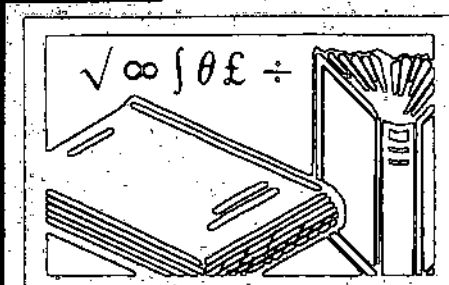
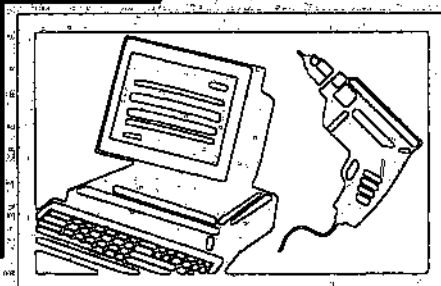
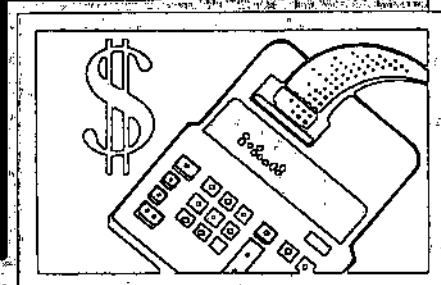


Investing In People

SECTION 5

Policy Institute II: Key West, Florida



Agenda

Investing in People: Workforce Policy Institute II

sponsored by
National Conference of State Legislatures (NCSL)
and
Jobs for the Future (JFF)

December 4 - 7, 1993
Marriott's Casa Marina Resort
Key West, Florida

(Primary funding for the Institute is provided by the DeWitt Wallace-Reader's Digest Fund)

Objectives of Institute:

- 1) Develop and fine tune state strategic plans.
- 2) Use strategic planning framework components (including performance accountability, implementation, monitoring and correcting) to address high performance work organizations, school-to-work transition, and advocacy and promotion of state plans.
- 3) Determine common issues and technical assistance needs for the states, and create a structured technical assistance plan for the remainder of the project.
- 4) Provide overview of federal workforce policies and provide states with the opportunity to discuss their plans with a representative from the Clinton Administration.

Saturday, December 4

9:00 am	Breakfast for Staff and Faculty
10:00 am - 3:00 pm <i>Suite 345-Staff Room</i>	NCSL/JFF and Faculty Staff Meetings
12 noon - 1:00 pm	Lunch for Staff and Faculty
4:00 pm - 6:00 pm <i>Lobby Veranda</i>	Registration
<i>Suite 345-Staff Room</i>	
5:30 pm - 7:00 pm <i>Flaglers Patio</i>	Opening Reception
7:00 pm	Dinner on Your Own

Sunday, December 5

7:45 am - 8:30 am
Grand Ballroom

Breakfast
Welcome: Dan Piicher, National Conference of State Legislatures

8:45 am - 11:00 am

CONCURRENT SESSIONS

8:45 am - 9:45 am
Grand Ballroom

Restating the Model: Building A Statewide School-to-Work System
This session will provide a conceptual framework for an integrated, comprehensive school-to-work system.
Speaker: Hilary Pennington, Jobs for the Future
Teams: CT, WA, OH

8:45 am - 9:45 am
Grand Ballroom

Restating the Model: Principles of Economic Development
This session will provide a conceptual framework for an integrated, comprehensive economic development system that promotes high-performance work organizations, and articulate principles against which state teams can measure their progress.
Speaker: Brian Bosworth, Regional Technology Strategies, Cambridge, MA
Teams: KY, WV, IA

10:00 am - 11:00 am
Grand Ballroom

Restating the Model: Building A Statewide School-to-Work System
Speaker: Hilary Pennington, Jobs for the Future
Teams: KY, WV, IA

10:00 am - 11:00 am
Grand Ballroom

Restating the Model: Principles of Economic Development
Speaker: Brian Bosworth, Regional Technology Strategies, Cambridge, MA
Teams: CT, WA, OH

11:00 am - 12 noon

Team Work Session
Connecticut - Fiesta Room
Washington - Coral Reef Room
Iowa - Sea Breeze Room
Kentucky - Plantation Room
West Virginia - Sunrise/Sunset Room

12:15 pm - 1:15 pm
Grand Ballroom

Lunch Plenary: Federal Initiatives for Workforce Development
Introduction: Doug Zimmerman, JFF
Speaker: Jack Rapport, Deputy Administrator, Office of Work Based Learning, U.S. Department of Labor

1:15 pm - 2:15 pm
Grand Ballroom

Panel Discussion with Jack Rapport
A representative of each team will discuss their workforce development plans with Jack Rapport.
Moderator: Doug Zimmerman, JFF

2:15 pm - 2:30 pm

Break

2:30 pm - 3:45 pm
Grand Ballroom

Messin' with Texas: The Workforce Development System
This session will describe the politics and process by which the Texas Council on Workforce and Economic Competitiveness (HRIC) was created, its mission and activities.
Introduction: Karin McCarthy, JFF
Speaker: Sonia Hernandez, Director of Education Policy Office of the Governor, Austin, TX

Sunday, December 5 (continued)

- 4:00 pm - 5:30 pm **Team Work Sessions**
Connecticut - Fiesta Room
Washington - Coral Reef Room
Iowa - Sea Breeze Room
Kentucky - Plantation Room
West Virginia - Sunrise/Sunset Room
- 5:30 pm - 6:30 pm **Break**
- 6:30 pm - 8:00 pm
West Beach **Dinner Plenary**
- 8:00 pm - 9:00 pm **Planners and Implementors Exercise**

Monday, December 6

- 8:00 am - 8:45 am
Grand Ballroom **Breakfast Plenary**
Welcome: Dan Pilcher, NCSL
Speaker: Andrew Fisher, Program Officer, DeWitt
Wallace-Reader's Digest Fund,
New York, NY
- 8:45 am - 9:30 am
Grand Ballroom **Blazin' the Oregon Trail**
This session will explore how Oregon's strategic economic development
plan and benchmark system provide a framework for economic
development, education, school-to-work transition, and workforce
development.
Speaker: Joe Cortright, Joint Legislative Trade and
Economic Development Committee, Salem, OR
- 9:30 am - 9:45 am **Break**
- 9:45 am - 11:00 am **Team Work Sessions**
Connecticut - Fiesta Room
Washington - Coral Reef Room
Iowa - Sea Breeze Room
Kentucky - Plantation Room
West Virginia - Sunrise/Sunset Room
- 11:00 am - 11:15 am **Break**
- 11:15 am - 12 noon **Surfing the Tides of Progress: Building Support for Workforce
Development**
This session will explain how an effective public outreach campaign can help
the state teams implement their workforce development strategies.
Introduction: Mary Ellen Bavaro, JFF
Speaker: Scott Swenson, Public Agenda Foundation
- 12:15 pm - 2:15 pm **Lunch in Team Work Session**
Connecticut - Fiesta Room
Washington - Coral Reef Room
Iowa - Sea Breeze Room
Kentucky - Plantation Room
West Virginia - Sunrise/Sunset Room

Monday, December 6 (continued)

2:15 pm - 2:30 pm

Break

2:30 pm - 4:30 pm

Team Work Sessions

Connecticut - Fiesta Room

Washington - Coral Reef Room

Iowa - Sea Breeze Room

Kentucky - Plantation Room

West Virginia - Sunrise/Sunset Room

4:30 pm - 6:15 pm

Break

4:45 pm - 5:30 pm

Chairs, Coordinators, and Trail Guides Meeting

NCSL/JFF staff will provide an aggressive technical assistance strategy to enable the state teams to accomplish their objectives by July 1994.

6:00 pm - 7:00 pm

Reception

7:00 pm - 9:30 pm

Grand Ballroom

Dinner: Meet the Press

States will appoint representatives to "meet the press" and answer tough questions about their workforce development plans and the political strategies to implement those plans.

State Spokespersons:

KY

CT

IA

WA

WV

Panel of Distinguished Members of the Press:

Dan Pilcher, Rolling Stone Magazine

Joe Cortright, The National Enquirer

Brian Bosworth, Ladies' Home Journal

Hilary Pennington, The Today Show

Kathy Schill, Money Magazine

Tuesday, December 7

8:00 am - 9:00 am

Grand Ballroom

Breakfast Plenary

Teams will be given an overview of the remainder of the project and a briefing on the upcoming evaluation workshop at the NCSL Annual Meeting in July 1994.

Speakers: Hilary Pennington and Dan Pilcher

9:15 am - 12:00 pm

Team Work Sessions

Connecticut - Fiesta Room

Washington - Coral Reef Room

Iowa - Sea Breeze Room

Kentucky - Plantation Room

West Virginia - Sunrise/Sunset Room

11:00 am

Box Lunches Available in Staff Office

12:00 pm

Meeting Adjourns

FACULTY NOTES: HILARY PENNINGTON
School-to-Work System Design

Essential Elements of School-to-Work Programs

- Employers provide paid work and structured worksite learning
- Schools integrate academic and vocational learning
- School and worksite learning are coordinated and integrated
- Programs last 3 to 4 years, linking high school and post-secondary learning
- Completing students receive recognized credentials, academic and occupational
- Programs are governed by broad community partnerships

Two School-to-Work Tasks

- **Changing the Educational Experience**
 - Integration of academic and vocational learning, with experiential learning for all
 - Ending tracking, moving to thematic “majors” with multiple post-secondary options
 - Academic preparation allowing college acceptance from all programs
- **Organizing the Local Labor Market**
 - Formal partnership of business, education, labor, government and community leaders to connect young people to high-quality careers and training
 - Well-defined career paths accessible to young people through structured work-and-learning programs
 - Formal institution to administer school-to-work linkage
 - Career guidance from persons tied into local labor market

Programs Aren't Enough-- Aspects of System-building

- **Federal network of state-organized local partnerships**
- **Creation and diffusion of program model, standards, curriculum, assessment, staff-development, and credentialing efforts**
- **Altering incentive structures for schools and employers**
- **Connection of education reform and economic development strategies**

Some Lessons from the Field

- **“Intermediaries” very helpful, at both state and local levels**
- **Thirst for information**
 - user-friendly labor market information
 - best practices
 - standards
- **The power of peer learning**
- **Get all parties involved at the beginning**

State System Design Principles

1. A strong governance infrastructure

- representing local and state actors
- employers, organized labor, government, secondary schools, 2- and 4-year colleges and universities

2. A system that is industry driven

- employers participate in goals and implementation from the beginning

3. Articulation of high schools and post-secondary, degree-granting institutions

4. Focus on “all aspects” of broad industry clusters

State System Design Principles

5. **Core of student's learning for at least 2 years**
 - linking at least 1 high-school and 1 post-secondary year
6. **Structured integration of school and work, academic and vocational learning**
7. **“High performance work organizations” a priority**
8. **Adequate, effective support systems**
 - for students, teachers, employers
9. **A model that is replicable, can reach significant scale, and is central to education reform strategies**

Starting Points

- **Tech Prep**
- **Career Academies**
- **Cooperative Education**
- **Youth Apprenticeship**
- **Comprehensive High Schools**

Employer Responsibilities

- ◆ Develop program standards.
- ◆ Help develop school and work curricula.
- ◆ Provide paid, work-based learning.
- ◆ Provide mentoring.
- ◆ Orient staff to needs of youth.
- ◆ Sign youth apprentice contract.

Student Responsibilities

- ◆ Meet required program expectations (academic and professional).
- ◆ Participate actively in events and opportunities.
- ◆ Assist in program assessment and continuous redesign.
- ◆ Sign youth apprenticeship contract.

Secondary School Responsibilities

- ◆ Develop curricula to meet standards.
- ◆ Provide project-based learning.
- ◆ Provide opportunities for “workplace reflection”.
- ◆ Link with postsecondary schools.
- ◆ Provide staff development & in-service.
- ◆ Sign youth apprentice contract.

Postsecondary Responsibilities

- ◆ Provide pre-admission or dual credit.
- ◆ Assist in design of secondary curriculum.
- ◆ Organize courses and schedule.
- ◆ Link with secondary schools.
- ◆ Provide staff development.
- ◆ Sign youth apprentice contract.

