wooden blocks; a few office fixtures such as lamps, filing cabinets, postage meters, or photocopiers may need to be placed slightly lower so that wheelchair users can reach them.

For persons with limited arm use, employers should think about replacing knobs on doors and frequently used office equipment with levers. Supervisors or co-workers can also make minor changes to tools used on the job so that persons without fingers or with only minimal finger control can still use them easily.

One employee at the Toledo Edison Company is living proof of how effective this kind of accommodation can be. Jay Bostelman, who worked as a lineman until an accident left him partially paralyzed in 1981, is now a meterman electrician. Bostelman's coworkers adapted his tools—placing ridged handles on screwdrivers, pliers, and wrenches to give him a better grip, and boring holes in his work table—so that his disability would not prevent him from working independently. As a result of these modifications, Bostelman rebuilt more than 100 meters during his first six months back on the job. Recently promoted to Service Dispatcher, he has also designed about 70 computer programs to help his crew monitor power outages and the system equipment's reliability. "There are things that may be harder for me to do," says Bostelman, "but [my coworkers] compensate, and together we get the job done in the fastest amount of time." ³⁸

Workplace Modifications—Visual Impairments. As mentioned above, newer buildings will already have braille elevator controls, but companies located in older buildings can provide this accommodation fairly easily. Braille signs can also be attached (or holes drilled) onto fire exits and restroom doors. As for the mobility impaired, keeping hallways and aisles clear of debris will allow blind employees to move easily and safely around the workplace. IBM even went so far as to give one of its blind employees a device to change the traffic signal on a street separating two company office buildings.

Modifying a partially sighted employee's work station to include either brighter- or dimmer-than average lighting is a simple and inexpensive, but valuable, accommodation. Since they usually must hold reading materials close to their eyes, persons with very

limited sight will also benefit from a reading easel at their work-site.

Workplace Modifications—Hearing Impairments. Hearing problems rarely involve structural modifications, since they are physically and visually capable of moving easily through the work environment. However, in some cases, hearing impaired persons are more sensitive to loud noise than persons with normal hearing and may need to have their work space lined with noise-absorbing materials such as extra carpeting or acoustic tile. Ear plugs may be another solution to this problem.

The main environmental barriers deaf or hard-of-hearing persons must deal with are the auditory signaling devices most people take for granted. The problem can be solved by transforming telephones, doorbells, timers, or other alarms to flashing lights or vibrating signals. One Marriott facility made this modification to benefit deaf persons working in its laundry room. Employees are alerted to the end of a wash load by flashing lights instead of a buzzer.

Workplace Modifications—Chronic Illnesses. Persons with serious illnesses often need to avoid such environmental conditions as extreme hot and cold temperatures, poor ventilation, and loud, sudden noises: problems that may occur in some industrial settings but are fairly uncommon in modern offices. If temperature is a potential problem, however, portable heaters and fans are an inexpensive accommodation. Employees with Cystic Fibrosis are usually encouraged to stay away from dust fumes, and diabetics should have access to a refrigerator to store insulin.

Workplace Modifications—Mental Retardation. Mentally retarded employees usually will require no physical modifications to the workplace. Creative employers, however, may come up with small changes to help these workers perform their jobs more easily. For example, in the same laundry described above, Marriott Corporation installed multi-colored bins to make it easier for mentally limited laundry attendants to sort sheets and towels by size.

Providing Disabled Employees with Special Equipment or Services

Equipment ranging in cost from three cents to \$3000, special transportation arrangements, or paid assistants are all options employers may explore that will help disabled employees perform their jobs more easily.

Equipment or Services—Mobility Impairments. Quadriplegics, who have lost use of both their legs and arms, and other persons with even less mobility, have benefited greatly from emerging office technologies that allow a person to use residual movement to operate computers and other machinery. Some equipment, for ex-

ample, allows a person to type on a computer terminal using a light pen attached to the head. Other equipment can be operated by small movements like a blink, a breath, or even an eyebrow raise. Entirely voice activated computer terminals are currently being tested; practical, everyday application is just around the corner. As with any technological advances, these products are gradually becoming more affordable.

Hands-free telephones and voice-activated dictation machines have also made it possible for those without use of their hands to engage in normal business activities, and often they are the only special equipment a quadriplegic employee will ask for.

Such was the case for Vivian Berzinski, an attorney with the Washington, DC, law firm, Arnold & Porter, who requested only a speaker phone when applying for the job. Other accommodations are similarly uncomplicated. On Ms. Berzinski's desk is a small wooden stand that holds a standard computer keyboard at her shoulder level; another small stand positions the video display screen at her eye level. She types on the keyboard with a clear plastic, rubber tipped pointer, held between her teeth. This simple instrument also allows her to use the telephone, buzz her secretary on an intercom, and turn pages.³⁹

IBM's Bill Jackson, who worked for the company 25 years before suffering an accident that left him paralyzed from the neck down, also performs a high responsibility job with minimal accommodations. "I've been treated as normally as you can possibly be in my situation. They put a little ramp in at the back door. I have a dictating machine with special fittings and a speaker phone. That's about it."⁴⁰ But Jackson's employer made another accommodation that was perhaps the most important thing that can be done for a valued employee who becomes disabled. Following the accident, IBM's midwest regional manager held Jackson's position open for six months while he underwent rehabilitation. In just four months, Jackson returned to work as manager of a National Service Division branch office.⁴¹

For employees who are not totally paralyzed but have difficulty moving their arms, or have lost an arm, there are one-handed typewriters, automatic dial telephones (also widely used among the able bodied), and even computer terminals that can be run with only one finger. Persons who cannot reach and bend freely, such as those suffering from Muscular Dystrophy or arthritis, have devised a simple tool—a stick with a magnet on the end—to help them retrieve things from the floor, a table top, or elsewhere.

Persons who have lost control of one side of their body after a stroke can benefit from the one-handed technology described above, or from any modifications that allow a one-handed person

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to perform a two-handed task. George Michnale, an insurance agent in the Kansas City, Missouri area, found that it was relatively simple to modify the controls in his company vehicle to accommodate the woman he had just hired to be his driver: Nancy Gibson, a stroke victim with a paralyzed left side. In the modified vehicle, she drives Michnale from appointment to appointment while he makes phone calls and organizes his thoughts for the next meeting. While he's in meetings, she makes deliveries.⁴²

Equipment or Services—Visual Impairments. A wide range of accommodations for the visually impaired are available to employers. Braille, large type, or recorded materials allow these employees to read the same printed matter as sighted persons, and Braille typewriters enable them to keep notes for their own use. If important books, manuals, or other written materials are not already available in these formats, there are a number of volunteer organizations throughout the country that can provide transcriptions.⁴³ In addition to these options, partially sighted persons may also be able to read visually using hand-held or table magnifiers and shields to reduce the glare from white paper.

Companies can also produce their own reading materials for blind employees at low cost. IBM, for instance, records major company employee publications onto cassettes. And when there is not enough time available to transcribe materials into a more usable form (such as when taking written tests or filling out a form), sighted reading assistants can be used.

Visually impaired persons can work in technical or manufacturing settings as well, by using machines or tools with brailled or notched markings, guide plates and stops, or electronic sound feedback.

The visually impaired have also been some of the most dramatic beneficiaries of new computer technologies. Computers that translate written words on the terminal screen into Braille, a line at a time; speech synthesizers that "say" the words on the terminal screen; Braille computer printers; even laser scanners that "read" entire printed pages into computer storage, making them immediately available to blind and sighted readers alike. Partially sighted persons can use devices that scan printed or stored text and magnify it on a screen. Many of these devices, particularly those that can be attached to standard computers, range in cost from less than \$100 to nearly \$3,000. The more sophisticated, self-contained systems can cost as much as \$8,000.

But such investments can pay off, and at Bank of America (B of A), they have. Bill Holmes, B of A's Vice President for Equal Opportunity Programs, states that a number of systems for blind or visually impaired employees are already in place throughout the

company, and one experience provides an especially cogent example of how valuable such accommodations can be.

Shortly after hiring a blind woman for a job not requiring vision, B of A managers realized that their new employee had an exceptional talent for customer relations, a job that requires reading customers' account information from a computer screen. The company purchased a terminal that both talks to her in synthesized speech and allows her to read computer output in Braille. Customers who speak with her have no idea she is blind. Holmes believes her superior performance on the job more than compensates for the company's investment in a special computer. "Our philosophy has always been that if someone meets a business need for us, we should not hesitate to make appropriate accommodations to allow that person to perform his or her job most effectively."

Equipment or Services—Hearing Impairments. The telephone company was one of the first to develop equipment benefiting hearing impaired persons; before inventing the telephone, Alexander Graham Bell was a teacher for the deaf. Installing some of these devices, including amplifiers for the telephone receiver and high-frequency or visual telephone ringers, is one the simplest and most inexpensive ways companies can accommodate their hard-of-hearing employees. For those with more severe hearing impairments, Telecommunications Devices for the Deaf (better known as TDD) can be hooked up to telephones, allowing hearing impaired persons to communicate with other TDD users through a keyboard and one-line electronic display screen.

Innovative employers are continually finding ways to adapt equipment requiring hearing for deaf persons' use. For example, Integrated Microcomputer Systems, a company employing a number of deaf persons and whose founder and president, John Yeh, is himself deaf, has recently developed another communication tool that uses standard IBM-compatible personal computers to communicate with TDDs or other IBM compatible PCs over the telephone. Yeh maintains that the system can easily be installed in any business. "The TDD system has been in place since the 1970s. While it has been an excellent tool, allowing the deaf to communicate via phone lines, relatively few businesses and private individuals have TDD equipment. At the same time, we have 20 million PC owners in the U.S. today. Because our system can be run through an ordinary PC, it opens many more channels of communication between the hearing and deaf communities."

A living example of how technology can change the way companies define jobs for the deaf is William (W.O.) Schwall, a telephone installer for Southwestern Bell. Schwall communicates with his customers using a small message pad and calls his super-

visor from their houses on a pocket-sized TDD. After installing a telephone, he tests it with the help of a device, produced by an amateur inventor, that translates sounds into light signals.⁴⁴

For company meetings, conferences, training sessions, or other business situations involving a lengthy exchange of information, companies may need to engage sign language interpreters⁴⁵ for their hearing-impaired employees. Many companies already do this on a regular basis. Hearing employees can also be enlisted to take notes for deaf colleagues. In addition, printed transcripts—or a more expensive option, on-screen captioning—are often available for films or recorded materials used in conferences.

Hiring an interpreter to assist employees on a daily basis can be fairly costly. But a few employers have stretched their investment by hiring an interpreter full time to assist several deaf employees clustered in a single work area. For example, one of Marriott's Roy Rogers restaurants in New Jersey hired a full-time sign language interpreter to work with the predominantly deaf staff.

Modifying Work Schedules

Flexible work schedules, already in wide use to benefit working parents and other employees, have been found to "promote job satisfaction among handicapped employees and provide corporations with the opportunity to hire and maintain handicapped individuals in employment."⁴⁶ Conversely, inflexibility is often a barrier to employment for persons who tire easily, need time off for medical treatment, or require special transportation arrangements.

Modified Schedules—Mobility Impairments. Even very small schedule alterations can dramatically lessen commuting problems for mobility impaired employees. For example, an employee who has difficulty walking or standing can shift his or her arrival and departure hours to avoid crowded rush hours on public transportation. Those with other types of disabilities, including visual impairments, chronic illnesses, or mental disorders, may also find it less traumatic to travel during less crowded hours.

Modified Schedules—Visual Impairments. Visually impaired persons with some sight may nevertheless be unable to see at night. Businesses can accommodate these workers by permitting them to arrive and leave work during daylight hours.

Modified Schedules—Chronic Illnesses. One of the main obstacles to employment for persons with chronic illness is their need to take time off work for treatment. Kidney patients need extended breaks for dialysis, for example, or cancer patients must go to the hospital occasionally for chemotherapy.

Because employees with chronic conditions also are likely to fatigue easily, it might be necessary to rearrange their schedules to allow for frequent breaks, or even part-time work. Epileptics may need to rest at fairly unpredictable times, if they have seizures. Diabetics, on the other hand, need to be guaranteed a reliable work schedule that allows them time to eat and take their medication; skipping lunch to finish a last-minute project is not an acceptable option for a diabetic.

Modified Schedules—Psychiatric Disorders. Like other conditions, mental illness requires occasional monitoring and treatment, however, psychiatrists and other therapists often have evening office hours to accommodate patients who are employed. If necessary to accommodate some mentally restored workers' need to return occasionally to the hospital for treatment, employers might consider using flexible annual leave policies, much as some are already doing for new parents.

Changing the Location of a Job

Like flexible scheduling, telecommuting—or office work performed in the home—is an innovation that is already benefiting a number of non-disabled workers, particularly those with family responsibilities. Telecommuting from homes, rehabilitation centers, or even hospitals might be a very attractive option for companies employing disabled persons, as well. Setting up an alternative worksite need not be difficult or prohibitively expensive, since today's computer equipment or telecopiers can easily transmit information over phone lines.

Job Location—Mobility Impairments (Including Blindness). Alternative worksites appear to make the most sense for persons who have a great deal of trouble traveling. Quadriplegics, for instance, might find these arrangements much more convenient than traveling to a downtown office. Even visually impaired persons may be good candidates for home or alternative site employment if no suitable public transportation is available to them.