Intermediary Tasks

- ◆ Local governance
- ◆ Matching students with employers
- ◆ Coordination of curricula, etc.
- ◆ Relating to public (parents, media, etc.)
- ◆ Technical assistance to participants
- ◆ Evaluation of outcomes

Expected Outcomes

- ◆ High skills competency
- ◆ High schools diploma
- ◆ Occupational skill credential
- ◆ Associate degree (or applicable credits)
- ◆ Ability to continue in four-year program, if desired
- ◆ Job placements on quality career ladder

Additional Outcomes

- ◆ Employers redesign work organization.
- ◆ YA approach influences school-to-work efforts elsewhere.
- ◆ New partners find other opportunities to collaborate.

Review Checklist

- ✓ Assess Climate, Set Parameters
- ✓ Build Initial Design Team
- ✓ Define Basis for Administration and Finance
- ✓ Establish Program Structure
- ✓ Design Program Content
- ✓ Establish Rights and Responsibilities
- ✓ Design Orientation and Training
- ✓ Design Recruitment and Marketing

Design Program Content

- ◆ Identify competencies
- ◆ Set outcome standards
- ◆ Develop curriculum
- ◆ Develop assessment system
- ◆ Establish certification procedures, exit points
- ◆ Establish hours and pay structure
- ◆ Design student support systems
- ◆ Design leadership opportunities for students

FACULTY NOTES: BRIAN BOSWORTH
Facilitating the Development of High Performance Work Organizations

Verbatim Transcript of Brian Bosworth
Presentation to the "Investing in People Workforce Policy Institute"
Key West Florida,
December 4-7, 1993

Economic Development and High Performance Work Organization

BOSWORTH: "... so that we have a common foundation to move forward. And then, I want to talk more about what you do to move from those kinds of ideas to an economic development system that delivers programs that are based on those kinds of ideas.

My function in this project is to focus on economic development systems, not to focus on the issues, necessarily, of workforce training, but to focus on how you can - in an economic development organization - strengthen your approach to workforce development. What kind of economic development systems will do that more than other kinds of economic development systems. That will be the focus of my discussion.

(Overhead #1) Our objective is to determine how states can influence the behavior of private sector employers. That's what economic development is all about. You are trying to influence the behavior of private sector employers. You want them to begin to both demand and enable workers to acquire skills and attitudes that will enable them to support high-value goods and services and pay high wages.

(Overhead #2) There are two parts to this. One is this question of "Why high-value goods and services?" My response to that is because that's where the money is. You don't want your firms to compete in low value-added markets. You would like them to compete in high value-added markets. Because to the extent that they do that, they will be able to sell their goods and services for higher prices in the world market. They'll be able to pay higher wages to their own employees. They'll be able to buy higher value support from other local firms supplying the engineering services, supplying the other stock (component parts, etc.). And, by paying those higher wages, and thereby creating higher wealth in their community, they will contribute to a rising standard of living. That's what an economic development system is all about.

Now, we have to understand that's not necessarily what an individual firm is all about. An individual firm is about maximizing return on assets and profitability. And every firm will have a different horizon of time for deciding, for pushing that issue. A different horizon of profitability or return on the assets, however they choose to measure.

If an independent owner-manager of a firm intends to shut the firm down in about five years ([for instance,] when he or she retires, there's nobody else in the family to pass it on to), it may not make sense for that owner to invest in high levels of technology, to go out on a limb and borrow money from the local bank and have to pay high interest rates, to invest a lot of money in skill development. To optimize profitability, in that owner's horizon, might mean that they shouldn't make any of those investments. They should basically just patch together as best they can the existing equipment they have. Even though they know it won't be able to help them produce product that will meet exacting requirements for segmented global markets. They don't care; they're not going to sell theirs to segmented global markets. They're going to sell their stuff to the same people they have sold their stuff to for the last five or six years, and hope they can make it and get by and then they're going to quit and they're going to go away.

So, there is a difference between the public benefit or the public ideal, the public good, of an economic development system that says, "We want high wages coming from high productivity companies that will contribute to a rising standard of living in an individual company." But an economic development system is about making the kinds of choices to support taxpayer funds. If I am going to pay your taxes in your state, I'm trying hard to figure out why I want to pay those taxes for you to help a company continue to get a little

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 2

more efficient at the low end of the market, dumb down their workforce, not invest in higher value, pay low wages. I'm trying to figure, what's the benefit of that to me? Why should I pay my taxes so that the state can go do that? Frankly, I'm hard-pressed to come up with an answer. If I'm going to allow you to use my tax money for economic development investments, you'd better be able to assure me that it's contributing to a rising standard of living in this state.

So, I believe what you want to do in your economic development system is support the ability of your firms - not all of them, but of those firms who choose to - to move toward higher level production. Higher value-added. Remember, by value-added, we are talking here about the difference between what a company sells its product for - the price it sells its product for - and what it had to pay to get the materials and components in to make that product. If I have to pay \$20 for this stuff and I sell it over here for \$100, then I have added \$80. (Technically, you have to take out the cost of energy consumed in the making of it, you have to take out certain depreciation and stuff like that, but basically that's it.) And that is what we want to increase. We want to increase that per employee.

Why should somebody pay more for this stuff? Because it does what they want it to. Better. It's higher quality. It will last a lot longer. It meets their exacting requirements. I get it there exactly when they need it. That's why they're going to want to pay more money for it. It's the only reason they're going to want to pay more money for it - because it is of higher value to them. And it's higher value to them because of issues of quality, reliability, precision, dependability, deliverability. That's why it's higher value to them.

And we know that making something of higher value requires more skills. It requires better use of higher levels of technology. What I do between \$20 and \$80 embodies a certain level of skill, a certain level of technology, a certain sense of business practices - certainly to organize stuff. And if I get better at any of the things in there, then maybe I can sell it for \$110. Or maybe I can reduce my component purchases to \$15 and sell it for \$105. That's still \$90, instead of \$80, that is my value-added.

So, that's what we want to do. We want to help those firms that are struggling to gain the ability to compete at the high-value added into the market to do that. We want to put in place the resources, the people, the supporting infrastructure that will make it a little bit easier for them to do it. We recognize that 99 percent of their ability to do that will depend on "them". Only one percent is going to depend on "us". But, we're going to make our one percent - or maybe it's 10 percent, or maybe in this complex economy we're moving towards the kinds of things that enlightened government can do is more like 15 percent or 20 percent.

But, in any case, we're going to try to make a difference here by the way we deploy relatively limited economic development resources. We don't have the money to help every firm, and, as we just decided, we probably don't want to help every firm anyway. We have limited money; let's use the limited money to help to help some of those firms move a little quicker than they otherwise would be able to toward high-value production.

(Overhead #3) And we want to influence, along the way, the behavior of those employers. Because until the firms demand high skilled workers, it's highly unlikely an educational system is going to produce them. Most frequently, people get what they want. I believe that as a personal philosophy, but I also believe it as an economic development philosophy. Most of your firms out there are getting what they want. And if you want to change what they get, you've got to change what they want, as well. Until they start to demand high-skilled workers, who will therefore get high wages and contribute to this rising standard of living, the education system is unlikely to produce them. It will respond to demand. I used the analogy in the last

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 3

session of the wet noodle. You can't move a wet noodle by pushing it on one end. The other end, chances are, will just stay where it is, and the wet noodle will just curl around. If you want to change the location of the other end, you've got to pull it.

That's true in economic development, too. If you want to change the behavior of the firms in your state, you've got to influence their demand. You've got to work on what they want; their vision of where they want to go; their vision of how to get there; their commitment; their confidence in their ability to get there. Almost all of the issues in economic development today are on the demand side, they're not on the supply side. They're not on how well you re-tinker, move around your economic development resources. They're not about how you change this law governing community colleges or this configuration of your state finance system or move around yet a different way of organizing local economic development. You can get lost in that stuff, as most of you have been. The issues are over on the demand side. They are about how you effect the vision, confidence, and commitment of firms, and the workers that are in them. Because a firm is not an owner. A firm is a collection of people working together. And when you try to talk about effecting vision, confidence, commitment, you've got to be as concerned with the skilled workers within that plant as the owners and managers. It's all of their demand you want to work on. We know that until firms enable their workers to learn by breaking down the barriers to learning they are unlikely to acquire the higher skills and the new attitudes.

(Overhead #4) At the high end of the market - when I say high end, I mean where there is higher levels of value-added - competitiveness at that end is established on the basis of quality and service. Price is important, sure, price is always important. But quality and service have a lot more to do with it. And quality and service require better skills and better attitudes on the part of managers and workers.

(Overhead #5) Why don't most employers invest in enabling their workers to learn? This is fairly obvious stuff; why don't they do it? They don't have the time, they don't have the resources, they have poor models, they have inadequate mechanisms, they have very few benchmarks. There are a lot of barriers here.

The average size of the firm in your state is probably between 40 and 60 [employees], the [firms] who are making the highest value goods, the manufacturing sector. I guess between 40, 50, and 60 [employees], somewhere in there. You've got a handful of firms on one end that may employ more than 1,000. You've got maybe 100 or so that employ more than 250-500. But 95 percent of your firms employ less than 100 workers. The average size of your manufacturing firms is 40, 50 or 60 employees. Somewhere in that range.

Walk through their plants - you've done this - walk through the plants and you don't find a "Vice President for Human Resource Development and Work Organization", a "Vice President for Strategic Planning", a "Vice President for Market Design and Development or Product Innovation". You find the owner/manager. And, if that owner/manager is lucky, one or two or maybe three key "lieutenants" who have some specialized knowledge. And then there's everybody else. And these folks are so consumed - this is a very complex world and they're trying to make a buck here - they're consumed by getting materials in and doing the stuff - the value-adding stuff - and getting it out. They have very little time, skills, and patience. Models and mechanisms and benchmarks aren't readily apparent to these small firms. They don't go off to conferences and conventions very regularly. Same with the employees. The same set of issues. Very little time. Very little resources. Very little information about what kind of training is likely to help [them] in [their] career and what their financial return [is] on that expenditure. Some sort of cost-benefit analysis of different kinds of training. Who does that training? They are not going to know that. The system doesn't tell them any of these things. And they rarely have the time to go find them out. So we've got a lot of barriers within the

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 4

firm and in the individual within that firm - owner, manager, or worker - to investing in learning.

(Overhead #6) We know that there's a growing evidence of a close relationship - an intimate relationship - among these three things [the amount of value added, the level of worker skills, and the organization of work]. And it really doesn't make too much difference what we believe is the causal relationship - it's not clear that there is necessarily a causal relationship. My experience is that investment [in the level of worker skills] rarely drives [the amount of value added]; my experience is that investment [in the organization of work] can drive [the amount of value added] even if it doesn't drive [the level of worker skills]. Because, at its core, gaining the ability to compete in high-value markets is about learning. It is about acquiring and adapting information about what works and what doesn't work. About technologies. About markets. And there's a lot to learn out there.

The prime determinant of how well an organization learns is how it organizes its work. How it organizes what it does. And that's true in your State Legislatures; it's true in your schools; it's true in your economic development agencies. As an entity, your ability to learn is governed chiefly by the way you organize yourself. Is there a relationship among your employees and when one possesses this skill, can another one gain it? Is there any sort of cooperative learning that takes place? Is there an organization that when one unit over here solves a problem, that how they solve that problem is made known to this unit working over here. What are the barriers to learning within this firm? Within this enterprise? Within this legislature? And how do you kick down those barriers?

That's what I mean when I talk about reorganization of work - kicking down internal barriers to learning. Forget for a moment [about] beefing up the stock of skills that every individual has by taking them outside of the firm, shoving more skills into them and then bringing them back. Forget that for the time being. Let's just think about the workers, the managers, the owner, and the existing set of skills that they have. How can we collectively move that set of skills up by breaking down barriers to learning within the firm? It's much more important than what they are going to learn off the firm - outside. The issues in skill development are about organization of work. They are not about how the community college gets funded. They're not about how to customize a job training program - whether it is run by the Department of Labor or the Department of Economic Development. Who cares? The issues that will determine the ability of firms in your state to learn, and, therefore, largely shape their ability to compete in high-value ends of the market, are within that firm. How well they learn.

(Overhead #7) What's a high performance work organization? This is simply my best cut on it based on my reading of the literature and talking to people who know more about it than I do. In any particular firm that is clearly performing very well at high levels of value-added, you may not find one or two of these characteristics. But if you go to firms and you keep asking the best-practice firms, you keep looking, this tends to be the set of characteristics that you come up with that are associated with high-value production. Now you can have all of those and not be very good, and you can be very good and not have all of those. But this is sort of the cluster that seems to be at the core.

(Overhead #8) Dan Pilcher was helpful in passing on to me this that the Office of Technology Assessment put out. It's their effort to look at some of the difference in capabilities between sort of the traditional model - what they call the high performance model. This, technically, is not just about the organization of work, it's about some other things going on too. But it gives you some opposites, some polarities to look at. Traditional: quality control is at the end of the line; the thing comes out and you look at it and say, "Nah, not good enough" and toss it away or "Yes, this will be fine" and you box it and ship it. In a high

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 5

performance model that quality control is on the line, it's built into the process. That happens through work teams who are multi-skilled; it happens through a lot of authority delegated to the individual workers; it happens through a lot of flexibility; high characteristics of labor-management cooperation; a lot of screening for basic skills; employers who view the workforce as an investment, etc. Nothing here is going to be an epiphany. These are things we generally talk about.

(Overhead #9) If you want to encourage these within your state, if you want more of these kinds of organizations that exemplify these kinds of behaviors in work organization what do you do? You adopt a sort of general set of principles - these are not meant to be programs, these are meant to be sort of philosophical boundaries of your thinking.

First of all, we are interested not in training, we are interested in learning. Training is the provider side. It's the supply side. Learning is on the demand side. That's what we want. If fact, if we could influence learning without training, since training usually costs money, why wouldn't we want to do that? So let's see how we can accelerate or boost learning. Forget about training for the time being. We want to target resources on high performance for high value. We don't have much money as a state. Let's put that money where it'll contribute to high level performance in value creation. And we want to shape our policies around the needs of the companies who are successfully engaging in very competitive markets for high value-added goods. Those are the companies we want to tell us how to shape our development system. Not the company that is failing down here. Because their time horizon is a lot different, or they haven't learned some of these lessons, or they don't want to learn some of these lessons. And we want a system that promotes learning among firms. We want to maximize learning.

(Overhead #10) Then we talk about some policy options. The first three have to do with targeting the money you're spending right now. You're all spending money for firms; target them in at least three ways: target them for firms who are choosing to compete at high levels of value-added; target them for firms who are reorganizing work in ways that better practice firms are telling them they should; [target them] for consortia of firms. We know that we, all of us, learn better in cooperative settings. We know that. There's all kinds of cognitive research that tells us that. And, frankly, there's all kinds of learning research that tells us that firms learns best in consortia as well. You don't have the money to help lots of firms. Insist that they get together. Say, "You five firms, get together, we'll help you. But we won't help you individually. We just don't have the time and, frankly, we don't think you'll learn as much as if you work together."

Get larger firms involved in influencing the behavior of their smaller suppliers. The most powerful force for modernization is not what the community college tells them; it's not what the state development [agency tells them]; it's not what the legislature puts into statute; it's not any of these supply side issues. The most powerful force to influence the behavior of a small firm is what its customer tells it to do. That's fairly intuitive. So, find a way of engaging your larger customers in your development system. Better yet, turn the thing around a little bit. Find a way of structuring your economic development system so that it rides through customer-supplier relationships, rather than operates independently of them. Invest your resources through existing, proven channels of improvement through customer-supplier relations. There is a New England Supplier Institute that represents an effort to do just that. To get a bunch of larger firms together to develop a coordinated approach to supplier improvement. And the public sector from each of the New England states and the federal government is putting money into that institute. The larger companies agree to synthesize their supplier certification requirements so that the small firms don't have to deal with the multiplicity of different supplier certifications out there. The larger firms agree that when one member of their consortia does the assessment to find out if a small firm adheres to those requirements,

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 6

that's good for all members of the consortia; you don't have to do multiple assessments. The larger firms agree that when they have a training program for their suppliers in some new technique (having to do with ISO 9000 certification, for example) that other members of that consortium may come to that training program as well. They agree to do those things. It's logical. It's in their interest to do those things and the public sector agrees to help them out. Give them a little money. Help them do what they would otherwise do with a little assistance.

Allocate your adult education funds to employers. It's time that we stop understanding the learning the place as a school. The learning place is the workplace. It has to be the workplace. And we've got to start legitimizing the workplace as a place of learning. One way to do that is when you're allocating adult education funds you get, even just the federal money you get, allocate some of that out to the firms. Help them become higher quality learning institutions, places of learning.

(Overhead #11) Subsidize the creation of learning networks among firms. That's very close to limiting training assistance to consortia of firms, but it's a little different because this suggests a structured effort to create things like supplier improvement councils, for example. Things like continuous improvement user groups, for example. You're going to hear from Joe Cortright later in this program about some efforts in Oregon to do that. Subsidize the creation of learning networks among firms.

Encourage your educational institutions to provide assistance on the reorganization of work. Have them begin to view their task not as being good at upgrading the stock of knowledge, skills that an individual employee has or an individual person has. Help them begin to view their task as getting good at creating learning systems. And finance them accordingly.

Provide incentives for incumbent worker training. There are limited incentives. There's not a whole lot you can do, as state policy-makers and legislators, but there are a few things you can do in terms of the way you treat expenditures on training for tax purposes.

Help best-practice firms aggressively promote new approaches to learning. How many of your states have programs that follow the federal Baldrige Award program, for example, with your own state program? To hold up models. One of the problems with firms learning is that they don't have any models or examples or exemplars out there. Create them. Help them get them.

Recognize and reward high achievement.

(Overhead #12) A friend of mine has made an effort to try to portray some of the problems that firms face when they're looking at low-end market opportunities. Very price-sensitive markets, they are able to pay only low wages, which means they have difficulty in attracting and retaining skilled workers; they can't really afford to make much investment in training, as a consequence they have low productivity. The low wages don't allow them to invest in technology. That could lead to low productivity. It is a cycle that is very difficult to break. Very difficult for most small firms to break.

(Overhead #13) What my friend suggests is a model of behavior that talks about the "High Road". Continuous modernization supporting high-reward markets (my term, high-value markets; his term, high-reward markets). Higher productivity leading to higher wages which will permit a strong investment in technology; strong investment in technology and efficient business flexibility; investment in technology supporting sustained investment in skills and knowledge; high performance work organization is a crucial element in it; consortial capacity on the part of the firm; knowing how to establish relationships with other

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 7

firms, forward and backward in the supplier chain - that is, with its customers and with its own suppliers, but also with firms just like it so that it can specialize without some of the rigidities that specialization imposes.

[Regarding] this notion of cooperation and collaboration, one of the theories is - and it is a good theory - that as firms struggle to compete at high-value markets they have to make some decisions about getting good at something. They have to become very specialized to support the very demanding requirements of niche markets out there. The willingness and ability of a firm to specialize can be impaired by the absence of its consortial capability or the absence of its ability to establish cooperative linkages with somebody else. Put yourself in the position of a small firm trying to decide if you want to focus your technology, your business practices, and your marketing efforts around this particular niche over there and worry that you're going to lose a lot of opportunities. Because a lot of jobs are going to come your way that require more capacity than you are going to have if you focus on that narrow niche. Your willingness to do that - to focus on that narrow niche - is directly related to your . . . if you think you can establish collaborative relationships with other firms, [you will decided to] go ahead and focus on this part of the metal-cutting process because [you] know that if [you] get requirements and jobs and work that require [you] to be good at other parts of the process [you will] work with these other firms to do it; [you will] lay that work off; [you will] establish cooperating relationships with them; [you will] get [your] flexibility through [your] ability to coordinate, collaborate with other firms. And [you will] get [your] specialization through focusing [your] resources - [your] internal resources. So you achieve - the economic term for this is externalizing your economies of scale and scope: You try to achieve from external relationships with other firms some of the things that in the old economy you did internally; a lot of stuff. You have to focus these days to be successful in business.

So, he believes that every single one of these requirements is essential for firms seeking to compete in what he terms high-value markets.

(Overhead #14) I portray this in this fashion. To be more competitive at the high end, firms need to improve simultaneously across every single one of those connections. And I've had so many firms tell me, "Nah, the problem's not technology for us." Another firm says, "Nah, the problem's not marketing for us. Not really skills or training. Our workers are okay, we've got good workers here. They're smart. They can learn." The problem that these firms have is dealing simultaneously and continuously with change across all of these dimensions at the same time. That is the tough part. That is the thing that makes it very hard for small- and medium-sized firms in your state to get good at doing what you want them to do. To get good at high-value production.

Now, work organization is a crucial element of this process. But it is only one of these several dimensions. And if you embark on a strategy that ignores all of these other dimensions and says, "Well, let's focus just around this because we've decided this is the magic bullet - work organization - that's what is going to make the difference", you run the high risk of wasting a lot of resources. Just as those states that say, "Technology is the answer. If these firms would just impose higher levels of technology, they'd be able to make these higher quality products, and they can sell them around the world, and they can pay high wages, and our standard of living will go up or at least we can maintain it at the current high levels." It's not any one of these. The economic development programs that focus inordinately on just one as the "magic bullet" are going to run into some serious problems.

(Overhead #15) If I were going to put together an economic development program to try to push firms, to try to influence the behavior of firms to engage in higher value productions, here are some key principles that I would include in that.

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 8

I would want a very decentralized system. In that decentralized system, I would want to model the same characteristics of organization that I am trying to suggest to these firms out there. Flat management structure. A lot of authority delegated out to the local level. Team-work kinds of approaches. Being responsive to the local situation as the local situation changes. These same characteristics are as necessary in the economic development agencies and programs as in the firms they are seeking to help.

I would want it to be non-governmental. It's sad to say, but in every part of this country, government is seen as the problem and it's so hard for firms to begin to see government as part of the solution. So I would move towards non-governmental kinds of bodies. Take some of the pressure off the public sector in setting standards. Get these private firms to set the standards for you. Use private sector systems.

Make it comprehensive. Don't focus inordinately on just one issue. Look at the whole of this. You may attack one issue at a time. I'm not saying you have to do it all or nothing. Clearly you can attack one issue at a time, one dimension at a time. But, you have to do so, I believe, within the context of a comprehensive approach.

You've got to figure out a way to use existing resources, to convert those existing resources to discover the needs of the system as you know and understand it. You can't afford to simply set up parallel, redundant, duplicatory systems. You don't have the money. There's not that much money. You have very limited resources. In fact, many of your states are cutting back on the amount of your resources that you can deploy in economic development. So, it is absolutely essential that you use existing ones very well.

Make it a client-driven system. Have the attitudes and behaviors of the clients - the firms - drive this whole system. Don't allow it to be driven by the heads of development agencies, the heads of financing bodies, the banking institutions, the community college presidents. Insist that this system be driven by the clients. It doesn't have to be fully governed by the clients, but it had better be driven by them.

Use private sector learning systems. The most powerful force for modernization is one firm's relationship with his customer. When his customer says, "do this", the firm does it. They will do things within the context of that private sector system - their customer-market relationship - that they simply won't do because government thinks it is a good idea. Figure out a way to use those private sector learning systems.

Focus on value-added, not jobs, as the result of your short-term economic development programs. The only way you're going to get jobs that pay high wages is by helping firms gain the ability to compete at higher levels of value-added. Now, if they do, you'll get your jobs. You won't necessarily get them in the firm that you are helping to gain the ability to compete to higher levels of value-added. And that's going to be a crunch for some of you. Some of these very firms seeking to gain the ability to compete at higher levels of value-added may find themselves in a position of reducing employment. How do you justify helping firms when they are reducing employment or at least maintaining it at a static level? You do that only if they are adding a lot of value that will drive job creation in other parts of your economy.

Use collaborative systems. Use the power of collaboration as a tool to propel learning. It's a powerful system that is not used. We've made an observation, I made an observation, that there needs to be more interchange among you as you go through this learning process. We have got to figure out a way to accelerate your learning so that, [for example,] those in Kentucky can figure out what those people in Connecticut have done. Maybe it's kind of a slick idea. You could use it in this fashion. So, just as there's power in the collaborative capacity of this, so too is there power in the collaborative relationship among firms.

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 9

(Overhead #16) The values of benchmarks. I offer these. In the short term, how many firms are gaining certification. There are lots of certification techniques - most of them are customer-driven, but there are others out there. There are some trade and industry associations that are beginning to certify certain levels of behavior. There are programs like the Baldrige Award. You should begin your own programs like the Baldrige Award in your own states. Look for the company to increase its wages. Look for the company to increase its sales, its value-added, its new products. And look for the company to tell you that this works: "This unit of assistance that I got through some economic development resource was timely; it was well-done; it was efficiently done; the people did what I asked them to do; they helped me expand my vision; they helped me expand my confidence; they gave me some resources that were not otherwise available to me; they connected me with somebody; they made a difference."