A successful experimental program that has since become a permanent feature at American Express is "Operation Homebound." The company began by converting 10 home sites into word processing work stations. Workers tapped into the company's electronic dictation pool, accessible by phone to executives or typists anywhere in the world, typed the documents, and sent them from their terminals via phone line to a central control center, where they were printed and returned to their authors. If revisions were necessary, the author would simply send the document back to the typist by telecopier. The experiment worked so well that company converted the home-workers, all consultants, into full-time, payrolled employees.⁴⁷

Many telemarketing companies also use home workers to conduct surveys and sell products over the phone. Both the Gallup and Harris surveys employ home-workers nationwide for telephone research.

Tailoring Training and Supervision to the Disability

When non-disabled managers find themselves training and supervising disabled employees for the first time, they may be unsure about how to handle the differences between them. Assuming that these new employees have received specific vocational training from other sources, supervisors usually will not need to treat them any differently than other employees, remembering to include them in any training sessions, performance review schedules, or employee "round-table" discussions.

Training and Supervision—Hearing Impairments. One group of employees to whom supervisors should pay a little extra attention are the hearing impaired. Supervisors should be sure to schedule periodic one-on-one sessions with these employees in order to review their performance and give them an opportunity to ask questions. Supervisors should be very specific when giving assignments, being clear about deadlines and the level of accuracy expected. They should also tell deaf employees who can provide additional information. Whenever possible, supervisors should demonstrate what needs to be done, rather than just explaining it verbally.

Formal training sessions that include hearing impaired persons should be well organized; they will understand concepts much better if material is presented in a logical order. Deaf employees will also fare better if training sessions include role playing, slide presentations, and small group discussions, rather than uninterrupted lectures.⁴⁸

Training and Supervision—Mental Retardation. Supervising mentally retarded employees will also require a few modifications to normal supervision techniques. While managers must treat these employees with respect, they must remember that new skills and concepts do not come easily to them. Generally, these workers will acquire their specific job skills through an intensive work experience or training program, such as the supported employment arrangements described earlier. However, for day-to-day tasks, supervisors should remember to use uncomplicated language and give clear, step-by-step instructions. These workers will also require more feedback—especially positive comments—about their job performance than other workers.

Restructuring an Employee's Job

While persons with disabilities can perform most of the same jobs as the non-disabled, they need not be disqualified from a particular job if they cannot perform every duty connected with that job. Naturally, there are cases where a disability will disqualify a person from a particular occupation—a legally blind person would never be hired as a truck driver, for instance—but in many cases, the job in question can be performed quite adequately by restructuring its responsibilities.

Job Restructuring—Hearing Impairments. In many jobs, it seems as though hearing would be an indispensable requirement. But, as we have already seen, most hearing functions can be performed by interpreters, TDD machines, or even paper and pencil. However, if an manager feels these substitutes will not suffice, he or she can simply have another employee perform the hearing portion of the job, and give the deaf employee additional assignments where hearing is not essential. For example, in an office where clerical workers share typing and phone duties, an employer might allow deaf employees to take on a heavier typing load, and let hearing workers handle more telephone work.

Job Restructuring—Chronic Illnesses. Restructuring a job for someone with a chronic illness might involve allowing them to discontinue particularly hazardous assignments or heavy lifting, provided those tasks are not the most important part of the job. In some occupations, restructuring could mean less frequent travel or field work.

Job Restructuring—Psychiatric Disorders. If mental illness becomes evident after a person becomes employed, a company may be able to restructure his or her responsibilities so as not to cause excessive stress. For example, if an employer judges that a mentally restored person responsible for business in a busy region of the country finds his or her responsibilities too anxiety-provoking, the employer might try reassigning the manager's responsibilities to a less busy or pivotal region.

Training for Supervisors and Co-Workers

As mentioned above, when a company hires someone with a disability, managers may have to learn some new techniques to supervise them effectively. Disabled people generally will not want to be treated any differently than other employees, but in a few cases, special instruction for a new employee's supervisor and co-workers can be an important accommodation that will help the workplace operate much more smoothly.

Supervisors/Coworkers—Hearing Impairments. The value of training supervisors is probably most evident for those who work along-

side the deaf. Persons unaccustomed to the hearing impaired will not know how to communicate with them. Supervisors and co-workers of new deaf employees, not to mention the employees themselves, could benefit from a brief orientation describing, for example, how to speak so that one's lips can be read more easily. Companies can also arrange for supervisors and key employees to take a course in American Sign Language.

Supervisors and other personnel at Jersey Central Power and Light Company take sign language courses to help them communicate with deaf employees. And sign language is so commonplace at IMS that an observer will sometimes see two hearing employees conversing in sign.⁴⁹

In some cases, the hearing impaired employees themselves can teach their co-workers how to communicate with them. Tom Coughlan, a biomedical photographer at Yale University School of Medicine, has informally helped his colleagues to master sign language, and Andrea Kurs, who prepares overhead transparencies for the Naval Air Systems Command in Washington D.C., teaches lunchtime courses in sign language.⁵⁰

Another way hearing employees can help a deaf co-worker to communicate is by serving as their "ears" on the telephone. Tom Coughlan's secretary, who is fluent in sign language, directly interprets phone conversations for him. J.C. Penney staff accountant Anne Makler, on the other hand, has a colleague handle her calls and discuss them with her later.

Supervisors/Coworkers—Chronic Illnesses. Educating supervisors and fellow workers about chronic illnesses may be a good way to remove misconceptions, but it is also valuable from a safety standpoint. Persons working around someone with epilepsy, for example, should have some basic first aid knowledge for dealing with seizures. Colleagues of diabetics should be able to recognize diabetic shock and know what to do until a doctor arrives. The same type of preparation may be appropriate for those working around persons with other conditions, such as heart disease or high blood pressure, that sometimes require immediate medical attention.

Supervisors/Coworkers—Psychiatric Disorders. Similarly, supervisors—though not necessarily co-workers—should familiarize themselves with the symptoms of their employee's disorder so that they can be discreetly alert to problems, such as a sudden, dramatic shift in the employee's personality. While no special response may be necessary, understanding a disorder can help the supervisor to deal more effectively with the employee. The supervisor may also wish to ask the employee early for permission to contact a family member in the event of problems.

Planning for Emergencies

In any emergency, such as a fire, earthquake, power blackout, bomb scare, etc., employers need to move their people from their building as quickly as possible. Workers with disabilities can and must be included in any evacuation procedures, and because of their special needs, employers need to think ahead about how they will be included, insisting that disabled employees participate in all evacuation drills.

Supervisors should coordinate ahead of time with the fire department and assign co-workers to take responsibility for specific disabled persons.⁵¹

Emergencies—Mobility Impairments. Companies should ensure that the fire alarm is within reach of a wheelchair, but the key issue is how to get a person who cannot walk downstairs when no elevators are running. Managers should recruit strong employees to learn how to carry a paralyzed person should this be necessary. Companies can also purchase special chairs that slide down stairways.

Emergencies—Visual Impairments. Blind or partially sighted people need to know where emergency exits are located. Large, maximum visibility exit signs or special alarms that ring along an exit route can also be helpful.

Emergencies—Hearing Impairments. For hearing impaired employees, the most important requirement is that they know the alarm is sounding. Companies can purchase flashing or vibrating alarms, but deaf persons will not notice them unless they are standing somewhere they can see them. Assigning "buddies" to alert hearing impaired persons to an emergency is probably the best approach. Companies can also install fail-proof lights, i.e., not connected to the main power source, to ensure that persons without hearing can at least see their way out of the building.

Managing Accommodation Expenses

As mentioned earlier, the Berkeley Planning Associates study concluded that most employer accommodations for the disabled are neither costly nor inconvenient. The study also reported that the various accommodations federal contractors made were effective in removing workplace barriers for employees with disabilities. But even though most accommodations are fairly inexpensive, employers will need to plan ahead for these expenses as they gradually increase the number of persons with disabilities on their payroll. Naturally, a company that can increase the size of its disabled workforce will have an opportunity to reduce the relative cost of accommodations.

Dedicated Accommodation Fund

One way companies can demonstrate their commitment to their employees with disabilities as well as plan ahead for accommodation expenses is to establish a fund specifically for that purpose. Bank of America established such a fund to allow managers "to help defray the unplanned costs of services and equipment that enable handicapped employees to perform their jobs better";⁵² the fund has been used for everything from hearing aids to parking fees for a wheelchair user unable to take public transportation.

Accelerated Depreciation Schedule

While companies already employing a number of persons with disabilities may feel confident investing in specialized, fairly expensive equipment, an employer with less experience, and particularly a smaller firm, may be hesitant about making such purchases, especially if there is some question about how long the employee will remain with the company.

American Security Bank (ASB) in Washington, DC, found a way around the problem. A few years ago, the bank wanted to employ a computer programmer who was blind and needed special equipment costing approximately \$3,000. The company depreciated the equipment over a two year period and told the programmer he could take the equipment with him to future jobs if he remained with ASB at least two years. This arrangement worked out well for both parties: ASB recouped its investment in the terminal by retaining a skilled employee; and the employee obtained a valuable tool that he could take with him to other jobs, and which also increased his bargaining power with future employers.

Subsidizing Personal Equipment

Another way for a company to bring specialized technologies into the workplace is to hire a person who already owns his or her own equipment, or subsidize a percentage of that personal purchase.

Additional Information on Workplace Accommodations

Companies looking for ways to accommodate employees with disabilities will have many resources at their disposal. Government agencies such as the Architectural and Transportation Barriers Compliance Board offer consultation for employers contemplating structural changes. National organizations that represent specific disabilities are knowledgeable about workable accommodations, as well.

The Job Accommodation Network (JAN)

The President's Committee on Employment of People with Disabilities sponsors a computerized data base and consulting service, available via a toll-free telephone number (800-526-7234), to employers who need advice about accommodations. JAN contains information from a variety of sources that can be searched by the job's functional requirements, the worker's functional limitations, or by environmental factors. For each accommodation, the network provides names, addresses, and telephone numbers of employers who have instituted it in their workplaces.

The service is free to any employer, nationwide, who agrees to share information about its own accommodation efforts. Participants include ATT, Atlantic Richfield, Continental Group, Du Pont, Edison Electric Institute, Honeywell, Hughes Aircraft, ITT, the National Restaurant Association, Sears, US Steel, Westinghouse, and many small businesses.⁵³

Dealing With AIDS in the Workplace

Like any serious illness, AIDS (Acquired Immune Deficiency Syndrome) can be a disabling condition for an employee. But because of the fear and political controversy associated with AIDS—the only infectious disease discussed here—it is difficult for employers to treat AIDS sufferers as if they had “just another disability.”

But many employers are trying to do this to the greatest extent possible. Companies know that firing a person because he or she has AIDS could subject them to a discrimination suit, but rather than establish a formal policy on hiring, firing and accommodating persons with the illness, they often prefer to quietly include AIDS under company policies on “life-threatening illnesses.” For example, according to John Kuhns, vice president for personnel at the 5,000-employee *Washington Post*, “We’re treating AIDS like we treat other fatal illnesses. It’s not bigger or less than that.”⁵⁴

This is an understandable approach, considering that, aside from the question of transmission, employers must first determine whether an employee with AIDS—or any terminal disease—is physically able to perform his or her job. On the other hand, it is clear that even a diagnosis of AIDS—before any symptoms appear—can subject the affected employee to a considerably more hostile environment than persons with other disabilities must face. So, in dealing with employees with AIDS, companies must weigh carefully questions of the patient's privacy and welfare against the concerns of coworkers and customers.

A 1987 survey of the nation's largest employers found that, while a majority of the 164 responding companies said they would forbid employment discrimination against AIDS sufferers, only 23—14 percent—said they had or were developing any specific policies on AIDS.⁵⁵

One of the few companies to formally address AIDS as a workplace issue is the Bank of America, headquartered in a city particularly hard hit by the epidemic: San Francisco, California. The company accommodates AIDS sufferers as it would persons with any other disability or life-threatening illness, permitting—even encouraging—they to continue working as long as they are able, and if warranted, making such accommodations as flexible scheduling. AIDS sufferers are also eligible for corporate health and disability benefits.

William F. Holmes, Vice President and Manager of Equal Opportunity Programs, says that when B of A did some research into the disease, "[W]e learned . . . that AIDS is indeed a distinct class of illness; it has its own characteristics. However, in terms of the workplace, AIDS is the same as many other life-threatening illnesses. . . . You don't extend to anyone with a life-threatening illness any more rights than you would extend to anyone else. . . . However, Bank of America affirms that employees with life-threatening illnesses have a right to stay at work, and we will keep them at work for as long as they like and for as long as they can work."⁵⁶

The company's policy also includes education and counseling about AIDS for both AIDS sufferers and their co-workers. "Although it's true that AIDS is not contagious in the workplace, fear is," Holmes says. "AIDS imposes something of a death sentence. That makes people very uncomfortable. When they are misinformed . . . fear runs very high. So some kind of education program is essential to make a corporate policy on AIDS work."

A number of other San Francisco-based companies, including Levi Strauss, initiated AIDS education programs as early as 1983 in an effort to head off future problems. Pacific Bell, AT&T, Wells Fargo Bank, and the Chevron Corporation have joined Bank of America in helping to finance research and educational programs by the San Francisco AIDS Foundation.