In the long term what you want for the individual firms and the economic regions where you help them is you want more payroll. And you specifically want more payroll per employee. You want to see an increase in total shipments. You'd like to see a greater contribution to gross income on the part of, let's say, your manufacturing sector. If it's now producing 25 percent of the gross income in your state, you'd like it to produce, maybe, 30 percent of the gross income in your state 10 or 15 years from now. And if you help firms in your state get a competitive leg up in being able to compete at high levels of value-added, it can. Those firms collectively can make that kind of difference. You'd like maybe in some cases to see an increase in the number of establishments. That depends on the industrial sector, but in some cases you'd certainly like to see that. So, those are the kind of evaluative measures that you might use.

(Overhead #17) I want to talk a little bit more about [the relationship of economic development resources and small firms]. Here are the economic development resources in your state. And here are the small companies over here. The hundreds of small companies whose ability to compete at high levels of value-added you want to influence. That's the reason you've got this economic development system. Now I think we have observed this before. What most states traditionally do is what you do. When you observe the need, as you might here, for work organization, or more finance programs, or better information about export markets, what you are tempted to do, but which you will no longer do, is you'll create a new program. If you're really thoughtful, what you might do is merge that new one with two others. But you'll never think about doing anything over here [on the side where the "small manufacturers" are located], where the determinants of competitiveness are established. You will do it all over here [on the "resources" side]. Now most of these firms, as we talked about, [have approximately] 60-70 workers, an owner-manager, skilled workers who are bent over those machines doing what it is they do, people getting stuffed in and they don't come to conferences like this. They don't have people who read the trade journals and go off to shows regularly. There are a lot of barriers to learning. There sure are an awful lot of barriers to learning over here [within these small firms]. How many of you hear regularly from your constituents that they don't know about these things ("Really, my state does that? I didn't know that. I didn't know we could do that.") They just don't know about that. And I think that tells you something about the quality when you consistently hear that. At a minimum, what you need to think about is some kind of system in the middle. Maybe it's [something like] this that extends the capability [of resources] here over to these [small firms] over here. And, if you don't have an extension apparatus, then you don't have an economic development system. You've got a bunch of fragmented, scattered resources wasting your money. The first thing you need to do is make sure that somewhere, somehow in your state, you've got this system at work. Now, the minimum you want it to do is to bring stuff to the small firms, to tell these people a little bit more effectively than you did before on a comprehensive basis about the resources. Now what you'll find is you'll go to different organizations over here [within your] resources and they'll say, "We do that. But we've got eight people who do that". This one will say, "We've got four people who do that." And this one will say, "We have eight

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 10

conferences a year to do this." That's the problem. The result is this - it's just white noise to these [small firms] over here. It's just a set of acronyms that most of them don't have the time, skills, and patience to make any sense out of. And the problem is not for an individual firm dealing with the individual resources that they knew these folks have. The problem is dealing with them in their totality. Integrating with them..

So, don't be satisfied with creating a system that simply extends this knowledge more comprehensively over to these [small firms]. Instead, think of an economic development system where the extension apparatus is an extension of these [small firms]. It extends them. It gives them the time, the skills, and the patience they don't otherwise have. To figure out, first of all, what do they need? We keep saying the issue is on the demand side. It's about vision. It's about competence and commitment on the part of both managers and skilled workers. What do we need? Where are we going to go? Do you have the resources deployed in your state to help small firms systematically think about "Where are we going to go? How are we going to establish competitive advantage in the market?" Not to answer those questions. But to structure the learning process by which the firms answer those questions themselves. An extension system, properly organized, can do that.

(Overhead #18) Think about this. Think about an extension system . . . , first of all we put our resources in the box. That implies that we've organized them a little bit. We have inventoried them, we've got them separated. Ducks in rows. We do have to worry a little bit about these [resources]. Think about a system of brokering agents where the line is two ways. Where it's not just extending to marketing this, but it's connecting the resources. And the most important thing on this chart is this box [of inter-connected small firms]. Because these firms we know . . . we know this intuitively, we know this through survey after survey . . . that ultimately a firm will become more or less competitive because of its relationship to other firms and how well it learns from other firms. It won't become, ultimately, more competitive because it happens to have a friend at the community college or to be close to a local development agency. So the most important thing this system can do is to help these firms establish learning relationships. Pull them together. Help them optimize their complimentary capacity as they seek to specialize. Pull that complimentary capacity to the others so that they can do things collectively, in terms of producing, marketing, or simply learning, that they can't do if they are by themselves. Think of that as the function.

Now, as these firms get together it may well be that they say, "We need to know a little bit more about export market opportunities in Eastern Europe. We've learned a lot about this and everybody over there is supposed to want new wastewater treatment systems and we produce these pumps that supply wastewater treatment systems and so we do need to know a little bit . . .". So maybe there is a resource can bring them some specialized information about market opportunities and public infrastructure emerging in Eastern Europe or at least how they can go get that information. Maybe there is a resource that can help them experiment with new forms of flexible production. Maybe there's a resource that can offer them a better deal than they can get right now from their local banker. Or, better yet, a resource that can help them put together a business plan, a strategy, and a financing package that their local banker can, in fact, support. So, I'm not discounting the capabilities of these resources to help with firms individually or collectively. But until they see their needs and until they're organized to help each other learn, than the fragmented, disparate, chaotic deliver of services from [the resources] doesn't make any difference.

[Overhead #19] Now, a state has tried to do this. Several states are at various levels of trying to do it and may be included here also. But I'm going to offer you one that is not here - the state of Oklahoma. A more fully evolved system. 3,600 small- and medium-sized companies. A network of 20 - 25 (they decided on 30) . . . and they will have, maybe within a couple of months, 30 broker agents. Roughly one for every 160

Verbatim Transcript of Brian Bosworth
December 1993
Page 11

companies. Not all of those companies want anything from those broker agents. Some of these aren't interested. As I said, they're not struggling to gain the ability to compete at high levels of value-added. They're trying to optimize profits in the short term and wish them luck. God bless them. I don't do it. So, not all firms need the kind of help an economic development system can provide them. So, this state has decided that relationship . . . by the way, half of their manufacturers are clustered in just two counties (Tulsa County and Oklahoma County). Of the other half, there is no other county in the state that has more than 100. So, the other half is just spread all over the place. So, it's an interesting set of extremes: high density in two areas and very low density in the rest of the state. So, the deployment of these broker agents gets to be crucial. In the large cities, they've got five or size of them working in a team and those broker agents can begin to specialize. Not by function. They specialize by kind of firm they are serving. The last thing you want them to do is specialize by function because then you are right back to that old system. But, if you can, so each firm would have one broker agent that is their link with each other and with the system out there.

In Oklahoma, as I suspect in your states, industry and trade associations are very poorly developed. For lots of reasons, having to do with the anti-trust history in this country, having to do with the fact that most of our firms competed in local markets and they didn't like the idea of cooperation when they competed in local markets, the cowboy culture of American industry. A lot of reasons. The trade and industry associations in the U.S. are at a much lower level of function than is the case in the rest of the industrialized world with which we compete. Whereby trade and industry associations in western Europe and Japan routinely help their members understand about market opportunities, about technology changes, routinely connect their members with each other to solve problems in those dimensions, trade and industry associations in the U.S. typically lobby folks in the legislature for lower workman's compensation rates and they play in the annual golf party and that's about it. There are some examples that are to the contrary and those organizations were smart enough to send people to this meeting.

So, what Oklahoma has done, because their trade and industry associations are not as highly evolved as the ones here, is to create a network of people who behave as though they were a smart trade association. They've got a cadre' of six or seven industry sector specialists who act as, in a sense, the head of research and development for the wood products associations, food products associations, the metalworking associations - except their aren't any associations. But they behave as though there were. And they are out there routinely acquiring information about market changes, technology shifts that pertain to the 200 wood products manufacturers, or the 250 food processors, or the 85 firms selling into the aviation industry, or whatever. They've identified, in their view, the most important industry clusters and they've got somebody tracking those industry clusters, going to the trade shows, reading the journals, talking to the research people. They're not all by themselves. These people typically see themselves as the point person for a roundtable of experts (tape stopped) and to help the firms set up learning systems to solve those problems.

(Overhead #20) The functions of these broker agents. But, basically you don't see problem-solving in here. What happens when those states establish extension systems that are essentially engineering extension out of their university engineering department and they call them industrial extension systems is you get a bunch of engineers out there looking for an engineering problem to solve. And chances are they would find one in any firm. They'd find lots. And they go into a firm and they say, "Well, you see you haven't laid out the plant floor the right way (because that's where I got my degree is in plant floor lay-out) so let me show you how to do that." And they show how to change the plant floor layout and they come out and they chalk it out and the firm says, "Great. We got some help out of this." But they got a single problem helped and there is no systemic connection with the rest of the economic development apparatus. I believe very strongly that this has to be a system that arranges, connects, [and] advises on a system of needs, and helps evaluate

Verbatim Transcript of Brian Bosworth
 December 1993
 Page 12

that through the broker agents.

(Overhead #21) Industry Sector Specialists analyze market trends, this sort of stuff, track the industry, inform the broker agents, inform the service providers, inform the firms, and promote statewide collaboration.

(Return to Overhead #19) This is to be a system. This is not to be just another program out there. They are really trying to create a system. One of the characteristics of systems is governance. You can't have a system without governance. That's the role played by the Oklahoma Alliance of Manufacturing Excellence. The Oklahoma Alliance for Manufacturing Excellence is an essentially private-sector organization. I believe there are 15 people on its board of directors; four of whom are from key state agencies, 11 of whom own or manage private manufacturing companies. That 15-member board . . . by the way, there are some large companies in there. What they've done is they have the head of supplier relations for some large firm - American Airlines, I think, that buys a lot of goods because they have their major repair facility out there and they buy a lot of machine products and fabricated metal products and plastic products, etc. So they have a large supplier base and they need to manage the quality of the supply they are getting, so they've got a whole division set up on how to improve the quality of their supply. So the head of that [division] is on the board there.

(Overhead #22) So, the functions of the alliance: marketing, benchmarking, one of the things the Alliance is doing is improve the industry sector *(Return to Overhead 19)* The Alliance contracts for the [Broker Agents] and they contract for the [Industry Sector Specialists] and they write agreements with these people [in the resource network].

Now, an interesting approach in Oklahoma that I think will work anywhere. The Alliance contracts not directly with individuals, they contract with an organization to supply a broker agent or five broker agents. The broker agents have business cards that say, "I'm a broker agent for the Oklahoma Alliance for Manufacturing Excellence in cooperation with . . ." And, there's where they list the local contractor organization. Their parlance for it is "sponsored". They are sponsors of these broker agents. And those sponsors pay the payroll of those broker agents, they provide the administrative support for those brokers agents. But the broker agents do what the Alliance tells them to, not what the sponsors tell them to. Well, in fact, the Alliance doesn't even pay their whole salary. They have found it possible to pay about half of the salaries. Why would some local sponsor agree to pay the other half of the salary and not effectively "run the person?" Why would Vo-Tech in Tulsa agree to contract with the Alliance to provide some broker agents if they couldn't tell those broker agents what to do? Because the mission of those broker agents and the mission of the Alliance is, in fact, coincidental in that case with [their] mission. They are not diametrically opposed.

What the Alliance is doing is rationalizing existing resources, rather than re-creating a whole new system. And they are finding that with a little bit of money, not the whole amount of money, they hold that money out there and they say, "We're willing to work with you, the SBDC, we'll work with you. We'll sign a contract with you to deploy a broker agent. And maybe the person who fills that job is some current employee - they may not be, by the way. A lot of them were hired separately, but in some cases the agencies had people on board who met the requirements. (A minimum 10 years experience in a manufacturing environment, but not necessarily engineers. They could be in marketing, they could be in general management. They were looking for certain skills and attitudes, not just training, not just educational background).

Verbatim Transcript of Brian Bosworth
December 1993
Page 13

So, the Alliance contracts then with the Department of Commerce to do this. Now the Department of Commerce agreed to supply all of the money necessary to support the Industry Sector Specialists. The reason they agreed to do it is because the power of this group has said, "That's the most, that's the highest and best use of any resources you have available to you right now." And they convinced the Department of Commerce to do that. Plus they happen to have a pretty good guy out there who runs the Department, he's very thoughtful about these kinds of issues. They have customer feedback channels. Each of the broker agents establishes a local manufacturer's council that is in a sense a local advisory committee.