More often than not, it is a crisis that precipitates a company's actively establishing AIDS policies. For example, when Boston's New England Telephone (NET) Company had 29 employees walk off the job in 1986 because another employee was rumored to have AIDS, the company formed a task force to work through the situation. NET eventually enlisted the support of other area companies to form the New England Corporate Consortium for AIDS Education.

Another company, Consumer United Insurance Company, in Washington, DC, initiated its AIDS policy when a claims adjuster found out he had the disease. Fearing that the man's co-workers would follow through on an earlier pledge to quit if they were forced to work with an AIDS sufferer, the company's president and medical case manager immediately launched an education program for their 100-member staff, arranging (with the ill employee's approval) an intensive, three-hour session of lectures and discussions, and making counselors available to anyone wishing further information. From that point, the company's AIDS policy has been to treat any future employees diagnosed with the disease as the first man was treated: continuing their salary and full medical benefits, and permitting them to work as long as they are able.

Considering this disease's effect on absenteeism, medical insurance costs and sick leave, discrimination liability, and worker morale, other companies may want to look more closely at this issue before it becomes an immediate problem. With nearly 270,000 AIDS cases expected throughout the general population by 1991, AIDS in the workplace is not likely to disappear overnight.

Dealing With Addictive Disabilities

Just as one will find intelligent or talented people inconvenienced with every kind of disability, valued employees will sometimes become severely disabled by drug addiction or alcoholism. Compared with all other disabilities, many of which are relatively simple to accommodate, alcoholism and drug addiction—both protected disabilities under the Rehabilitation Act of 1973—are virtually impossible to deal with unless the employee voluntarily seeks treatment. Recognizing this, the law only protects alcoholic or drug addicted workers from dismissal if they actively seek treatment.

Several companies, including Procter & Gamble, Johnson & Johnson, IBM, and USAA, have trained counselors on staff or contracts with outside firms to provide confidential assistance to employees with a variety of personal problems; such assistance may include referrals to treatment for alcoholism or drug abuse. Most of these Employee Assistance Programs (EAP) began exclusively to deal with addictions but have since broadened to include other counseling issues. According to a September 1987 survey by the Association of Labor and Management Administrators and Consultants on Alcoholism (ALMACA), there are some 10,000 EAPs in existence today.⁵⁷ The study also found that the vast majority of these programs are in large, complex organizations.

Bank of America (B of A) sponsors a focused drug and alcohol program for employees and members of their family. The company uses outside addiction treatment professionals, but manages the program very closely, setting standards and helping to identify and refer employees for treatment.

B of A's "Help Network" is a voluntary program that gives any employee the opportunity to discuss a suspected alcohol or drug problem with a Personnel Relations Representative or the Alcohol and Drug Program Manager. These B of A staff members will refer the employee to a licensed therapist outside the company to assess what treatment, if any, is needed, and if the employee decides to enter a treatment program, the Program Manager or Personnel Relations Representative will help him or her to locate one that meets the company's standards.

For salaried employees who have been with the company at least a year, B of A pays 100 percent of the initial evaluation costs and 80 percent of the treatment costs not already covered by the employee's insurance. Hourly employees or those who have been with the company less than a year are invited to contact the network and receive referrals to treatment programs, even though the company does not pay their expenses. B of A will also pay for an eligible employee's spouse, dependent children under 21, or adult children who are full-time students, to participate in the program.

Perhaps the most attractive feature about B of A's program is its emphasis on confidentiality. Employees can seek help freely without fear of negative consequences for their careers. "You're not going to get fired," explains one systems engineer enrolled in the program. "I think a lot of people are afraid they're going to get fired if they admit they have a problem with alcohol or drugs. They think they're going to hear: 'Well, you know we really can't deal with that and good-bye.' And that's not what's going to happen at all."

When an employee seeks help, only the person he or she has contacted knows about it. The person's supervisor is not told; nothing is entered in the personnel file. Employee absences are arranged through the Personnel Relations Representatives, who do not disclose the reasons for an absence. One recovering alcoholic, an assistant vice president, says, "The only way anyone would know you went through a recovery program is if you told them." ⁵⁸

Smaller firms probably cannot afford to hire full-time staff counselors or alcoholism program directors. Nevertheless, they can demonstrate some time flexibility, and perhaps a willingness to help with expenses, should one of their valued employees require—and pursue—treatment for an addiction.

Mainstreaming and Promoting Persons With Disabilities

Much attention is focused on the act of hiring persons with disabilities. As with minority groups and women in the past, the prime issue has been getting beyond hurdles cited by potential employers to give these people a chance. Evidence shows that progress has been made, but the disabled person does not become invisible once safely inside the company door.

Like anyone else, persons with disabilities should be regarded as candidates to be developed and promoted. Only then can companies truly feel they have tapped this population to their best advantage.

In an ideal world, employers would judge every worker by his or her capabilities and willingness to work, and not by his or her physical or mental condition—and some companies have already come a long way toward this goal. But for many employers, working on an equal basis in a business or industry alongside persons with disabilities is still a fairly new experience, and it is clear that long-term, day-to-day contact with these employees, as individuals, will be necessary to erase the stigma and stereotyping that can hinder both job satisfaction and career development. As non-disabled employees and managers responsible for hiring become more familiar with disabled persons and their capabilities, assimilation can be fairly smooth, and promotions should naturally follow.

But non-disabled persons are not the only ones who need their consciousness raised. Given their history of isolation, it is hardly surprising that many persons with disabilities need to develop more confidence in themselves before they can completely blend into the American economic scene. Of course, the disabled population will always have its stars, but as one of them pointed out, "You must remember that all handicapped people are not like me. I had extraordinary drive and determination to succeed. Many disabled people lack both the training and the confidence to advance in their careers. They may feel isolated from opportunities, and once they do find a job, they hold onto it, afraid to risk looking for another, even if means a chance to move up. Many look at their job as the only one they will ever have."⁵⁹

Employers who have demonstrated their commitment to the disabled community by offering improved accessibility, training programs, and job opportunities can also do much to help remove this last, destructive, barrier. Their efforts, along with time, will help disabled persons gain the confidence they need to become an indispensable part of any business' success at every level of the organization.

Breaking Down Barriers to Understanding

Even when management policy includes affirmative action and other policies designed to attract persons with disabilities, a new employee hired under these policies may run into attitudinal barriers from his or her immediate supervisors and co-workers. For example, a previous, unfavorable experience with a disabled employee may have created or affirmed prejudices; fear or discomfort about a particular disability may result in unkind treatment, or even unproductive pity; and a lack of familiarity about an individual's abilities and limitations may lead to inappropriate assignments or stereotyping.

By contrast, such discomfort might also lead to a failure to correct obvious problems, and this, too, is unlikely to contribute much of value to the disabled employee's career potential. As one manager commented: "We're not sophisticated enough to treat the handicapped like everybody else. We're slightly intimidated by them. It makes us feel good to be 'helping the handicapped,' but we're afraid to discipline or correct them if they're not doing their job properly. We still treat them as though they are apart from the 'normal' workforce. Several years ago, until minorities and women were considered a 'normal' part of the workplace, employers had to go through the same attitudinal changes with them. Until having disabled employees becomes the norm, we'll continue to fight this tendency. We will have succeeded when we stop looking first at a person's handicap and instead look first at his or her skills."

In the meantime, companies can take several steps to help speed this process.

Employee Orientation

Becoming comfortable in a new employment setting takes time for anyone, whether it is their first job or their fifth. Company philosophies, office routines, and most importantly, personalities, will vary dramatically between workplaces.

For certain new employees, particularly those with disabilities, adjusting to this new environment may be a bit more difficult. For example, a deaf person does not have the same opportunity as someone who can hear to quickly become acquainted with co-workers and learn about the company simply by overhearing conversations within the office. A blind person, on the other hand, may have more difficulty familiarizing him- or herself with available office resources, such as manuals and reference materials, that a new sighted employee could scout out just by walking around the building. Other disabled persons may find it difficult to devel-

op informal working relationships with colleagues, simply because they are perceived as "different."

Managers can help alleviate these difficulties by ensuring that such employees receive a thorough orientation in their first days with the company. For example, supervisors should introduce hearing impaired employees directly to others in the company and allow them to spend a few minutes talking briefly with each person, one-on-one. Name tags during the first week or two and a organizational chart can also help with these employees' orientation. Visually impaired employees should receive a complete, detailed tour of the workplace to allow them to become familiar with the layout. And just as they did for hearing impaired newcomers, supervisors should introduce new employees with visual impairments to their co-workers—and others in the organization—on a one-on-one basis, allowing them a few minutes to become acquainted.

Another way employers can help new employees, whatever their disability, to feel more comfortable is to initiate a "buddy" or mentoring system to compensate for any initial lack of a peer support group. The mentor, who may either be part of the personnel staff or a member of the new employees' own work group, should be available to help him or her understand the company's insurance plan, employee benefits, company policies, and answer other work-related questions. The mentor can also ensure that the new employee is included, early on, in social gatherings with others in the company.

Sensitivity Training for Non-Disabled Employees

Even before a disabled person comes to work for a company, management can begin to remove barriers to his or her acceptance into the workplace. Rather than depend upon positive day-to-day experiences and communication to smooth over potential misunderstandings, a few companies have taken a direct approach to changing attitudes in the workplace, convinced that educating non-disabled employees and managers about disabilities—sometimes as part of broader "diversity training" programs—is an excellent way to remove negative perceptions and start the process of mainstreaming.

Reluctance to hire and promote disabled job applicants can stem from "fear of the unknown": fear that such employees can't do the job; fear that supervising them would be too difficult, and fear of offending—or of being offended.

Programs like the one developed by Chicago-based Leopold and Associates are designed to replace fear with facts. Called "Breakthrough," this three-hour program for managers is designed to help them understand hire-the-disabled laws, devise appropri-

ate accommodations, and interview disabled job applicants. The program is designed to prepare human resources personnel to train managers in their own companies. Participants have included Bristol Myers, International Paper, Borden, and Kraft. One participant said the program was effective because "it's not overly syrupy. It's very easy to feel good about hiring the handicapped by playing on people's sympathies. This is a really nuts and bolts good technique." ⁶⁰

Being able to imagine oneself in a disabled person's place is another proven technique for helping to remove attitudinal barriers. Hewlett-Packard takes this approach by including a "Lottery for Life" in its annual commemoration of National Barrier Awareness Day. During this demonstration, non-disabled employees have an opportunity to "experience" disabilities by being blindfolded, using a wheelchair, or simulating a hearing impairment for a period of the day. The day's event also features guest speakers on various disabilities, as well as exhibits, films, and displays.

Another very effective program, developed a number of years ago for employers by the Pennsylvania Bureau of Vocational Rehabilitation, offers a three-day experience where participants live and interact with disabled persons at a large rehabilitation facility in Johnstown, Pennsylvania. Seminar groups are purposely kept small, and the instructors themselves have disabilities. The program includes "role playing," such as walking blindfolded through the halls or trying to get around for a day by wheelchair; and videotaped practice interviews. Participants are encouraged to socialize after hours with disabled persons from the center. Hundreds of companies, large and small, have participated in the program. A few of the larger companies are: Procter & Gamble, Westinghouse, Sears, Corning Glass, and United States Steel. ⁶¹

Aiding Career Development

Success is generally the best way to ensure further success. Just as it has been for women and minorities, when one person with a disability earns a top position, it is a signal for all coming after that the opportunities are there for those who will pursue them.

It is certainly in business' interest to encourage their employees who have disabilities to aspire to positions of responsibility. They can do this in a number of ways: by actively recruiting for entry-level jobs from among the disabled community, by being sensitive to their needs for accommodations; by giving them opportunities to gain additional experience whenever possible; by publicizing their successes, and by encouraging them to enter educational and training programs that will prepare them for advancement. But it is important to remember that persons with

disabilities have faced at least twice the barriers of any other workforce minority, and widespread progress toward positions of leadership will not occur overnight.

A Foot in the Door

When persons with a disability first enter the business world, they may feel their most important goal is to convince supervisors and co-workers that they can perform their job just as easily as if they had no disability. And there is no argument that adjustments to the job or workplace are often necessary to make this possible.

But there are other opportunities within companies where having a disability is a distinct strength, and, in fact, where *not* having a disability may be a handicapping condition. It is in these positions that employees with disabilities can often make their mark, or can gain the kind of valuable experience that leads to further opportunities.

As the disabled community continues to increase its involvement and visibility in the workplace, the marketplace, and in places where public policy are made, companies, more than ever, will need to include this group in their business planning. In fields such as product development, advertising, marketing, and customer services, businesses are already turning to their employees with disabilities because of the unique perspective and experience they bring to these occupations.

Opportunities in Science and Technology. Continued developments for the disabled in the computer and electronics fields are creating opportunities for engineers, computer programmers, and others involved in developing and testing equipment for disabled persons.

Several companies in these industries have already assigned employees with disabilities to develop and test specialized products for use in the workplace; in some cases, employees, themselves, initiated product development. For example, when IBM employees, some with disabilities, began coming up with creative ways to use computers or other adaptive devices, the company gave them the time and space to pursue their ideas. An IBM project office in White Plains, New York became the company's focal point for employee-initiated products for disabled persons, and the company has a development lab for such products in Boca Raton, Florida. "We find that disabled employees are valuable to us in developing, testing, and demonstrating products that meet the special needs of our company and our customers," says Jack Honeck. Both Hewlett-Packard and Integrated Microcomputer Systems (IMS) have blind task forces researching ways for the visually impaired to use computers, as well as evaluating adaptive devices currently in use.

Other technical areas where employers can benefit from disabled persons' special expertise are medical research, architecture, or urban planning.

Opportunities in Sales and Marketing. As more and more companies begin marketing their products for the disabled and making a greater push to include the disabled community in advertising strategies, disabled persons with talent or training in these areas can be extremely valuable to their employers. In selling situations where personal contact is important, persons who share their potential customers' disabilities are likely to seem less intimidating, better able to anticipate and answer questions about the product, and more convincing in their product endorsements. In addition, companies can benefit from their disabled employees' experience in formulating marketing and advertising strategies directed at the disabled community.

Professional Opportunities. In other fields requiring a great deal of contact with disabled persons—medicine, rehabilitation, law, or education, for example, personal disability may provide not only credibility but also motivation, empathy, and an enhanced ability to communicate with patients, clients, or students.

The recent upheaval at Gallaudet University, which resulted in deaf persons' being named president and board chairman for the college, is one example of a rising sentiment among many disabled people that decisions affecting them should be made by those who are like them.

Certainly, opportunities in all these areas should remain open for any skilled persons, disabled or not. Segregating or categorizing workers, whatever their background, is not the answer, of course. But companies will want to look closely at their employees with disabilities when such opportunities arise. By doing so, employers can positively influence these persons' career development, while, at the same time, gaining from their unique contribution to the business.

Moving through the Ranks

Access to Job Information. In addition to deliberately recruiting employees with disabilities into special areas, as described above, companies can ensure that they have an opportunity to move up through the ranks along with their able-bodied colleagues. One way they can do this is to make sure their employees with disabilities are aware of the same vacancy announcements available to other employees. This may require placing announcements in locations more accessible to mobility impaired workers, recording the notices on cassette or transcribing them into Braille, or even verbally telling the employee where they can access this information.

Access to Training. Another tool disabled employees can use to enhance their promotion potential is continuing education. Managers can encourage these employees to take full advantage of company-sponsored education programs, including tuition reimbursement; on-site seminars; and management programs. If necessary, companies may wish to help with accommodations, as well.

Success Stories

Companies with a history of focusing on job applicants' abilities rather than their disabilities are already reaping the benefits of their hiring policies. Progress can be slow: as with any new person in an organization, it is difficult to know how good the match will be until the disabled employee has spent some time in the job. Like in any other group of employees, some will be outstanding, others adequate, and others, poor workers.

But by treating each of these employees as a unique individual, the "cream" will rise to the top. Those who have the capability, drive and determination to succeed will do so, and employers who give them an opportunity and foster their growth will become the beneficiaries, either directly or by association.

Many employers are justifiably proud of the achievements their disabled employees have made in the face of severe personal hardship and pervasive societal barriers. As a result, some have made an effort to share their stories with the public, whether through company publications, news articles, or speeches and presentations. For example:

Andrea Godwin, a stenographer in Du Pont's Chemicals and Pigments office, joined the company in 1980. Suffering from multiple birth defects, she had undergone 32 major operations before the age of 14 and as a result, walks with crutches today. A 1982 brochure reports that "Since she began her present assignment in March of 1981, Andrea hasn't missed a single day of work. As her supervisor notes, 'I can always count on Andrea. She's the first one in when it snows.'" This young woman had a positive attitude and Du Pont gave her a chance. "People respond to you based on how you feel about yourself," says Godwin. "I don't feel handicapped." ⁶²

At San Francisco television station KPIX, a hearing impaired woman named Kane Chinn joined the staff as a secretary, and decided she would like to become an editor. On her own time, she worked hard to pick up editing skills, little by little, asking managers and producers for help. Eventually, Kane became an award-winning editor for two popular children's programs: "Hot Streaks" and "Mac and Mutley." Though she has since left the station, Ms. Chin has parlayed her experience there into a free-lance business, editing national stories for other stations throughout the state.

Another KPIX success story is Jana Overbo, a wheelchair user with only limited hand movement but with a strong desire to work in television, who was referred to the station by one of its intern liaisons. No special accommodations were made for Jana, but her manager, sensitive to the intern's challenges and personal desire to succeed, gave her as much guidance as she could. Following the internship, Ms. Overbo became an entry-level Production Assistant. She has since helped produce "Bay to Breakers," and other KPIX special projects.⁶³

Charles Reichardt joined IBM in 1978, five years and more than 2,000 letters after first beginning his job search. After graduating from college in 1972, Reichardt, blind from birth, sent résumés to 1,000 potential employees. Only one, a company looking for someone to relocate to a distant state, wanted to interview him. He returned to school and earned his masters degree. Again, he mailed out 1,000 résumés without a single encouraging reply. Discouraged, he shared his story with contacts on his "ham" radio, one of whom was married to a manager at IBM. The company interviewed and hired him, and today he is an Information Systems analyst.

During the course of the employment interview, IBM managers learned that, in addition to "ham" radios, Charles had another hobby: repairing automobiles. As a high school student, he had earned money repairing cars free-lance when local businesses would not hire him for summer jobs along with the other teenagers. IBM recognized that this kind of experience and drive would be an asset to the company. Reichardt remembers, "Through my avocation, they saw that I had an analytical mind and they examined it . . . I appreciate the fact that the interviewing team had the foresight to look at 'all of me' and not throw out that uniqueness in me."

Reichardt has worked in a number of areas at IBM, and says his employer "has been very responsive" to his needs by providing him with a talking computer and braille typewriter. He was instrumental in making IBM's PROFS—The Professional Office System—more usable for the blind, and is listed as a resource for both the American Association for the Advancement of Science and the American Foundation for the Blind. His contributions also include a directory of services and specialized equipment for the physically disabled, and training on IBM systems for blind employees and customers.⁶⁴

Conclusion

The United States' large disabled population will play an increasingly important role in the dramatically shifting workforce

of the coming century. While for many years a largely hidden population, a new generation of disabled persons are making themselves heard and gaining a new sense of self-respect. Technology has opened many doors to learning, such that with proper accommodations, individuals with disabilities can perform nearly any job that the non-disabled population can.

Employers who have employed disabled persons find they are reliable, conscientious, intelligent, safety-conscious workers. Today, hiring the disabled is no act of charity, but good business sense.

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Chapter 4

OLDER WORKERS

"The companies that are going to succeed in the future are the companies with the best people, which may be even more important perhaps than having the best product. But if you sit there and wait for them to come in, it's just not going to happen. You have to work at it, really work at it."

—Stan Stein, Senior Vice President for Personnel, McDonald's Corp.

As the number—and, in many cases, quality—of young entrants into the workforce decline during the remainder of the century, companies will have to look increasingly to older workers to solve their labor needs.

The numbers are stark. Between now and the year 2000, the absolute numbers of workers age 20-24 will *decrease* by 14 percent, and workers age 25-34 will decline by 14.6 percent. Meanwhile, the number of workers above age 45 will increase significantly.¹ While this certainly means, as *Workforce 2000* urges, that companies will have to take steps to improve the dynamism of an aging workforce,² it also means that companies that can attract and retain productive older workers will most successfully meet the challenge of a tight market for skilled labor.

This demographic reality will require a significant change in the way companies fashion their personnel policies. Indeed, there are probably more than a few companies that are encouraging older workers to retire early, which has for years been the trend among American businesses—while simultaneously casting about in frenzied fashion for new workers to fill their labor needs. As one company official observed, "Encouraging early retirement is akin to shooting yourself in the foot. What we should be doing is making it more attractive for older workers to stay."

Companies who desire to maintain a stable, educated, and productive workforce during these times of a lean skilled labor market face three challenges with respect to older workers:

- to *attract* older workers to enter or re-enter the workforce. Many companies that have traditionally relied on new workforce entrants are turning to retirees and older individuals as a new source of workers; and as the labor shortage trickles up beyond entry-

level types of jobs, other companies will have to adopt similar strategies.

- to *retain* as many of their older workers as possible; i.e., to satisfy their labor needs by not losing workers to retirement or technological obsolescence. As one company official noted, "Once you let people go, it's hard to get them back."
- to effectively *manage* an older workforce. An older workforce does not have to mean a less dynamic workforce—if a company is willing to set aside stereotypes and to take the steps necessary to capitalize on the resources older workers bring to the workforce.

The keys to success in fulfilling each of these objectives are *flexibility* on the part of the company and *options* for older workers. Many older workers have an option available to them instead of work—retirement. If companies hope to attract, retain, and/or enhance the productivity of older workers, they must be sensitive and responsive to the needs of older workers—which are as varied as the individuals themselves. Some of the most successful company strategies in achieving these objectives are summarized below.

Attracting Older Workers

Of all the groups discussed in this study, older workers may be the most difficult to reach and attract. First, most retired individuals are not looking for jobs. This means that different avenues of recruiting are necessary to reach them, and different incentives may be necessary to attract them. Second, older individuals are often restricted in their ability to work by Social Security or other retirement benefits limitations. Third, older individuals who have not worked recently may lack technical skills that younger workforce entrants may possess, thus necessitating extra training.

The following are key ingredients of successful efforts to attract older workers:

- Aggressive and creative recruiting designed to reach seniors.
- Flexible jobs (part-time, flexible hours, choice of jobs, upward and lateral mobility).
- A reputation for a good working environment for seniors.
- Careful monitoring of hours to avoid adverse Social Security ramifications.
- Training for supervisors in managing an older workforce.

McDonald's Corp. is an acknowledged corporate leader in systematically attracting older workers, and the company's extraordinary efforts are paying off. According to Stan Stein, Senior Vice President for Personnel, "over half our crew today is 'non-traditional.' We've been changing very consciously, not waiting for the crunch."

Stein sounded three general themes in explaining the company's success in its "rehirement" efforts. First, he says, long-range planning in light of demographic changes is essential. Second, the company must make a real commitment to employing older workers. "This is not a public relations program," Stein says, "it's a program to get employees." And finally, he stresses, even more important than seeking older workers through direct means is the necessity of developing a reputation as a hospitable working environment for seniors.

This last theme is highlighted through the company's extensive and widely acclaimed television advertisements. The commercials "aren't help-wanted ads," but rather a means of "emphasizing our traditional reputation," says Stein. "Seniors have to feel that they're welcome," he explains, "and we have to break through the image that we're just for young people." The advertisements accomplish this by showing images of younger and older employees working together, an image reinforced through other forms of advertising.

These efforts have been so successful that the McDonald's stores, with crews reflecting a wide age spectrum, are now advertisements in themselves. Stein says that "if you attract four or five seniors, it becomes self-perpetuating. You need to build a solid nucleus."

McDonald's also attracts older workers through formal relationships with senior citizen organizations and local government agencies. The company invites organization leaders out to the stores to show them that it offers good jobs for seniors. The partner groups then refer seniors to the McDonald's Job Coach Program, which provides four weeks of on-the-job training culminating in "graduation" ceremonies.

McDonald's did not have to alter significantly its policies or practices to accommodate older workers. "If your basic idea is to treat people well," Stein remarks, "it fits well for everyone." The company provides extensive guidance to owner-operators on all aspects of recruiting and managing an older workforce. Sensitivity training includes videotapes featuring seniors describing their work experiences.

The company emphasizes flexibility and responsiveness in all aspects of employment. Seniors may choose to work a specific job, or to rotate among different jobs. They can work as many hours as they wish, with McDonald's providing counseling on Social Security ramifications. Also important, Stein observes, is "making seniors understand this is not a dead-end job." Older workers are viewed as candidates for upward mobility, with the position of "swing" manager (a part-time job) providing a particularly flexible avenue for advancement.

Stein declares that there is "no question" that the company's extensive efforts to attract older workers is cost-effective. Older workers are reliable and enthusiastic, and provide "a very settling influence on younger workers." More importantly, they are a key to beating the competition in the battle for scarce labor. As Stein observes, "You can walk down to our competitors and see them looking for help, while our store is fully staffed." Such success requires substantial long-term effort, particularly in cultivating a positive reputation among seniors. But as Stein emphasizes, "If we can serve our customers in a way that clearly surpasses our competitors, it comes back to us."

Many other companies are finding that they can meet labor needs by taking creative steps to bring older individuals back into the workforce. San Diego-based Great American First Savings Bank was experiencing severe difficulties in retaining entry-level personnel.³ As a consequence, the bank expanded its recruitment efforts to encourage older workers to apply. Most of the older employees work part-time. Scheduling is flexible, and all employees receive vacation time, free bank services, and discounted interest rates on loans. The bank now employs a substantial number of older workers, which has led to a significant reduction in turnover.