There's a lot of bells and whistles and frills and embellishments that you can hang on to this general system. My point in offering it to you is to suggest that this is not . . . the concept of feeling our way to deal comprehensively with the demand of thousands of small manufacturers seeking to gain the ability to compete at higher levels of value-added is not just an esoteric concept. States are beginning to do this. I happen to think that this particular model in Oklahoma embodies the principles we have been talking about here.

NOTE: concluding question and answer session unrecorded

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- Our Objective:

To determine how states can influence the behavior of private sector employers so that they begin to both demand and enable workers to acquire the skills and attitudes that will support high value goods and services and pay high wages.

Why influence the behavior of employers??

- Because,

Until firms demand high skill workers, the education system will not produce them,

and because

until firms enable them to learn, incumbent workers will not gain higher skills and new attitudes

Why high value goods and services??

- Because,

- that's where the money is.
- you don't want your firms to compete at the low end,
- only by competing at the high end will firms be able to pay high wages which will increase the standard of living.

- **Competitive advantage at the high end is established on the basis of quality and service**

Higher quality and better service require higher skills and more commitment

Why don't most employers invest in enabling their workers to learn?

- don't have time, resources models, mechanisms, benchmarks, etc.

Why don't most employees invest in upgrading their skills?

- don't have time, resources information, incentive, etc.

There is growing evidence of a close relationship among

- **the amount of value added,**
- **the level of worker skills, and**
- **the organization of work.**

At its core, gaining the ability to compete in high value markets is all about getting real good at learning;

and,

the organization of work is the prime determinant of how well an organization learns.

**What is a "high performance" or
- "flexible work organization" ?**

- **self-directed work teams**
- **flat management structures**
- **job rotation**
- **employee participation in
decision-making**
- **quality assurance/ total
quality management systems**

FIGURE A

CHARACTERISTICS OF TODAY'S AND TOMORROW'S WORKPLACE¹	
TRADITIONAL MODEL	HIGH PERFORMANCE MODEL
STRATEGY	
<ul style="list-style-type: none"> • mass production • long production runs • centralized control 	<ul style="list-style-type: none"> • flexible production • customized production • decentralized control
PRODUCTION	
<ul style="list-style-type: none"> • fixed automation • end-of-line quality control • fragmentation of tasks • authority vested in supervisor 	<ul style="list-style-type: none"> • flexible automation • on-line quality control • work teams, multi-skilled workers • authority delegated to worker
HIRING AND HUMAN RESOURCES	
<ul style="list-style-type: none"> • labor-management confrontation • minimal qualifications accepted • workers as a cost 	<ul style="list-style-type: none"> • labor-management cooperation • screening for basic skills abilities • workforce as an investment
JOB LADDERS	
<ul style="list-style-type: none"> • internal labor market • advancement by seniority 	<ul style="list-style-type: none"> • limited internal labor market • advancement by certified skills
TRAINING	
<ul style="list-style-type: none"> • minimal for production workers • specialized for craft workers 	<ul style="list-style-type: none"> • training sessions for everyone • broader skills sought

¹Source: "Competing in the New International Economy." Washington: Office of Technology Assessment, 1990.

Encouraging High Performance Work Organizations: Key Principles

- **focus on learning; not training**
- **target resources on high performance for high value**
- **shape policies around needs of best practice employers**
- **promote learning among firms**

Policy Options

- **1. Limit training assistance to firms competing at the high end of their markets.**

- 2. Limit training assistance to firms who are reorganizing work toward high performance models.**

- 3. Limit training assistance to consortia of firms.**

- 4. Get larger firms involved in influencing the behavior of their smaller suppliers.**

- 5. Allocate adult education funds to employers.**

6. Subsidize creation of learning networks among firms.

7. Encourage education institutions to provide assistance on re-organization of work.

8. Provide incentives for incumbent worker learning.

9. Help best practice firms to aggressively promote new approaches to learning and the organization of work.

10. Recognize and reward high achievement.

Guiding Principals

- * De-Centralized
- * Non-Governmental
- * Comprehensive
- * Existing Resources
- * Client Driven
- * Private Sector Learning Systems
- * Value Added; Not Jobs is Result
- * Collaborative Systems

EVALUATIVE BENCHMARKS

Long-Term

- * Total payroll
- * Payroll per employee
- * Total shipments
- * Contribution to gross income
- * Number of establishments

Short-Term

- * Firms gaining certification
- * Increases in wages, sales, value-added, new products of firms getting help
- * Customer-satisfaction surveys

To be more competitive at the high end, firms need to improve continually and simultaneously across several different dimensions.

- **technology**
- **markets**
- **skills enhancement**
- **finance**
- **inter-firm cooperation**
- **advanced business practices**
- **work organization**

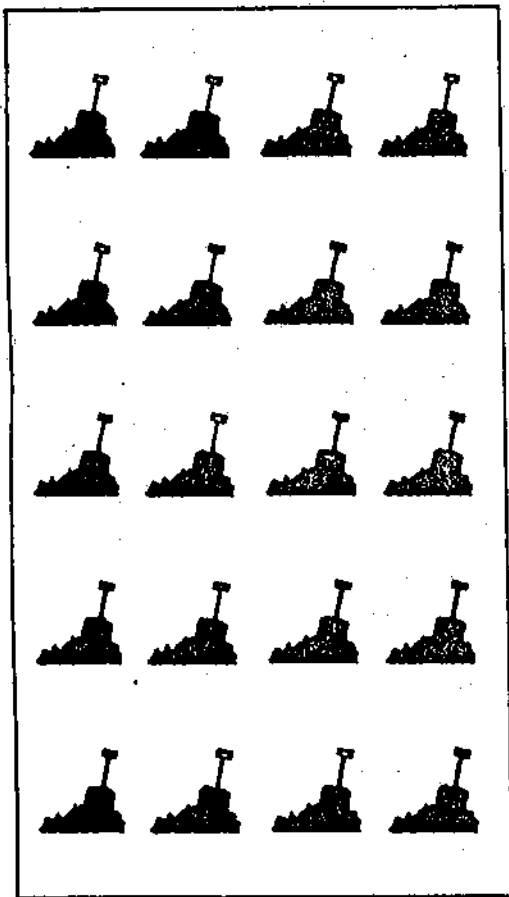
FUNCTIONS OF BROKER/AGENTS (Redeployment of Existing Resources)

- * Marketing and outreach**
- * Help build vision**
- * Problem diagnosis**
- * Help build strategy**
- * Build collaboration**
- * Advise what help available**
- * Arrange external
resources**
- * Advise "system" of needs**
- * Help evaluate help**

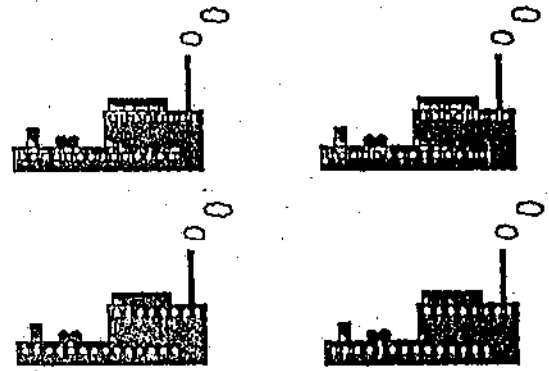
FUNCTIONS OF INDUSTRY ANALYSTS (Redeployment of ODOC Resources)

- * ANALYZE MARKET TRENDS**
- * ANALYZE TECHNOLOGY TRENDS**
- * TRACK THE INDUSTRY**
- * INFORM BROKER/AGENTS**
- * INFORM SERVICE PROVIDERS**
- * STATEWIDE COLLABORATION**

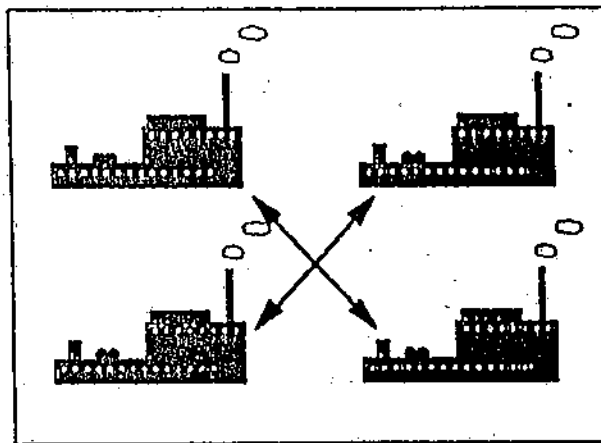
Resources

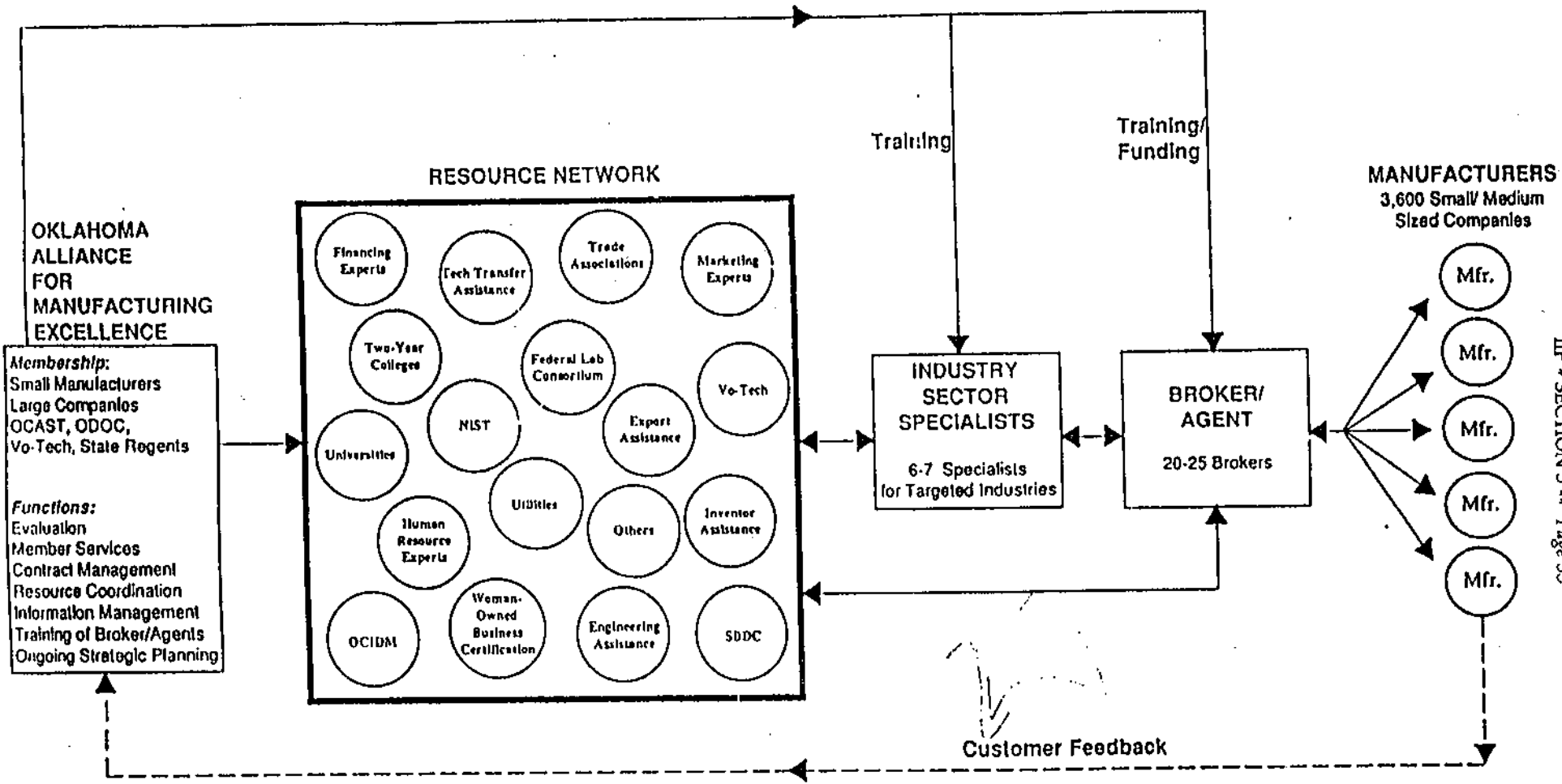


Small Manufacturers



Private Sector Organization





INDUSTRIAL EXTENSION SERVICE-OKLAHOMA MODEL

FUNCTIONS OF ALLIANCE

- * Marketing**
- * Benchmarking**
- * Planning**
- * Evaluating**
- * Managing contracts**
- * Coordinating resources**
- * Managing information**
- * Training**
- * Serving members**

FACULTY NOTES: JOE CORTRIGHT
Benchmarking in Oregon

Economic Development in Oregon
Strategies, Industries, Workers

Benchmark Organization

- . 27 Urgent Benchmarks
 - Items of immediate importance
- . 18 Core Benchmarks
 - Long term measures of progress
- . 272 Total Benchmarks

Benchmarks in Three Areas:

- . Exceptional People
- . Diverse, Robust Economy
- . Livable Communities

Source: Oregon Progress Board

Economic Development in Oregon
Strategies, Industries, Workers

Oregon Values & Beliefs

Key Findings:

Family life is central (#1, 88%, above career, environment, religion)

Economic issues are the most pressing (#1, above taxes, environment, crime)

In the future, workers will need higher skills (61% agree)

Major change is needed in education (80% agree)

Oregon needs to do a better job increasing skills, keeping jobs and creating jobs (3 lowest of 19)

Source: Oregon Values & Beliefs Survey

Economic Development in Oregon
Strategies, Industries, Workers

Oregon Values & Beliefs

1992 Survey of Oregonians attitudes about their state, its government, its people, and its future.

Do Oregonians agree with the principles underlying the benchmarks? How should benchmarks be revised to reflect core values of the state?