Companies can improve their ability to attract older workers by specifically designing or re-designing jobs to accommodate their needs. When Georgia Power Company launched a program in 1981 to help low-income seniors weatherize their homes, they tapped retired customers with technical experience to perform the work. Other companies have re-designed full-time jobs or jobs typically filled by temporary workers (e.g. inventories or seasonal jobs) into permanent part-time positions to enable them to attract retirees.⁴ Minneapolis-based Control Data Corporation provides previously retired workers with "flexitime," which allows them to choose their own hours so long as they include the hours of 10-2; and "flexiplace," which allows them to work at home on computer terminals provided by the company.⁵

The companies we surveyed consistently reported that their investment in older workers paid dividends in the forms of greater workforce reliability and stability. These experiences demonstrate that companies with high turnover or labor shortages may be able to reduce these problems if they are willing to adapt jobs to accommodate older employees. Such companies should ask themselves what existing jobs would be well-suited to older workers, what jobs could be made accessible with training, and what jobs could be re-designed. They should remember that many retirees are highly skilled, and that those skills can often be enhanced with training.

Once the commitment to attract older workers is made, companies should take creative steps to reach them and, where necessary, to provide training and orientation. Bank of America, for instance, advertises for older workers by visiting retirement communities and by placing flyers at teller stations, where older customers will see them. Kelly Services Inc., which finds that the flexibility of its temporary assignments often appeals to older individuals, recruits seniors through clubs, religious organizations, and adult education programs.⁶ Kelly also offers training for homemakers to learn office skills.

Some companies that have traditionally relied on younger workers have developed programs to help supervisors recruit and manage an older workforce. Louisville-based Kentucky Fried Chicken bolsters its "Colonel's Tradition" older worker recruitment initiative with a one-day awareness training program for all line managers. Flo Barber, Director of Field Human Resources Development, explains that the company developed the seminar to "show we're serious about the commitment to employ older workers." In addition to presenting practical methods for recruiting, selecting, managing, and training older workers, the seminar confronts what Barber calls "the myths and realities of using older employees as a significant resource in [our] restaurants." The seminar includes opportunities for managers and older workers to interact and deal with their perceptions and needs.

If companies are creative and flexible, they may find that older individuals can provide a major part of the solution to their workforce needs. The experiences of the companies that are most successful in attracting older workers illustrate that with fairly minimal investment, employing older workers can increase the reliability, dependability, and enthusiasm of a workforce.

Retaining Productive Older Workers

The best way for many companies to utilize older workers to meet their labor needs is to retain as many good workers for as long as possible. The prohibition of mandatory retirement ages⁷ combined with the shortage of skilled young workforce entrants render traditional corporate notions about retirement obsolete. These factors suggest that companies should orient their personnel practices toward keeping older workers and finding ways to maintain dynamism in an aging workforce.

Again, the key is *flexibility*, both on the part of the company in order to retain older workers and on the part of the workers themselves. Companies that want to keep older workers and maximize their productivity can enhance their ability to do so by

- making continued employment more attractive than retirement by creating incentives and providing options,
- adapting jobs to fit the needs of older workers, and
- providing training opportunities to improve worker mobility, adaptability, and productivity.

The examples below of successful corporate efforts to retain a productive older workforce can be replicated to ease the burdens of the skilled labor shortage—burdens that will be exacerbated for companies that fail to tap successfully the productive resources of their own older workers.

Making Employment More Attractive Than Retirement

Many companies today continue to encourage retirement, or even early retirement, as standard operating procedure. Companies facing reductions in force or plant shutdowns, in particular, often offer retirement incentives.

A variety of rationales are offered to support these policies: older workers are often viewed as less productive, or as "better off" and "happier" if retired rather than working, or as the most expendable during reductions in force.

Such attitudes are seriously short-sighted in an era of skilled labor scarcity, in which every productive worker is an increasingly valuable commodity. Every time a productive employee retires, the company loses precious human capital. The threshold step in retaining older workers, then, is attitudinal—viewing every employee as an important resource that should be utilized to the maximum possible extent.

When a company adopts this view, its policies and practices should reflect it. This does not mean that companies should eliminate retirement benefits. Retirement is still an incentive and reward for loyal and productive service, and provides an opportunity for individuals who would like to leave the workforce to do so. Rather, companies can do a great deal to encourage productive workers to remain in the workforce.

First, companies should consider whether it is ever wise to actively promote retirement (except on a case-by-case basis), even where short-term conditions might appear to warrant it. Companies that routinely encourage early retirement or that reflexively provide early retirement incentives during economic downturns may regret doing so when they cannot fill satisfactorily their future labor needs. Even in a plant shutdown situation, the company should consider whether it might be able to retain older workers by providing training, or by offering different jobs or jobs in a different location. The companies that will minimize the need

to compete for a shrinking pool of new labor entrants will be those that view retirement as an option of last resort where existing employees are concerned.

Beyond not actively promoting retirement, companies can shift incentives toward encouraging continued employment in a variety of ways. Teledyne Continental Motors' "Golden Bridge" policy is one example.⁸ The Michigan engine manufacturer provides to all hourly employees who are age 58 or older with 30 or more years of service a number of special benefits, including increased vacation time and improved insurance, pension, and surviving spouse benefits. Employees may convert the additional vacation time into post-retirement payments, and most elect to continue working rather than taking the time off.

Another option is "phased retirement," in which the company allows a gradual rather than immediate transition to retirement status. Phased retirement benefits the company by retaining part of an employee's services rather than losing them altogether, and gives employees an opportunity to "taste" retirement before deciding to leave the workforce.

Varian Associates, a Silicon Valley high-technology firm, offers phased retirement to employees 55 and over who intend to retire within approximately two years.⁹ Varian publicizes the option through employee publications and benefit and retirement seminars, and requires applications three months in advance to allow supervisors to determine whether necessary accommodations can be made. Typically, participants work four-day weeks during the first year and three-day weeks during the second, though individual modifications can be made so long as the employee works at least 20 hours per week. Except for supervisory personnel who must take non-supervisory assignments, most participants retain their existing positions unless scheduling needs require a change in jobs. The company generally allows employees to return to full-time employment if they so desire. Varian estimates that between 5-10 percent of those eligible to participate do so, including assemblers, clerical workers, technicians, engineers, scientists, and even directors. These are employees who might have opted for complete retirement had the transitional option not been available.

Variations on this approach can take the forms of sabbaticals, unpaid leaves of absence, community service leave, and extra days off. Massachusetts-based Polaroid, for instance, allows prospective retirees to choose among several options, including reduced hours and "réhearsal for retirement."¹⁰ With reduced hours, the employee's salary and pension benefits are prorated, while "rehearsal for retirement" provides an unpaid leave of absence for up to six months with no accrual of benefits. Approximately half of the

employees who take the leave of absence later return to full-time work.

A common feature of these programs is the availability of information and/or counseling on options available to employees. If a company offers alternatives to retirement, it should, at a minimum, make those options known to its employees. Some companies, such as Control Data Corporation, provide comprehensive transition services, including courses for workers over 40 on "life paths."

These programs demonstrate that creative companies can retain productive older employees by providing incentives to continue working and by making retirement something other than an all-or-nothing proposition. Every productive employee who stays represents one or more employees the company no longer has to recruit or train—a blessing in today's labor market.

Adapting Jobs to Older Workers

In addition to modifying benefits and work schedules to provide incentives to older workers to opt for continued employment rather than retirement, companies can adapt jobs to the needs, desires, and abilities of their older workers. Among the methods to adapt jobs to older workers, either across-the-board or on a case-by-case basis, are the following:

- creating new part-time jobs or dividing full-time jobs into part-time jobs.
- redesigning jobs to eliminate overly stressful or demanding elements.
- making hours and/or job locations more flexible (e.g., allowing employees to work on home computer terminals).
- allowing transfers to less-stressful or less-physically demanding jobs.

Again, by maximizing options, companies can improve their ability to retain older workers who might otherwise choose retirement.

One company that has divided full-time jobs into part-time jobs is Minnesota Title Financial Corporation, which employs older workers as messengers using a "job-sharing" method.¹¹ Minnesota Title assigns a pair of older workers to each job, which is then divided by agreement of the employees. Most pairs split the time evenly and work alternate months. The company reports high reliability and low turnover, with the added benefit of readily available substitutes in case of illness. As with all companies that have created part-time opportunities, these jobs are suitable not only for existing employees who wish to reduce their hours, but for retirees who want to continue working.

Xerox Corporation provides job options to older workers by allowing unionized hourly workers who meet certain age and time-in-service requirements to bid on jobs with lower stress or fewer physical demands.¹² The company and the employees split the reduction in salary. Since 1980, 10-15 percent of the employees eligible for Xerox's job mobility program have opted for it. The program allows the company to continue relying on productive older workers who might otherwise depart.

Companies that create job options for older workers should be careful to minimize any pension or benefits penalty that employees may incur (most companies either continue full benefits or prorate them), and to counsel each employee on the ramifications of various options. Likewise, consequences for Social Security should be explored with individuals who work after retirement.

By maximizing job options and providing guidance to individual employees, companies can make continued employment a desirable prospect for older workers.

Training and Re-Training

Technology is changing so rapidly that the typical worker today will have to be re-trained three or four times over the course of a career. The days are long gone when a company could train a worker for a single type of job and have that training last a lifetime.

Gone too are the days in which workers whose skills are outpaced by technological change are easily replaceable. Companies can stay ahead of the technology curve if they commit themselves to ongoing training for their existing workforce—including older workers. Companies often think of early retirement for older workers when technological changes make jobs obsolete, when they could instead promote workforce stability and flexibility by providing ongoing training or re-training.

The key to achieving these goals is to view older workers as a vital resource and to adapt training programs accordingly. At Control Data Corporation, for instance, "age is invisible in the training process, unlike other companies in which older workers are phased out rather than re-trained," says Joanne Larato, Manager of Internal Communications. The company made its training programs age-neutral, she adds, because it values "continuity—there are certain types of knowledge you can't develop through the training process."

Control Data provides an abundance of training programs, including tuition aid for outside schooling as well as in-house programs. The process is decentralized to reflect the needs of corporate components and individual employees. As Larato observes, "There is definitely an advantage to re-training—it is in

the company's business interest to keep its workforce up-to-date technologically."

The company also links training to its performance appraisal process. If an appraisal indicates a need for improvement, the supervisor works out a developmental plan for the employee, including training or re-training as necessary. In these ways, Control Data not only enhances worker mobility but helps to maintain a flexible and dynamic workforce.

Many other companies have general training programs, such as the Aetna Life & Casualty and Pacific Telesis programs described in Chapter 2, that also serve the needs of older workers to update their skills. The key is for companies to encourage older workers to participate in training programs, either to keep their skills current or to learn new skills. Companies that invest in their existing employees, without regard to age, may be able to improve substantially their ability to cope with the skilled labor shortage by reducing the need to hire new workers.

Creating Job Banks

Another way for companies to utilize the services of older workers is to view their own retirees as a potential source of labor. Companies can do this by establishing consulting relationships as employees retire or by creating job banks to "un-retire" retired employees.

An exceptional job bank model is provided by The Travelers Companies, based in Hartford, Connecticut. The retiree job bank program was started in 1981 as essentially an "in-house temp agency," according to Alice Simon, Administrator for Government and Public Affairs and Corporate Communications. The company started with its own retirees and built up a pool of about 300 workers available for temporary part-time jobs. But before long, Simon recounts, there was "more demand from supervisors than supply, because the workers are so reliable." As a result, the company sponsored an "un-retirement" campaign to attract individuals who had retired from other companies. Travelers now has a job bank of about 750, of which approximately 250 are working during any particular week in clerical, event coordination, research, and underwriting positions. The job bank fills about 60 percent of the company's temporary help needs in an extremely tight labor market.

Pay is set at the midpoint for the job category in which the retiree is working, averaging about \$6.46 per hour for clerical help and \$14.82 for executive secretaries. The payroll office monitors job bank members' salaries and warns them if they are reaching the maximum permissible under Social Security. The company also

modified its pension program to double the number of hours recipients can work without jeopardizing benefits.

Since many of the job bank members retired before the company computerized its operations, Travelers offers paid training in word processing and computer literacy. The company estimates that by reducing its reliance on temporary employment agencies, it saves nearly \$1 million per year. Says Travelers' Director of Employment Don DeWard, "It's a win-win situation. You can't find a negative in the program. We get people who are anxious to work, who know the job, whose productivity is terrific. They make more money than they could otherwise, and we get help for less."

Virtually every company has a potential supply of skilled labor in its retirees. Smaller or newer companies can beef up this pool through cooperative efforts, through senior citizen groups, or through business associations. Job banks can provide one of the lowest-cost, highest-return methods for companies to fulfil their demand for skilled labor.

Volunteer Programs

Companies can also tap creatively the talents and experience of older workers and retirees by providing volunteer opportunities. This option is especially suitable for retirees, who may not want to commit themselves to jobs but who want to be active and impart their experiences to others.

In particular, companies can effectively tap older individuals to help solve problems they face in recruiting and training younger workers, including the economically disadvantaged. Older individuals can bring to bear their skills, work experiences, and institutional memories in teaching and counseling younger people. The Travelers Companies, for instance, arranges for retirees to volunteer as tutors and aides in the Hartford Public Schools. Such efforts enhance the company's image and help create a pool of employable labor in the community.

In Detroit, a group called Focus: HOPE established the Machinist Training Institute in 1981, which uses retired machinists to teach skills to unemployed young people.¹³ The program provides an opportunity both to retired individuals to pass along their skills and to young men and women to develop marketable talents. Companies that develop retiree networks can use them to address their own future needs for skilled labor, in essence creating a self-replenishing workforce.

Volunteer and community efforts like these demonstrate that numerous possibilities exist to harness the enormous human capital possessed by older workers and retirees. As workers grow older, companies should recognize that such individuals develop human capital that can be accessed in a variety of important ways.

For companies that have made a long-term investment in their employees, providing mechanisms to pass on the rich legacy of skills and experiences of older workers offers the chance to reap perpetual benefits.

A Valuable Human Resource

The experiences of the growing number of companies relying on older workers to solve a greater share of their workforce needs have disproven much of the conventional wisdom that once limited employers' interest in employing older workers. Companies can no longer view older workers as too expensive, without considering the difficulty of employing skilled younger workers and the costs of training them. They can no longer view older workers as providing diminishing returns on corporate investment, without considering the precious human capital that many older workers possess. They can no longer view an older workforce as necessarily less adaptable and dynamic, without considering the possibility of training or re-training as a way to build upon the past experience of older workers.

Those companies that take action to attract and/or retain older workers and invest in their productivity will find themselves far better equipped than their competitors to deal with America's burgeoning shortage of skilled labor. The corporate efforts profiled in this chapter demonstrate that any creative, forward-looking company can tap this growing resource in ways that will give it a competitive edge in the years ahead.

N O T E S

1. Martha Farnsworth Riche, "America's New Workers," *American Demographics* (February 1988), p. 36.
2. *Workforce 2000*, p. 110-112.
3. *Managing A Changing Work Force* (Washington, DC: American Association of Retired Persons (AARP), 1986), p. 2. AARP's Worker Equity Department, Business Partnerships and Community Involvement Section, maintains an extensive data base of hundreds of older worker employment programs currently in place in private sector companies.
4. See, e.g., *Ibid.*, p. 2-5 and 16.
5. *Ibid.*, p. 3.
6. *Ibid.*, p. 2-3.
7. The Age Discrimination in Employment Act was amended last year to prohibit mandatory retirement at any age for most jobs.
8. *Managing a Changing Workforce*, p. 7.
9. *Ibid.*, p. 19-20.
10. *Ibid.*, p. 20-21.
11. *Ibid.*, p. 16.
12. *Ibid.*, p. 9.
13. *Ibid.*, p. 14.

Chapter 5

VETERANS IN THE CIVILIAN WORKFORCE

"When you've been responsible for a \$10 million dollar aircraft and the lives and safety of dozens of men, you've demonstrated what you can do. . . ."

—Reginald Davis, Veteran, Marketing Representative IBM Corporation, Jacksonville FL ¹

"We are today a valuable resource for our country. We survived the war. We can handle anything."

—John Dwyer of Dayton, Ohio Vietnam veteran ²

Every American generation since the 1770s has had some direct connection with the veteran population. Millions have watched as their family members marched off to war; the more fortunate welcomed them home again. For some returning veterans, the Nation rolled out the red carpet; universities flung open their doors; and businesses vied for their talents. On other occasions, the returning heroes found rejection instead of accolades and an inhospitable environment where they were once welcomed—both in the halls of learning and in the workplace.

With each returning cohort, the American economy has had to adjust rapidly to a sudden, large-scale increase in the workforce and a dramatic shift from wartime to peacetime industry. "Adjustment" has also been the watchword for veterans striving to restart their lives and their careers or even to build them "from scratch." For some, the adjustment was fairly simple; for others, more challenging.

Today, America's veterans number more than 26 million, accounting for about a third of American men 18 years and older. Approximately 9.8 million, ranging in age from their early fifties to their eighties and nineties, are veterans of the second World War. Approximately 3.9 million are veterans of the Korean War, and another 7.9 million served during the Nation's longest armed conflict, the Vietnam War. The majority of these vets are now between 35 and 39 years of age.

A large number of veterans returned to civilian life at close of the war in which they were recruited. A second group of "future"

veterans, the career soldiers, may remain in the service until eligible for retirement—or even longer—reentering the civilian workforce at the conclusion of their military career. The youngest veterans, who have never been involved in a major war, are those leaving the service after a fairly short stay, usually in search of new career opportunities.

While veterans have military service in common, there is no “typical” or “average” veteran. Indeed, the veteran population is a microcosm of the American male population. Veterans reflect the general population’s racial, cultural, and political composition and come from every background. They have also chosen many different ways to continue their lives after military service. Some are college graduates, others’ formal education ended with their enlistment. Some have married and raised families; others have remained single and relatively rootless. Veterans work in just about every occupational category: they are entrepreneurs, business executives, clerical workers, doctors, lawyers, engineers, teachers, tradesmen, artists, politicians, and writers. Some have fulfilling careers; others have unstable work records; most are solidly in the middle class. Some suffered disabling injuries in battle; others returned physically unscathed. Unfortunately, a few are also drug addicts, or in prison, or confined to mental hospitals.

Benefits of Hiring Veterans

While the military experience can affect different persons in different ways, many employers look on the service as an excellent training ground. In addition to learning certain technical skills that may be transferable to private industry, the armed forces teach their recruits a respect for authority, a sense of orderliness, the ability to adapt to rapidly changing situations, and a moral toughness not always prevalent in civilian enterprises. Commissioned and noncommissioned officers are taught to be strong leaders who do not shy away from responsibility.

Technical Experience

Armed forces training is designed primarily to prepare for combat. However, certain skills, including electronic or mechanical equipment repair, medical techniques, and clerical/administrative skills can often be transferred to the civilian world. Federal contractors that manufacture equipment for the military find veterans’ experience attractive, as does the airline industry, with its dependence upon trained, experienced pilots, and air traffic and aircraft maintenance personnel. Federal Express, headquartered in Memphis Tennessee, is one company that relies heavily upon veterans to pilot and maintain its aircraft.³

Military training in nuclear energy technology also transfers well to civilian use, according to the Arizona Public Service Company in Phoenix, which operates the Palo Verde nuclear generating facility.⁴

Leslie Whorff of Burke Industries, a San Jose, California manufacturer specializing in molded and fabricated rubber products, says veterans are better qualified than most applicants for jobs in Burke's plants. However, she says, her company must compete for these workers with electronics firms in the nearby Silicon Valley, firms which also have learned the value of military training and experience.

Flexibility, Adaptability

Companies, such as Federal Express, that employ a large number of veterans, say their strengths include an ability to work productively for long hours, flexibility in accepting assignments, good supervisory skills, and a tendency to be well-groomed, well-organized, and highly motivated.⁵

This kind of adaptability can stem from battle situations, in which the ability to adapt to rapidly changing circumstances can mean the difference between life and death. Leaders must be able to access situations quickly and choose their course of action. At the same time, they must be constantly aware of alternative solutions to problems. This kind of experience can be beneficial in many business situations.

For example, John Hopkins of Merrill Lynch says his experience in Vietnam taught him how to make decisions and act on them without becoming sidetracked: "You learn persistence, that the task always comes first. You learn how to handle people and get through a situation without overreacting." Another Wall Street executive, Brett Haire of the First Boston Corporation, tells how being a military pilot gave him the foresight to avoid getting trapped into bad business deals: "As a pilot, you always had to think, 'where could I put down if I have to?' That's been very important to me on Wall Street. I always want to know where the door is."⁶

Moral Toughness

Even if not obvious to those around them, veterans are bound to find that the experience of war leaves an indelible imprint on their character and forever changes how they approach life's challenges. In battle, they have looked death in the face and seen that their courage will carry them far. As James Connolly, now with Salomon Brothers, puts it: "No matter how awful things get, they're not as bad as being shot at."⁷ In the business world, such experience can be advantageous if it results in a calmness under

pressure, a slowness to trust, and even a willingness to take risks for a potentially favorable result.

At the same time, surviving dangerous situations can lead to sensitivity toward others' suffering, a valuable quality in the medical and counseling fields, as well as in other occupations that help people in need or distress.

Both of these qualities—toughness and sensitivity—are evident in two disabled veterans: Kansas Republican Senator Bob Dole, who served in the Army's 10th Mountain Division during World War II, and Democratic Governor Bob Kerrey of Nebraska, a member of the Naval Special Forces—the Seals—in Vietnam. Dole, with his reputation as an outspoken, no-nonsense politician and tough negotiator, is also known for his sensitivity to the concerns of persons with disabilities and the economically disadvantaged. Kerrey, who says his war experiences opened his eyes for the first time to suffering around him, also gained the courage to act on his beliefs and a willingness to take the kind of risks that eventually propelled him into his state's highest political office.⁸

Leadership Experience

For qualified persons, the military often confers a high degree of responsibility at a very young age, a valuable experience even for those who do not remain long in the service. For example, one veteran who has since become a design engineer at the James River Corporation in Kalamazoo, Michigan, says: "As a 22-year-old second lieutenant, I was a platoon leader responsible for 25 to 30 people. You just don't get that kind of responsibility at 22 in the corporate world."⁹

Employers are finding that veterans with leadership experience can often apply the strategic principles they learned in the service to business situations. "Strategically positioning myself and my product in the corporate world to capture points of a market share is just like taking ground in battle," explains Darryl Mobley, now an assistant brand manager at Procter and Gamble.¹⁰

The Vietnam-Era Veteran

Given that the majority of veterans from the Vietnam era are part of the enormous "baby boom" generation (Americans born between 1946 and 1964), it is not surprising that their presence is so strongly felt in today's workforce. In fact, the largest number of veterans in the workforce of the mid-1980s, and more than a quarter of all men in the U.S. labor force between the ages of 30 and 44, are Vietnam-era veterans.¹¹ Of course, that representation

will begin to diminish around the turn of the century, when the first baby boomers reach retirement age.

On the whole, Vietnam-era veterans participate in the labor force in roughly the same proportion as—even in slightly greater proportions than—non-veterans, according to the Bureau of Labor Statistics. For example, in 1985, almost 94 percent of all Vietnam-era veterans were either employed or looking for work,¹² and 89 percent held jobs. Male vets aged 30 to 44 years had a 95.9 percent labor force participation rate compared to 94.8 percent for non-vets; and an unemployment rate of only five percent, compared with 5.2 percent for male non-veterans of the same age.¹³ Government policies have led to employment in the public sector for at least a portion of the 19 to 21 percent of these veterans—compared with only 11 percent for non-vets—who hold government jobs, and 69 to 71 percent of Vietnam era veterans are employed in private industry. Studies also indicate that veterans of the Vietnam period are about as likely as other men their age to be self-employed.¹⁴

As these statistics show, the Vietnam era veteran's labor force status, admittedly bolstered in some instances by government policies and programs, is very similar to that of nonveterans. At the same time, the number of Vietnam-era veterans in the workforce is likely to remain fairly static until the end of the century. Why, then, should businesses facing labor shortages look to this group as a solution to their workforce needs? The answer lies in the fact that a sizable minority of Vietnam era veterans are not employed in ways that fully use their talents.

Vietnam Veterans as Disadvantaged Workers

Though some veterans of the Vietnam era have fared extremely well in their careers, not all their comrades have shared in their success. Within this era's veteran population, there are a number of individuals who still remain outside the mainstream. While their percentages are small, they still represent a fairly sizable number of potential workers, that, given the proper strategies on employers' part, could be valuable to many industries' efforts to find new sources of labor.

Not surprisingly, the U.S. Government considers these individuals a "protected" class, subject to federal affirmative action laws, as are racial and cultural minorities, women, and persons with disabilities. (Some veterans in this category fall into other protected classes, as well.) Beyond the desire to honor Vietnam veterans for their service to the country, these laws recognize that certain groups of veterans are technically "disadvantaged" in their efforts to find and maintain employment.

Part of this "disadvantaged" category of Vietnam veterans are those who were in combat situations in the "Vietnam theater," that is, Vietnam, Laos, Cambodia, and the surrounding airspace and waters.* In fact, the 1985 Current Population Survey reveals that those who served in the Vietnam theater, and most particularly those who received disabling injuries from combat and other causes, have higher unemployment rates—6.7 percent compared with 5.4 percent—and lower labor force participation rates—92.2 percent compared with 95.3 percent—than their peers.¹⁵

Occupationally disadvantaged veterans seem to be more prevalent in large urban areas. For example, despite employment statistics that differ little from those for non-veterans, a recent study of Vietnam veterans in New York City, conducted by the Ralph Bunche Institute, concluded that this group was disproportionately affected by financial, employment, social, and psychological problems. Perhaps even more common than unemployment among veterans, the study showed a sizable proportion of New York vets were underemployed, that is, employed in one low-paying, low-security job after another. Some occupationally disadvantaged vets cite a lack of vocational training or formal education as the cause of this unfortunate trend. Other factors contributing to employment problems include attitudinal barriers from prospective employers and workplace barriers related to physical disabilities.

Physical Disabilities

About one in four persons with disabilities in the working age population—or approximately 3.015 million—have become disabled through military service.¹⁶ And of the 2.2 million disabled veterans in the United States, more than 30 percent are veterans of the Vietnam War.¹⁷

While many disabled veterans are entitled to monthly compensation from the Veterans Administration or the Department of Defense, only certain conditions, such as quadriplegia, provide any substantial income.¹⁸ For this and other reasons, the disabled veteran, like any other person with a disability, wants to work. Many have already proven themselves in the business world; others have been held back by the same physical barriers to accessibility that other disabled persons face.