- Sample of 1,361 participants
- Regional stratification to reflect diversity
- In person interviews
- Interview between 1 and 1/2 and 4 hours

Oregon's Educational Act for the 21st Century...A Bold New School Reform Effort

GOAL: Produce the best educated citizens in the nation by the year 2000 and a workforce equal to any in the world by the year 2010

- **Public Accountability**
 - Annual statewide education report card
 - Local schools and school district self-evaluations every two years
 - Increased parent involvement
 - *Increased cooperation among and between school and college faculty*
 - *Emphasis upon a continuous learning experience K through Graduate School*
- Public schools will offer Certificates of Initial Mastery (CIM) (standards are now being developed)
 - Available at 16 years of age or completion of the 10th grade
 - Students can then attend any public educational institution offering a Certificate of Advanced Mastery
 - Learning Centers will be established to help individuals earn the CIM
- Public schools *and community /regional colleges* may offer the Certificate of Advanced Mastery.
 - *Offers work-based learning in high schools*
 - *Offers Tech Prep/Associate Degree Program Preparation*
 - *Offers College Prep/Baccalaureate Degree Program Preparation*
 - *All of these programs are being developed with an applied academics (context) emphasis with the standards based upon the national SCANS recommendations and other national standards.*
- 21st Century School Councils (referred to as site committees)
 - Teacher majority membership
 - 1992 - Sept. - Council in school districts with more than one school
 - 1994 - Sept. - Council in every school district
 - 1995 - Sept. - Council at every school
- Lengthen the school year to 220 days by 2010
 - 1996 - 185-day school year
 - 2000 - 200-day school year
 - Subject to legislative review
 - Subject to Department of Education research
- Serve all Head Start eligible children in Oregon by 1998
- Investigate use of non-graded primary school education (K-4)

TIMELINE

ODE Development/Implementation of HB 3565

8/1/91	12/31/91	7/1/92	9/1/92	9/92	1/93	1/94	9/94	1/95	9/95	1/96	6/97	7/1/97	1998	2000	2010
Appt. 21st Century School State Adv. Comm.	Adopt rules for Early Childhood Improv. Program	Development of School Choice Guidelines	Issue 1st OR Report Card	One school council in each district with more than one building	Report on feasibility of districts implementing non-graded primary programs	Curr. & standards identified to achieve prof/tech use endorsements in 6 categ.	All school dist. shall have at least one school site with a 21st Cent. Sch. Council	Each dist. submits plan to insure its curr. meets the req. of the CIM & CAM	Every school site shall have a 21st Century Schools Council	Funding avail. for 50% of children eligible for Head Start	Begin CIM for every student	CIM students can attend any public education institution w/tuition paid by dist. to achieve CAM	Full funding for all children eligible for Head Start	Best educated citizens in the nation	Workforce equal to any in the world
		1st review of CCGs & ELSs	Models for nongraded primary program developed		State Bd. of Higher Ed will develop programs & tech. prep related to this Act	State Bd. establish criteria for CIM & CAM		Plan to establish alt. learning environ. including learning centers		School year lengthened to 185 days	School dist. shall institute programs leading to CAM			School year lengthened to 200 days	School year lengthened to 220 days
		Approve applications for Early Childhood Improv. Program	Hire 8 Disting. OR Ed.		Report on all plans for implementation & rules to Leg. Assembly including proposed rules for employment of minors					On-site school visits every 3 yrs.					
										1% of State School Fund for Sch. Impr. Programs					

- *CIM = Certificate of Initial Mastery
- *CAM = Certificate of Advanced Mastery
- *CCGs = Common Curriculum Goals
- *ELs = Essential Learning Skills

12/30/92

Economic Development in Oregon
Strategies, Industries, Workers

Workforce Quality

Strategic Objective: Oregon workers should be the best educated and trained people in American by the year 2000 and equal to any in the world by the year 2010.

Workforce Quality Council: Integrating Service Delivery among disparate programs and agencies

Education Reform: Overhauling the K-12 education system, with a strong emphasis on making education more relevant to work, especially for the non-college bound.

Economic Development in Oregon
Strategies, Industries, Workers

Workforce Quality Council

Established by the 1991 Legislature to consolidate administrative responsibility for \$265 million in workforce related training programs.

Membership: 21 Members (Now 23) with substantial private sector representation, chair is from the private sector

Advisory Committees: Council or subcommittees subsume responsibility for federal mandated advisory committees including SJTCC, Wagner-Peyser, occupational information.

Strategic Planning: Council establishes strategic objectives for workforce programs.

Fund Allocation: Council makes recommendations to legislature on funding for workforce programs; has power to reallocate funds with legislative approval.

Accountability: Shared Information System (SIS) established to track program outcomes.

Concept of a 21st Century School

- Workforce
- Lifelong Learning
- Associate Degree
- Apprenticeships
- Advanced Degrees
- Bachelors Degree

CERTIFICATE OF ADVANCED MASTERY

Arts and Commun. Management	Business and Management	Health Services	Human Resources	Industrial and Engineering Systems	Natural Resource Systems
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CERTIFICATE OF INITIAL MASTERY

9 - 10

MASTERY LEVEL 3

6 - 8

MASTERY LEVEL 2

4 - 5

MASTERY LEVEL 1

K - 3

Head Start, OR Pre-Kindergarten Programs

EARLY CHILDHOOD PROGRAMS

Early INTERVENTION

- Cooperative Learning
- Developmentally Appropriate Practices
- Performance Outcomes
- Integrated Learning
- Applied Academics
- Learning Centers
- On-Going Assessment
- Mixed-age Grouping

FACULTY NOTES: SCOTT SWENSON
Building Support for Workforce Development

"Building Support for Workforce Development."
Summary of Presentation
by Scott Swenson of the Public Agenda Foundation

Public Agenda is a non-profit organization whose mission is to help the decision makers understand urgent public policy issues. What makes Public Agenda an innovative organization is that it incorporates its own views of public policy problems and issues with those of "the public". In addition, the organization works with an array of government agencies, and disseminates its information to the media and other concerned public interest entities. Public agenda was founded to look at the difference between how the public and how the experts view issues

The presentation focused on:

- Seven stages of public opinion;
- The public's starting point;
- The different approaches to leadership;
- Promoting public engagement;
- Working with the media; and,
- Introducing standards and assessment.

A. The seven stages of public opinion include:

- Awareness of a problem is driven by the media;
- People develop a sense of urgency driven by concern for the future- but links to the individual are not clearly established;
- Policy makers and experts begin to look for answers to questions about problems and solutions to the problems- implications of the various policies are not necessarily clear;
- Resistance to change on the part of different actors and interests sets in, and manifests itself in competing conceptions of the problem and resulting solutions- for many change is just frightening for others values may conflict strongly;
- People weigh the various choices offered- the average person does not have the opportunity to fully think through the problems and possible solutions;
- A resolution begins to emerge in people's minds;
- The will to act on the resolution sets in.

There are several notes to be made on how this model fits the reality of public opinion formation and leadership:

- Polling tends to be misleading to policy makers because information gathered in the process of looking for answers and in the stage of confronting resistance is misleading- polling doesn't distinguish between firm and fickle public opinion while being highly susceptible to manipulation.

- Policy makers fail in educating the public on issues because the present model of public education is flawed- the process gives little time for public absorption of information, provides limited choices for decision-making, assumes that people will reach same conclusions as leaders. Public Agenda research shows that there is typically a significant difference between leaderships conception of the problems and public's conception

How does this model of public awareness relate to issues of education reform and workforce development?

People, in general, want to leave problems up to leaders to solve, but opinion between people and leaders tends to be very different. How the problem of education and training in the country is conceived is very different.

What is a good economy?

People: everyone has a job

Leaders: productivity, increased competitiveness, etc.

Uses NAFTA as a good example

What are the problems facing America

People: crime, lower values, ect.

Leaders: economic change

What about work ethic?

People: others need to work harder

Leaders: advanced skills are needed; better education for advanced industrial society

People tend to operate based on what their individual needs and experiences are. Opinion on use and learning of computer technology is a good example (people don't see the connection between technology and getting a good job).

People: assume a focus should be on pre-college (K-12) education and then people move on to college.

Leaders: tend to focus on skills requirements of economy and fact that skills are not necessarily developed in college. Training and retraining; different institutions for development of skills.

Technology is scary to many so don't see need for children to learn--tend to give "back to basics" answer for problems in education.

People: new technology is bad for the average Joe--it replaces people

Leaders: new technology leads to higher productivity and higher wage work.

Can even see disparities in opinion on how to deal with growing number of poor people in the nation.

People: don't want to pour more money into big government programs for poor because government programs don't work.
Leaders: see that the bottom third of society has to become productive for economy to work.

Basic three conclusions from Public Agenda's Work:

- (1) public focuses on basics
- (2) don't see causal connection between education and new economy
- (3) it is a basic human instinct to resist change

Working with newspapers in Kentucky- showing them that they can't just report the news but must forge new relations and formats to educate public.

[Promises to go into more detail in small group sessions.]

PLANNERS AND IMPLEMENTORS EXERCISE

**Script for Planners & Implementors
(Thursday morning)**

- | | | |
|------|--------|---|
| 8:37 | 5 min | Jerome introduces Planners & Implementors exercise. He briefly introduces any facilitators and sets the parameters for all parties: "look at the sheets that were on your chairs stating whether you are a planner or implementor. It should also show your room assignment. Remind people (planners/implementors) that the facilitators will not answer any questions, all they need to know will be in the packets on their chairs when they get to their rooms. |
| 8:42 | 5 min | People are dismissed to the rooms (as well as facilitators). Gloria keeps observers in the plenary room and pulls out 50-70 people to act as "roving observers"; the others she invites to network amongst themselves, etc. The 50 chosen observers receive briefing sheets and roam "as they will", with the stipulation that no more than ten of them at a time may be in a given exercise room (facilitators – probably JFF/DoL staff -- should enforce this in the name of the fire code, which allows something like 40 people tops in each room), and that they are to remain silent and offer no clues throughout. |
| 8:47 | 5 min | Facilitators see to it that all planners (or implementors) are in their rooms and repeat Gloria's instructions: open your envelopes when I say, all instructions are there, observers remain silent. |
| 8:53 | 25 min | Facilitators inform the teams that they are to begin and say nothing else, referring questions back to any briefing sheets participants may have. Planners are essentially working through the puzzle and instructions here, while implementors are sitting and waiting in their own rooms. Gloria stays in the plenary room, waiting for any planning teams which pick up their implementing team and come back to actually assemble. |
| 9:17 | 5 min | Facilitators stop all planners and tell them to go pick up their implementors and proceed to the plenary room (planners know which implementors to pick up and where, and which plenary table they end up at, and to just pull up extra chairs if they need it; observers walk around tables and observe). After this time, no planner may talk to any implementor (or any other planner or observer); they can only watch. |
| 9:22 | 20 min | Implementors have this time (plus any extra beforehand that planners have thought to give them) to actually assemble the puzzle pieces, using any instructions provided by planners. Note again that no planner is to talk at all during this time (they are like observers now). |
| 9:42 | 34 min | Gloria stops all activity and begins debrief. She begins with a few observers' observations, asks some questions, and gradually brings the planners and implementors into the discussion. It is up to her to gauge the emotions in the room and bring up any points she feels valid, but which will include: the need for inclusive planning process; open communication lines; the communication of the why and not just what to do, etc.; and to weave in whatever discussion about partnerships and the change process she considers relevant (the change process time is included here). |