Training Deficiencies

As discussed above, certain military experience, and particularly leadership experience, can be easily transferred into civilian occupations. On the other hand, some military jobs have no use

*"Vietnam-era" includes those who served outside that region and those not directly involved in combat.

outside a combat situation. As one veteran put it, "I can't get a job doing what I was trained to do—no one wants an armed killer."¹⁹

Military training that prepares soldiers for manufacturing, craft, and repair occupations is considerably more transferable, though even in these jobs, there are no guarantees. For example, the Design and Manufacturing Corporation of Connersville, Indiana—cited by the Department of Labor as an "outstanding federal contractor" in hiring veterans—says that for jobs in that company, most veterans must start at the bottom since skills learned in the military cannot be directly transferred. At the same time, general shifts in the economy have already eliminated many jobs of this type in favor of service sector occupations.

Interestingly, even those who entered the service after Vietnam say they have had trouble transferring their skills to civilian occupations. For example, a recent study by researchers at Ohio State University found that only 12 percent of the men and six percent of the women in a sample group felt they made any use of their military skills in civilian jobs. Researchers found this result "surprising," given that a large percentage of today's military occupational specialties are said to have civilian counterparts. Young veterans say the problem may stem from the very limited focus most of these jobs have, as well as their tendency to focus on the mechanical aspects of an occupation at the expense of the academic and theoretical material needed to pass licensing exams.²⁰

Educational Disadvantages

Like the American soldiers who returned from the second World War thirty years before them, many Vietnam veterans—70 percent, according to estimates—returned to school after their military discharge, taking advantage of educational benefits under the G.I. Bill.²¹ But doing so could require as much courage as these men had displayed in far different circumstances. The post-war college campus—mirroring negative attitudes found throughout American society—was often a hostile environment for returning veterans. As one veteran who experienced it explains, "Most of the vets on Wall Street were officers with their educations behind them, and they were put in command situations. Vets who came back without an education had more trauma. They went to college with people who called them pigs, or they did nothing."²²

The unfortunate result was that many veterans chose not to complete their education, and today, Vietnam-era veterans, as a group are less likely than their peers to hold college or postgraduate degrees. This educational deficiency is reflected in the jobs some veterans hold.²³

Age-Related Disadvantages

Compounding the problems many veterans encountered in the colleges, these men returned to a peer group much younger than the one they left. Their civilian classmates had entered the business world several years earlier—often with college degrees—and veterans found themselves competing with younger baby-boomers for low-paying, entry-level jobs. Lacking both the job experience and skills needed to compete effectively for high-potential positions, these veterans' occupational progress was thwarted before it had even begun. The situation was not improved by the outright discrimination against veterans by some employers.

Prejudice

Without question, America's involvement in the Vietnam War was highly controversial domestically. People on both sides of the issue harbored intense feelings; those without an opinion were in a distinct minority. Anti-war sentiment led to disruptive behavior, even violence. That setting, coupled with the generally low morale that followed U.S. withdrawal from the conflict, created severe employment problems for many returning veterans who found their potential employers less than welcoming. In fact, research by the President's Committee on Disabled Veterans concludes that "probably the single greatest barrier facing vets with disabilities, after interagency coordination or even on a par with it, are negative public attitudes toward this group. Employers have particularly biased views about Vietnam Era vets *with or without* disabilities." [emphasis added] ²⁴

Vietnam-era veterans report that such attitudes stemmed from some potential employers' disapproval of the war, as well as stereotyping based on reports of drug use in Vietnam and veterans suffering from emotional trauma after Vietnam. And even veterans who later became successful executives say they were not exempt from this treatment. Potential employers drilled them about whether they had used drugs; one veteran said his interviewer directly challenged his participation in the war, asking him if he thought it was "morally right." Some veterans simply stopped including military experience on their resume. "Now when I go out for jobs," said one, "I don't put down that I was a vet. People think you're a time bomb or an addict." ²⁵

Mental Disabilities

While nearly 100,000 men returned from Vietnam with serious physical disabilities, tens of thousands more came back with other problems: drug addiction, alcoholism, or a mental disorder termed "delayed stress." ²⁶

"Delayed stress," technically called Post-Traumatic Stress Disorder (PTSD), can manifest itself in persons who have been exposed to highly frightening or horrifying events. American soldiers in Vietnam, who often had trouble distinguishing soldiers from civilians and enemies from allies, were particularly susceptible to this disorder, whose symptoms include irritability or rage, anxiety reactions, chronic depression, emotional numbness, difficulty trusting others, sleep disorders and nightmares.²⁷ Moreover, restlessness and a reluctance to make commitments has caused many severe PTSD sufferers to shy away from permanent employment.

PTSD sufferers are also found in significant numbers among the homeless population. In fact, recent studies calculate that from a quarter to a third of homeless people throughout most of the country—and up to a half in a few cities—are Vietnam veterans suffering from emotional disorders or drug addiction.²⁸ The Veterans' Administration makes available many benefits, including educational assistance, job training, and job counseling to Vietnam-era veterans, including those with emotional disabilities. By taking advantage of these opportunities, as well as the psychological counseling available to them in most cities, these individuals may eventually be able to return to the mainstream of society.

Government Efforts to Allay Occupational Disadvantages

The U.S. Government has sought to minimize the occupational disadvantages faced by some Vietnam era veterans. Federal contractors are subject to the same nondiscriminatory standards for Vietnam era veterans (or any disabled veteran) as for any other "protected group." The Vietnam Era Veterans Readjustment Assistance Act of 1974 has opened non-competitive jobs in the Federal government to veterans needing a "foot in the door"—those with service-related disabilities and those with 14 or fewer years of formal education.²⁹ Employers may take advantage of tax credits or salary assistance grants available to those hiring members of "targeted" groups such as veterans.

Veterans in the New Workplace

Despite the disadvantages some veterans have faced in the job market, there appears to be a renewed interest among such veterans in moving into new jobs, if their large-scale attendance at state sponsored job fairs can be taken as evidence.³⁰

Some barriers to veterans' long-overdue, full integration into the civilian workforce remain. However, the most crippling barrier

for Vietnam-era veterans, political prejudice, is at last softening, and even disappearing, with time. Eliminating the remaining barriers will be a challenge to employers, but not an impossible one. Many of the techniques companies have used to ease other disadvantaged groups into the mainstream can apply to the disadvantaged veteran workforce, as well. And it will be well worth their while.

Recruiting Efforts

Contacting Veterans' Organizations

Like other occupationally disadvantaged persons, unemployed veterans have advocates in a variety of local and national organizations. Groups such as the Disabled American Veterans (DAV) and AMVETS offer their members services ranging from assistance completing government paperwork to job placement and training. Employers may contact these groups when looking for job applicants. Most state employment departments also work closely with veterans' agencies and organizations and can help employers find qualified veterans.

Burke Industries, a rubber products manufacturer that recently stepped up its efforts to hire veterans, regularly contacts such organizations in search of applicants. "We give the veterans they refer to us the first crack at jobs here, because veterans are very important to us as a federal contractor," says Affirmative Action Coordinator Leslie Whorff. "I go out my way to talk to them, even if there's not an opening at the moment, because they are usually extremely well qualified for the jobs in our plants." But, she adds, finding veterans to apply for available jobs is often difficult, given the competitive hiring climate in the Silicon Valley. "There are not that many veterans' groups out there contacting me," Whorff admits.

Employers may also wish to become involved with formal occupational programs sponsored by veterans' organizations. In California, for example, the Employment Development Department (EDD) and Veterans Affairs Administration often enlist employers' help in training experiences or job fairs for veterans. For example, Lockheed Aeronautical Systems Company (Lockheed), located in Ontario, California, participates with about 100 other employers from the surrounding area in an annual, EDD-sponsored job fair. Similar events are available through agencies in other states, and veteran participation often exceeds available jobs.³¹

Employers may also work through government agencies and veterans' groups to provide one-on-one training for Vietnam veterans. Brenda Lowe, Human Resources Manager for KPIX, a San Francisco television station, says she regularly sends the stations'

job announcements to local and state veterans' organizations. As a result of these efforts, KPIX received government funding to provide nine months' of technical television production training to a Vietnam veteran. While the small station was unable to hire the trainee into a staff position, Lowe believes the company's effort was worthwhile. The veteran has received valuable training preparing him for a career in sound and lighting; KPIX has developed a resource to draw upon in the future or for occasional assignments.

Employers seeking trained veterans may also wish to contact local rehabilitation centers and organizations representing specific disabilities, as well, since many of these groups provide job placement services for their clients.

Recruiting on Military Bases

Companies that specialize in products or services for the military or which seek the same kind of training offered in the military will want to go directly to the source of that training. Companies located near military bases are in a particularly good position to appeal to young persons leaving the service after just a few years—or even young retirees. Attracting such well-trained job applicants can be a real benefit to employers unable to devote time and money to extensive in-house training programs. But even if the available jobs are not identical to those held by veterans while in the service, a small amount of supplemental instruction may be all that is necessary to bring the veteran up to date.

The Arizona Public Service Company in Phoenix, Arizona is one employer that saves training dollars by recruiting at military bases for veterans with experience in nuclear energy. Likewise, General Motors, which finds military training very beneficial in its automotive manufacturing plants, has purposely located its company Career Centers in cities near major military installations.

Another company that makes yearly visits to nearby military installations is Lockheed, which finds that veterans' familiarity with military aircraft makes them indispensable to the company's workforce. "Twenty-two percent of our population are Vietnam-era veterans. Most come to us with experience working with aircraft, and we provide them ongoing training," says EEO manager Fred Tandy. "But," he adds, "you can't wait for those people to come to you."

The Coors plant in Golden, Colorado, located near military bases and academies, has literally built its success upon hiring veterans, including a large number of disabled veterans. Veterans in Coors' top management are at least partially responsible for this hiring commitment. Similarly, Federal Express in Memphis Tennessee, aggressively recruits veterans for aircraft-related jobs,

going on bases to offer career planning conferences for recently discharged military personnel. The company also regularly posts openings at the bases.³²

Opening Educational Opportunities

As discussed in earlier chapters, a number of employers have learned that the best way to find employees with good job and academic skills is to become involved in the educational process itself. Some companies have developed partnerships with elementary or high schools: providing scholarships for outstanding students, for example; sending corporate volunteers into the classroom to teach a computer course; or even having company employees "sponsor" a disadvantaged student.

Other companies have developed programs to educate their own work force. These programs are already yielding good results with employees from the minority community, and similar progress is possible among veterans who have lacked training or career direction. Aetna Life and Casualty's wide range of courses for its employees, offered at its corporate training center in Hartford, Connecticut, is an excellent example of how an employer can invest in its workforce today in anticipation of benefits down the road. By making training opportunities available to all employees, whatever level their job, every worker with the drive to succeed is ultimately a candidate for advancement. "Our goal for our employees is critical thinking and liberal learning," says the president of Aetna's training center, Badi Foster. "We want people to feel good about themselves."

Another example of how an employer can help its non-college-degreed employees to "catch up" academically is Pacific Bell's self-directed education program. In cooperation with community colleges, the company sponsors a two year Associate's Degree program in business or technology for adult employees. The program is accelerated to fit in with a full-time work schedule, and wherever possible, classes are taught on company premises. Participation in the AA program, as well as other educational offerings, is voluntary and open to any employee, regardless of his or her age, position, or length of time with the company.

The program, popular with older workers who, like some Vietnam era veterans, never had a chance to go to college, gives any employee the chance to improve his or her job skills and promotability, simply by exercising individual initiative. "We need to educate the mature workforce," explains the program's director, Constance Beutel. "We're accustomed to looking to children as the wave of the future, but we forget that we have adults who can still learn."

Company efforts, such as those described here, can offer veterans who feel they have been "trapped" in low-level jobs an opportunity to prepare themselves for new challenges. Such programs are already showing success as a recruiting tool for motivated minority and female job candidates, and they could be similarly useful in efforts to recruit veterans.

Opening Doors to Disabled Veterans

As discussed in detail in a previous chapter, a key obstacle to veterans' full, productive workforce participation is physical barriers. Removing these barriers can be fairly simply and inexpensive, and recent technological advances have opened up a host of new possibilities for disabled persons. Appropriate accommodations might include providing an alternative worksite entrance, raising a desk up a few inches, replacing a door knob with a handle, or even purchasing special equipment that could be operated with a single hand, a single finger, or by voice.

Helping Veterans Through Community Involvement

Although a small percentage of Vietnam veterans have remained outside the economic mainstream, most are in the workforce, and a significant number have become active, productive citizens and business leaders. For years, many of these successful veterans did not talk publicly about their involvement in the war. But the 1981 return of the American hostages from Iran refocused national attention on the "heroes" who were never welcomed home. By the time the national Vietnam Veterans' Memorial was dedicated in 1986, several prominent businessmen who had served in Vietnam came forward "to shatter some stereotypes of maladjusted Vietnam Veterans,"³³ and to help some of their former comrades to find work, start businesses, and build their self-esteem.

One such group developed among executives on New York's Wall Street, originally to drum up support for a Vietnam Veterans Memorial in the city. But with encouragement and a Federal grant from the Federal volunteer agency, ACTION, the group put together a job counseling and placement program and solicited corporate donations and volunteer counselors to keep it running.*

The program quickly gained support. Investment firm Drexel Burnham Lambert donated office space for the program, the Manufacturers Hanover Trust Company and E.F. Hutton & Company funded and helped create a data base of employers and job candi-

*After the group exhausted the initial grant, New York's Vietnam Veterans Memorial Committee picked up the funding.

dates. Other companies whose executives became involved early on are Salomon Brothers Inc., First Boston Corporation, the Federal National Mortgage Association, Shearson Lehman/American Express Inc, and Merrill Lynch & Company.