Planning Team

1. Lois Adams-Rogers (KY)
Jeff Eger (KY)
Sylvia Skratek (WA)
James Thibeault (WV)
Judith Lohman (CT)
Phil Dunshee (IA)
2. Teresa M. Suter (KY)
Tim Erwin (WA)
Hazel Kroesser (WV)
Mike Caron (CT)
Nancy Wyman (CT)
Sen. Tom Vilsack (IA)
3. Rep. Leonard Gray (KY)
Sam Heltman (KY)
Rick Adams (WA)
Leonard Anderson (WV)
Tamar MacFadyen (CT)
Norma Hohlfield (IA)
4. Morgan Bayless (KY)
Brian Ebersole (WA)
Vivian Kidd (WV)
Catherine Cook (CT)
Karen Ackley (IA)
Mary Wiberg (IA)
5. Sen. Susan D. Johns (KY)
Marvin Strong, Jr. (KY)
Cliff Finch (WA)
Saundra Perry (WV)
John Saunders (CT)
Steve Ovel (IA)
6. Ben Carr, Jr. (KY)
David Habura (WA)
David Miller (WV)
Alan Green (CT)
Randy Clegg (IA)
7. Rep. Richard H. Lewis (KY)
Keith Burdette (WV)
John Betkoski (CT)
Lauren Weisberg Kaufman (CT)
Rep. Lee Plaisier (IA)
Rick Bender (WA)

Implementing Team

- Rep. Anne Meagher Northup (KY)
Suzette Cooke (WA)
Will Carter (WV)
George Brosznicki (CT)
Lenny Winkler (CT)
Andrew Schell (IA)
- Sen. Charlie Borders (KY)
Billy Harper (KY)
Don Wolgamott (WA)
Gary White (WV)
Martin Looney (CT)
Lois Eichacker (IA)
- Jonell Tobin (KY)
Randy Dorn (WA)
Sondra Lucht (WV)
Joseph Crisco (CT)
Robert Wysock (CT)
Marv Weidner (IA)
- Paris Hopkins (KY)
Rob Raukin (KY)
Barbara Harmon-Schamberger (WV)
John Rappa (CT)
Jeff Nall (IA)
Marilyn Ash (WA)
- Ella Brown-Frye (KY)
Adelina Gonzales (WA)
Jerry Mezzatesta (WV)
Norman DeMartino (CT)
John Bargman (IA)
Twila Young Glen (IA)
- Rep. Bill Lear (KY)
Tim Lopp (WA)
Joe Powell (WV)
John Stripp (CT)
Linda Phillips (IA)
- Patricia Durbin (KY)
Ellen O'Brien Saunders (WA)
Ed Peeks (WV)
Mike Lawlor (CT)
Reynel Dohse (IA)
Mary Yaeger (KY)

Facilitators:

Planning

1. Karin McCarthy
2. Rebekah Lashman
3. Barbara Puls
4. Douglas Zimmerman
6. Veronica White
7. Andy Fisher

Implementing

- Scott Liddell
- Jana Zinser
- Mary Ellen Bavaro
- Dayna Ashley-Oehm
- Jerome Dean
- Dan Pilcher

PLANNERS & IMPLEMENTORS EXERCISE

HOLLOW SQUARE: A COMMUNICATIONS EXPERIMENT

Notes for the Facilitators

Goals

- I. To study dynamics involved in planning a task to be carried out by others.
- II. To study dynamics involved in accomplishing a task planned by others.
- III. To explore both helpful and hindering communication behaviors in assigning and carrying out a task.

Group Size

About fourteen participants (six on the planning team, another six on the implementing team, and at least two observers) per group, with approximately 25 groups total.

Time Required

A little over an hour (see script).

Materials

I. For the six members of the planning team:

1. A Planning-Team Briefing Sheet for each member.
2. An envelope for each member, each containing 2 or 3 puzzle pieces.
3. A Pattern Sheet for each member.
4. A Key Sheet for the whole team.

II. Copies of the Implementing-Team Briefing Sheet for the six members of the implementing team.

III. Copies of the Observer Briefing Sheet for all process observers (the rest of the group).

Process

I. There will be "direction" sheets on the plenary room chairs for state participants which randomly assign each person as a planner or an implementor and tells them what room their team will be in (as well as where their counterpart team is).

II. The Lead facilitator will begin the exercise by addressing the state participants and:

- telling everyone to look at their sheet and keep it for future reference;
- explaining that they may sit at any chair at their assigned table in their assigned room;
- letting them know that they will find all the materials they need in those chairs;
- warning them that the facilitators will give no directions or help beyond what is in those materials;
- directing planners to observe the deadlines ("I'll see you back in this room no later than 9:17") and sending them on their way; and
- sending implementors away once planners are gone.

II. The lead facilitator designates anyone who is left in the plenary room (or comes up with her own method to decide upon a subset) as the observing team (approx. 50 - 70 total). S/he passes out Observer Briefing Sheets and allows time to read it (quickly!). Each observer's job will be to go to any room(s) he or she likes, observe, take notes, and be ready to discuss the results of the experiment. The lead facilitator cautions any observers to remain silent and not to offer clues.

III. Planners and implementors go to their rooms, where you are waiting. You direct them to their tables (it doesn't matter who sits in what chair, within a table), tell them to sit down and look at the materials on their chairs. If you are facilitating planners you can remind them (in these words only), "Note the first part of the instructions, which indicate that you have 25 minutes to do your task. That is a firm deadline." If you are facilitating implementors you can remind them, "Note that if your planning team has not arrived before the 25 minute deadline, you are to go get them."

IV. No matter how frustrated they get, if any questions are raised, your only response is, "All you need to know is on the Briefing Sheet."

V. Here are activities which might plausibly happen and are allowable under the rules. Although you are not to encourage (or even nod to approve) any of these actions, neither should you prevent them from happening:

- planners and implementors may leave their rooms and join together at any time (note that when 25 minutes are up, planners cannot talk or otherwise communicate anymore, but they are free to do so until then);
- any planning team may talk to any other planning team (within the same room, or even between rooms...and in fact, they can go talk to other implementing teams, if they are so inclined!) and form whatever alliances they like;
- planners may draw the key onto their blank pattern sheets (this is a sneaky but legal way to get around the fact that the key sheets themselves cannot be shown to implementors); or
- planners may assemble as much of the square as they like *except* for the last piece -- they cannot build an *entire* hollow square.

Note that all this means that a planning team could gather all of the other planning teams in the room together, agree to immediately get their implementing teams and bring them to the plenary room, and assemble the squares themselves, saving the last piece for the implementors to put in (guided by a hand-copied key sheet, if they're still confused)! But all of this is unlikely...planners in this exercise typically keep to themselves and concentrate on the "how" without focusing on the "who" or "why".

VI. You should otherwise enforce the rules that are stated on the briefing sheets, and no more. This includes keeping observers quiet and more or less out of the way.

VII. Just before the twenty-five minute deadline, tell any remaining implementors to go to their planning teams and drag them into the plenary room so that they can assemble the square. Full assembly must occur in the plenary room. Other staff will remind you when the deadline passes and assist in herding, if necessary.

VIII. After (if) the planning and implementing teams finish assembly in the plenary room, observers may quickly meet with any persons whom they observed to get feedback.

IX. The lead facilitator will call folks to order when s/he deems assembly time is up (about 15 minutes), and organizes a discussion around the points illustrated by the experiment. S/he calls on observers for comments, raises questions, and gradually includes the planning and implementing teams. You may also have your own comments to add to this discussion.

PLANNERS & IMPLEMENTORS EXERCISE

HOLLOW SQUARE: A COMMUNICATIONS EXPERIMENT

Planning Team Briefing Sheet

Each of you has an envelope containing some (either two or three) paperboard pieces which, when properly assembled with all of the other pieces held by members of your team, will make a "hollow-square" design. You also have a sheet showing the design pattern and, for the whole table, a Key Sheet showing how the puzzle pieces fit to form the hollow square.

Your Task

During a period of twenty-five minutes you are to do the following:

1. Plan to tell the implementing team how the seventeen pieces distributed among you can be assembled to make the design.
2. Instruct the implementing team how to implement your plan.

(The implementing team will begin actual assembly back in the large plenary room after the twenty-five minutes is up.)

Ground Rules for Planning and Instructing

1. You must keep all your puzzle pieces with (and in front of) you at all times (while you both plan and instruct), until the implementing team is ready to assemble the hollow square.
2. You may not touch other member's pieces or trade pieces during the planning or instructing phases.
3. You may not show the Key Sheet to the implementing team at any time.
4. You may not assemble the entire square at any time. (This is to be done only by the implementing team in the large plenary room.)
5. You may not mark on any of the pieces.
6. When it is time for your implementing team to begin assembling the pieces, you may give no further instructions at this time; you will observe the team's behavior.
7. You may not go back into the large plenary room without your implementing team, which is waiting in a separate room (see the sheet you got back in the plenary room for the room assignments).

PLANNERS & IMPLEMENTORS EXERCISE

HOLLOW SQUARE: A COMMUNICATIONS EXPERIMENT

Implementing Team Briefing Sheet

You have the responsibility of carrying out a task according to instructions given by your planning team. Your task is scheduled to begin no later than twenty-five minutes from now. The planning team may call you to accompany them to the large plenary room to give you instructions at any time. But if you are not summoned by the twenty-five minute deadline, you are to go to your planning team (their location is given on the slip of paper you received at the beginning of this experiment) and bring them back to the plenary room with you. No further instructions from the planning team will be permitted after the twenty-five minutes has elapsed.

1. You are to finish the assigned task as rapidly as possible.
2. While you are waiting for a call from your planning team, it is suggested that you discuss and make notes on the following questions.
 - a. What feelings and concerns are you experiencing while waiting for instructions for the unknown task?
 - b. How can the six of you organize as a team?

Your notes recorded on the above questions will be helpful during the discussion following the completion of the task.

PLANNERS & IMPLEMENTORS EXERCISE

HOLLOW SQUARE: A COMMUNICATIONS EXPERIMENT

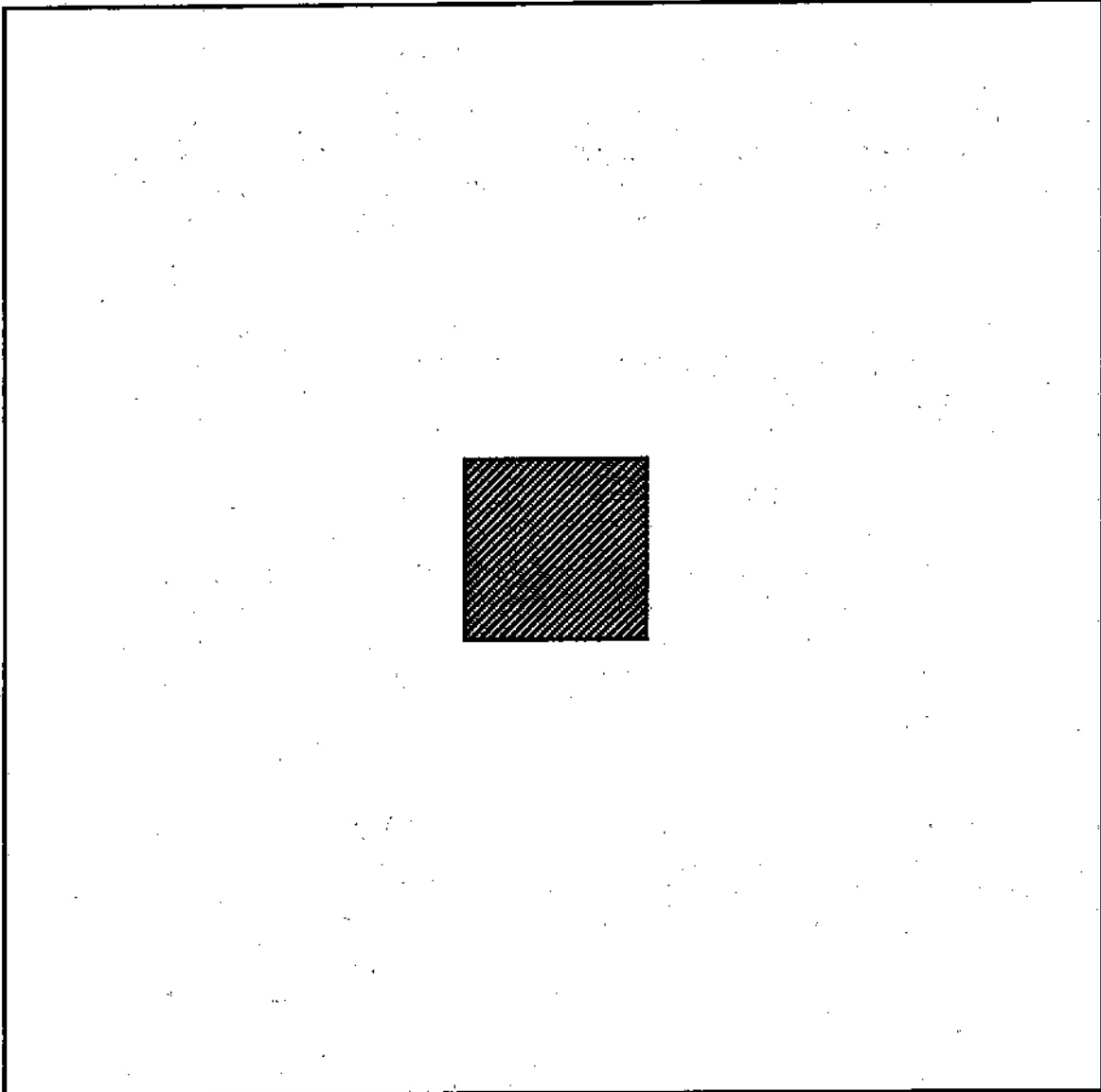
Observer Briefing Sheet

You will be observing a situation in which a planning team decides how to solve a problem and gives instructions on how to implement its solution to an implementing team. The problem is to assemble seventeen pieces of cardboard into the form of a hollow square. The planning team is supplied with the key to the solution. This team will not assemble the parts itself but will instruct the implementing team how to do so as quickly as possible. You will be silent throughout the process.

1. You should watch the general pattern of communication, but you are to give special attention to one or more members of the planning team (during the planning phase, in the small breakout rooms) and one member of the implementing team (during the assembling period, in the large plenary room).
2. During the planning period, watch for the following behaviors:
 - a. Is there balanced participation among planning-team members?
 - b. What kinds of behavior impede or facilitate the process?
 - c. How does the planning team divide its time between planning and instructing? (How soon does it invite the implementing team to come in?)
 - d. What additional rules does the planning team impose upon itself?
3. During the instructing period, watch for the following behaviors:
 - a. Which member of the planning team gives the instructions? How was this decided?
 - b. What strategy is used to instruct the implementing team about the task?
 - c. What assumptions made by the planning team are not communicated to the implementing team?
 - d. How effective are the instructions?
4. During the assembly period, watch for the following behaviors:
 - a. What evidence is there that the implementing-team members understand or misunderstand the instructions?
 - b. What nonverbal reactions do planning-team members exhibit as they watch their plans being implemented?

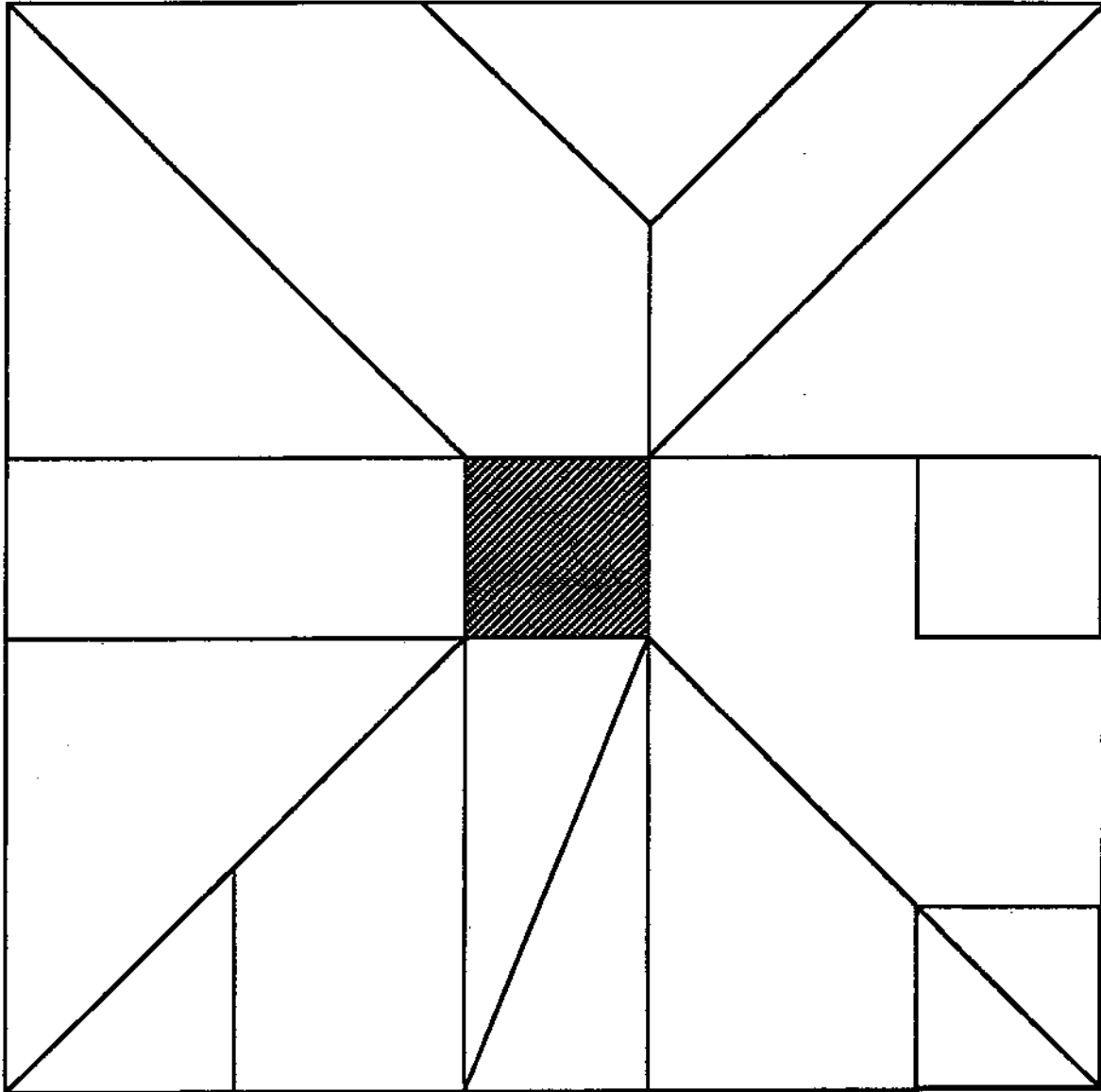
Hollow Square Pattern Sheet

The following pattern graphic represents how the finished product should look:
(actual total dimensions approximately 16" by 16")



Hollow Square Key Sheet

The following key graphic illustrates how the solution may be achieved:
(actual total dimensions approximately 16" by 16")



You should go to room _____, table _____ when you are dismissed by the facilitator. You are on a PLANNING TEAM. Your implementing team, when your planning team goes to find them, will be in room _____, table _____.

You should go to room _____, table _____ when you are dismissed by the facilitator. You are on an IMPLEMENTING TEAM. Your planning team will be in room _____, table _____.

SECTION 5. Policy Institute II: Key West, Florida

Purpose

The second Policy Institute was used by the states to develop state specific outcomes for workforce and economic development initiatives and strategies for achieving those outcomes. The Institute focused on four substantive issues that related to the mechanics of workforce and economic development programming:

- (1) school-to-work system-building;
- (2) the mechanics of building demand for workforce skills;
- (3) developing measures of progress (benchmarking); and
- (4) building capacity to measure progress.

The Institute also emphasized two inter-related implementation issues:

- (1) building support for proposals; and,
- (2) out-reaching citizen and interest groups.

The second Institute was designed to address the implementation needs of the states. While states asked that Brian Bosworth and Hilary Pennington build on their first Institute discussions on economic competitiveness and school-to-work, they were also extremely interested in hearing about innovative strategies in other states and the potential effects of federal policies on state activities.

While the first Institute focused tremendous effort on building a knowledge of the issues in the state teams, this second Institute focused on turning that knowledge into concrete strategies. Significantly more time was devoted to team sessions in this second Institute. Some teams, devoted to achieving their goals, even used late evening hours to meet and reach agreement on team outcomes.

Structure

This second Institute was structured similarly to the first. It was built on three distinct types of sessions: (1) plenary sessions and meetings which brought all of the teams together in one room; (2) concurrent sessions facilitated by faculty and attended by two or three state teams at a time; and, (3) team sessions in which individual teams met to discuss the issues and strategize. The number of concurrent sessions was decreased in this second Institute to allow for more team time and specialized consultation by faculty.

Program

There were two sets of concurrent sessions. These sessions focused on two of the substantive issues outlined above. Brian Bosworth of Regional Technology Strategies, Inc., Cambridge, Massachusetts led a session that outlined various public sector strategies for promoting the growth of high performance work organizations and technology sharing between businesses. Hilary Pennington, from JFF, led a session on the critical design elements of a state school-to-work system. Each set of concurrent sessions lasted one hour and allowed for interaction between faculty and state team members.

This Institute featured three plenary sessions, all designed to deal with specific implementation issues. Jack Rapport, Deputy Administrator from the U.S. Department of Labor Office of Work-Based Learning, outlined some of the newer federal initiatives on school-to-work and workforce development in general. Joe Cortright of Oregon's Joint Legislative Trade and Economic Development Committee delivered a presentation on Oregon's use of benchmarking in its economic and workforce development system. Scott Swenson of the Public Agenda Foundation in Washington, DC delivered a group session on how an effective public outreach campaign can help state teams implement their workforce development agendas. Team building exercises continued at

this Institute. In the spirit of dealing with actual implementation issues, an exercise called "Planners & Implementors," was done. The motive for this particular exercise was to show the importance of promoting coordination between program planners and program implementors—that neither activity should occur independently of the other. States learned by partaking in the role play exercise that outcomes are best achieved by ongoing teamwork throughout the entire development and implementation process. The exercise had a significant impact on individual state teams' planning of post-Institute work—they were much more inclusive in developing the plans for carrying out their work.

A final group session entitled "Meet the Press" was held at this Institute. The purpose of the session was to simulate a press conference on states' efforts at workforce and economic development. Thus, giving the states a chance to articulate their plans and answer questions about them publicly.

Outcomes

Each team decided upon the best approach to implementing and promoting their goals and objectives for workforce development. Needless to say, there was a great deal of diversity in the activities of the participating states. West Virginia's team decided that a Human Resource Investment Council was needed to integrate various workforce development efforts in its state. The Iowa team decided that an aggressive research and public awareness campaign was the best strategy for reaching its workforce and economic development goals. The Washington team felt that its best role would be to push for legislation encouraging high performance work organizations and to assist in several efforts already underway on school-to-work and workforce development. Kentucky and Connecticut, felt that legislative mandates were needed to initiate activity on some of their goals. These two states used the second Institute to construct strategies for moving legislation on workforce and economic development through their state legislatures. Upon deciding on a strategy, each state team decided on the role that team members would play in reaching their desired outcomes. Work plans were developed (several states were nearing the start of legislative sessions) and teams established meeting times for the following months.

Successes and Shortcomings

This second Institute exhibited the greater understanding that JFF and NCSL staff had reached regarding optimal use of Institute time. Functional group meetings were discarded, more individual team time with faculty was structured into the Institute and the materials presented relied more heavily on examples and tools from leading edge states. Joe Cortright, for instance, used Oregon's benchmarking process to walk state teams through the actual development of workforce benchmarks. Brian Bosworth showed how Oklahoma was using regional industry consortia to facilitate work reorganization. Hilary Pennington used her knowledge of state activities to exemplify school-to-work system design elements. It is also important to note that momentum continued to build in the states throughout the course of the IIP project. In state activities, such as the start of new legislative sessions following the second Institute, were as strong a driver of team strategies as faculty presentations developed specifically for the Institute. This Institute proved very helpful in moving states into the next phase of the IIP process.

Enclosed

Agenda: Workforce Policy Institute II
Faculty Notes: Hilary Pennington, Brian Bosworth, Joe Cortright, Scott Swenson
Planners and Implementors Exercise

Attached to the Curriculum

Investing in People: Resource Notebook