These corporate efforts have placed almost 500 veterans in jobs. Explained the job program's executive director, Eugene Gitelson: "We decided it was time we did something with our expertise to help those who weren't as fortunate. . . . The critical ingredient is vets' helping vets—who else would understand what a vet has gone through and know how to translate that exotic experience in a far-off land into something business-related?"³⁴

A similar program in Honolulu, Hawaii, has brought together some 60 to 80 local employers interested in hiring veterans. Like the New York jobs program, the Honolulu Vietnam Veterans Leadership Program was launched with an ACTION grant, but the Hawaii program now operates entirely on donations and volunteer staff, primarily businessmen and company executives who served in Vietnam and now work in such companies as real estate development firm Lusk Hawaii; Concepts Inc., a marketing firm; the Hawaiian Electric Company, and PRI Inc.³⁵

These two examples demonstrate how companies, both large and small, can demonstrate concern for veterans while bringing those who need jobs together with those looking for employees. Direct participation from prominent local veterans, who have a special bond with the job seekers, is a key to the program's success.

Conclusion

One counselor specializing in the problems of Vietnam veterans once described them as "ordinary people who went through an extraordinary experience." Employers who understand that basic truth can begin to appreciate the full range of talent veterans of all eras bring to the workplace.

By looking at veterans as the individuals they are and recognizing the sacrifices they made, companies can benefit immensely from the courage and dedication these men and women showed in defense of freedom.

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Chapter 6

A HUMAN RESOURCES APPROACH TO AFFIRMATIVE ACTION

"It is obvious that American business must plan aggressively to deal with the economic changes we're already seeing. Those who look ahead will be rewarded in the years ahead. Those who are not prepared will be stunned when they find themselves unable to meet their workforce needs in the year 2000. But we can meet the challenge! As a respected management expert has put it: when you think about the diseases we've conquered over the years, we can surely work similar miracles with our human resources. We need to focus on a new kind of creativity."

—Marion HochbergSmith, Manager, Corporate Equal Opportunity, Johnson & Johnson

With every challenge comes opportunity. The challenge of the labor shortage now facing U.S. businesses presents the chance to fulfill at last our nation's commitment to equal opportunity. Nancy Whitney, Shawmut Bank's Director of Affirmative Action, predicts that "the labor shortage will accomplish the purpose of the affirmative action laws."

The thread running through each of the preceding chapters is that the companies that will successfully transform challenge into opportunity are those who most fully utilize the "new workforce"—women, minorities and the economically disadvantaged, older workers, veterans, and the disabled. And the best way to do so is to invest in human capital and to remove the practical barriers that prevent such individuals from participating in the workforce to their maximum potential.

In addition to the specific methods outlined in the previous chapters, a number of general strategies are available to companies to meet this challenge. These strategies are not limited to particular groups, but apply across-the-board to enhance the ability of companies to compete for and more effectively utilize the new workforce.

These strategies involve three areas of innovation:

- attitudinal,
- structural, and
- programmatic.

In sum, these innovations can provide the tools to effectively take advantage of the opportunities the new workforce provides.

Attitudinal Changes

A number of forward-looking company officials have been warning for years of the coming labor shortage and of the need to make significant changes in corporate attitudes, structures, and programs to anticipate it. As one training specialist recounts, such warnings were "like a bell ringing in the canyon." A human resources official for a major bank observes that line supervisors are "like ostriches with their heads in the sand. They see signs at McDonald's and Burger King advertising for \$5 to \$6 per hour, and they think it doesn't impact them." But when employee requisitions remain unfilled for long periods of time, she adds, "they're shocked into reality."

This new reality requires significant changes in the way companies look at the workforce in general and their employees in particular. And these changes in attitude must permeate corporate ranks, from the CEO through each and every line supervisor. As William Zeigler, Aetna Life & Casualty's Director of Management Education and General Skills Development warns, "It's one thing to bring skills levels up, or to bring women with children into the workforce through flexible hours or daycare. But it's another to get managers to go along with the changes. A big part of the problem is communications—bringing people up to the point of reality."

The "attitudinal preconditions" for dealing with the realities of the new workforce can be summarized as follows:

- Employees and prospective employees should be viewed in the same way companies treat customers. As Shawmut Bank's Human Resources Planner Kim McCummings pointedly observes, "It's a buyer's market. People are very quick to leave if they're dissatisfied. They can pick and choose where they want to go."
- All employees should be treated as appreciating assets and as potential candidates for advancement. With today's shortage of skilled workers, it is often easier to develop human capital among current employees and to hire at the entry-level than to find workers with requisite skills for higher-level jobs. This attitude in turn enhances a company's ability to retain workers.
- Companies should recognize that the new workforce brings with it a new and diverse set of values and attitudes. Viewing such

diversity as an enriching influence will increase a company's ability to transform this diversity into productivity.

- Companies should view and structure "affirmative action" not as a zero-sum game in which one person's gain is another person's loss, but as a vital human resources process that expands opportunities for everyone.

If a company can incorporate these attitudes into its existing corporate value system, it can confront the realities of the new workforce in a positive, forward-looking fashion. These are the attitudes necessary to make the specific strategies outlined throughout this book work effectively—indeed, they are the attitudes that characterize the companies who are at the forefront of turning the labor shortage to their competitive advantage.

Structural Changes

Companies that have adopted the attitudes necessary to meet the challenges of the new workforce can facilitate their commitment to opportunity through structural innovations. The most successful companies tend to share in common two structural innovations: (1) a sophisticated human resources program that plays a central role in all corporate affairs, and (2) a well-developed, two-way communications network between management and employees that includes a viable equal opportunity communications process.

Several human resources officials we interviewed perceived that their role was too often perceived, particularly by line supervisors, as peripheral or "fuzzy." As one official described it, human resources in the past was viewed as "fluff" while affirmative action was viewed as "punitive." Line supervisors were not anxious to cooperate with either, since they viewed both as detracting from the company's principal mission.

Whatever the value of such perceptions in the past, the realities of today's labor market makes plain that human resources will be a major factor influencing every company's quest for productivity. Accordingly, human resources specialists should be informed and integrally involved in all major corporate planning and decisions. And increasingly, human resources and affirmative action will share a common meaning: empowering individuals, whatever their color, ethnicity, gender, age, or physical disability, to take advantage of employment opportunities.

The human resources elements of the most successful companies typically include the following:

- A Vice-President for Human Resources who reports directly to the CEO.

- Integration of all human resources functions, such as recruiting, personnel, employee relations, training, salary and benefits, and affirmative action.
- Coordination of human resources with productivity functions.
- Decentralization of human resources program implementation to respond to local conditions.

McDonald's Corp. exemplifies this approach. Operations and human resources officials work closely together, providing what Senior Vice President for Personnel Stan Stein calls a "check and balance" on one another. The human resources officials make sure that in the quest for profit, operations officials consider the needs of the company's employees, since "we're only going to continue to grow if we have highly motivated people." Likewise, the human resources staff has a very "profit-oriented, hands-on, make it happen approach." To justify a large investment in human resources, Stein explains, "there has to be a payoff. The operations people need to see a difference." The McDonald's experience, Stein concludes, demonstrates that in a tight labor market the successful companies will be those that make a serious commitment to human resources.

In addition to this human resources "superstructure," companies can bolster their efforts through an effective communications "infrastructure." First, management can communicate its values and expectations through such mechanisms as orientation programs, newsletters, lecture programs, and training that integrates corporate values. Two-way communications can be facilitated through brown bag lunches between company officials and employees. McDonald's Corp. keeps its top officials in touch with employees by means of an annual "store day", during which executives spend a day at a store flipping hamburgers or performing other line jobs.

Likewise, companies can facilitate communications from employees through methods such as regular employee surveys and making management accessible. Bank of America, for example, has been working for several years to "un-bureaucratize; to give employees more levels to talk with, and hence to remove barriers to productivity," according to Nancy Rotchford, Director of Personnel Research. In addition to informal mechanisms such as brown-bag lunches with upper-level management and branch employees, Bank of America provides a confidential "Open Line," through which employees may express concerns or problems to senior management. The officer or manager directly responsible for the particular subject responds through a letter mailed to the employee's home. The bank's "Let's Talk" programs allows employees to discuss such matters with successive levels of management up to vice-chairman.

Bank of America has also developed a systematic "census survey." It surveys all employees every two years, and supplements this survey with a sample of 25,000 employees in odd years.

The results are distributed to managers, focusing on issues related to their specific departments. Once the managers review the results, they share them with the department's employees and talk about possible solutions. Then the manager develops an "action plan" to deal with employee concerns. The surveys, Rotchford says, underscore the bank's appreciation of "the value of listening to our employees. If we listen to them, they're going to be around a long time."

Similarly, as the workforce becomes ever-more demographically diverse, an effective and efficient equal opportunity communications process is more important than ever before. Management should emphasize its commitment to equal employment opportunity (EEO) at every possible opportunity, and back its words with action—which is precisely what an effective EEO communications process allows. The mechanism should embody the following features:

- It should be well-publicized and readily accessible.
- It should be free from recrimination for employees availing themselves of it.
- It should provide an alternative to presenting complaints to a supervisor for those situations in which the supervisor is involved in the complaint.
- It should provide a prompt and thorough investigation and a fair resolution.
- It should offer a meaningful opportunity for review.

IBM, for instance, features an "open-door" program for the Chairman, who has a team of assistants who investigate every employee complaint. A determination on the complaint is required within 15 days. As a result of this expeditious, high-level process, says Manager of Equal Opportunity Programs Donald Devey, "most problems are fixed inside," with only a tiny fraction leading to EEO charges filed with outside agencies. Similarly, Federal Express' "Guaranteed Fair Treatment Procedure" provides a five-step grievance process, culminating in an appearance before an appeals board that includes the CEO and Vice-President for Personnel.¹

These upwardly directed EEO communications channels should be reinforced with an accountability structure that holds line supervisors responsible for nondiscriminatory treatment of all employees. The company should make its policies known to all supervisors, and include diligent compliance with these policies as part of supervisor evaluations.

Effective human resources and communications programs can enhance an individual's self-image as an important member of the corporate community. Such efforts can pay handsome dividends in increased productivity—while at the same time fulfilling a company's commitment to equal opportunity.

Programmatic Changes

The primary labor force challenge of the 1990s is the development of human capital. In addition to the many programmatic changes outlined in the preceding chapters, companies can meet this challenge by orienting its affirmative action programs toward a human capital approach. Features of such an approach typically include:

- A consistently articulated top-level commitment to equal opportunity.
- The opportunity of every individual to achieve to the limits of his or her potential and desire.
- Frequent EEO training to reinforce the company's commitment.
- Human resources programs geared toward retention, managing diversity, and upward mobility.

Shawmut Bank is redirecting its focus through a training program for managers called "Affirmative Action—The Next Phase." The program, explains Senior Training Specialist Judy Roark, takes managers "beyond the laws" to the necessity of "treating people fairly all of the time, regardless of their background." The program helps managers understand and appreciate the diverse values of the new workforce.

Shawmut has also initiated "Managing for Retention" programs to help the bank avoid the need to compete for scarce new labor. In the past, Roark explains, the bank often found itself "bringing people in, putting them on the payroll, and then doing exit interviews," with many employees leaving before their second year. Exit interviews showed that the employees didn't feel like they were part of the company, and felt they had no channels of communication with management or opportunities for upward mobility.

In response, Shawmut has developed training to help managers learn to deal more effectively with interpersonal relations and other growing problems. The bank expanded its orientation program from a half-day to three days, including instruction in corporate citizenship in addition to work skills. And it provides training opportunities for advancement to different jobs. As a result, says Director of Training Linda Tufo, the bank has "for the first time in years stemmed the tide of turnover."

Some companies are drawing upon their existing workforce to fill openings by maintaining skills inventories of their employees. Plentiful training and re-training opportunities, along with opportunities for lateral and upward movement, can improve retention while more fully developing human capital. Those companies that look upon all employees as candidates for advancement are finding efforts rewarded with improved loyalty, flexibility, and productivity.

A Wise Investment

This focus on human resources allows companies to better develop and capitalize on human potential. As Jack Carter, IBM's Director of Dependent Care Programs explains, "IBM's officers have accepted on faith for a number of years that if we help an employee with a problem—to get from point A to point B expeditiously—we will have our investment repaid in morale, commitment, and productivity. So far, it's worked."

Such efforts don't require faith, but merely an appreciation of the impending crisis facing American businesses if they do not take precisely such steps. In this time of expanding demand for and diminishing supply of skilled labor, the solution is amazingly close at hand. There exists a fertile and multifaceted supply of untapped labor that can satisfy virtually any employer's needs. To reap that future harvest, businesses must commit themselves to building human capital and to removing the practical obstacles that prevent individuals from taking advantage of employment opportunities. If they do so, we will have an important part of the formula in place to make the 21st Century a time when the dreams and aspirations of our nation are fulfilled.

N O T E

1. *Affirmative Action Today*, p. 114.

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