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ABSTRACT

Two studies tested the feasibility of a national school-to-work transition venture. One study involved focus groups of employers in eight cities to identify incentives encouraging employers to take part in youth work-based learning programs. The second involved a telephone survey of employers in seven cities who had participated in local apprenticeship or cooperative education programs regarding reasons for participation and satisfaction with the quality of students. Focus group results indicated large firms' chief concern was to recycle their current work force; they showed little interest in school-to-work transition programs. Small business owners were hiring displaced workers. Employers were critical of youth and high schools and had turned to college students and graduates for new employees. When asked about their willingness to participate in a work-based learning program, employers said screening was the pivotal concern. Employers in the second study praised the quality and contributions of young workers. The following suggestions were made to encourage employers to participate in school-to-work transition programs: defining the problem--fewer good jobs; focusing national attention by investing in work; being more flexible; making the youth labor market itself more supportive of young people's ambitions; having schools focus on work readiness; extending the concept of national service to include a strong work component; and conducting a national school-to-work transition program with effective employer organizations. (YLB)

EQW ISSUES

Number 6

Challenge: To identify the incentives that would encourage employers to participate in work-based learning programs in order to prepare young workers to secure and succeed in full-time jobs.

	What does the research tell us?	How can policy address it?
Enterprises	Employers with no experience in work-based learning are critical of youth, while firms with experience praise the quality and contributions of young workers.	Encourage firms to participate in work-based learning by making these programs address their needs. One way is to ensure that work-based learning screens young workers and evaluates their employability.
Schools	Employers hold schools in low esteem, believing they have failed to prepare young workers for jobs. They no longer expect high schools to supply future employees and instead turn to college graduates.	Don't tie work-based learning to the issue of school reform. Have schools focus instead on work readiness by concentrating on education fundamentals from middle through high school.
Workers	Young people with no or little job experience are increasingly ill-prepared for the world of work. Most important, there is a declining number of good jobs for first-time workers.	Use federal funds to create work opportunities for young people. Expand national service so that young people perform real jobs, prove their competence, and show employers that they would be good hires.

What Employers Want: Youth Labor Markets and School-to-Work Transition Programs

It is not news that too many young adults have great difficulty finding permanent jobs with good prospects and adequate benefits. Less well-known, however, are the attitudes that individual firms hold about young people as prospective employees and about the notion of federally sponsored school-to-work programs—or locally run work-based learning programs—in which high school students would combine in-school instruction with on-the-job training under the supervision of employers.

Over the past year, the National Center on the Educational Quality of the Workforce (EQW) conducted two studies specifically aimed at testing the feasibility of a national school-to-work transition venture. For one of the studies, EQW conducted focus groups with large and small employers in eight communities—Atlanta; Cleveland; Indianapolis; Phoenix; Pittsburgh; Portland and Eugene, OR; and Ithaca, NY. The purpose of the focus groups was to identify incentives that might encourage employers to take part in youth work-based learning programs.

The second study, conducted jointly by EQW and the Institute for Educational Leadership (IEL), involved a telephone survey of firms in Atlanta; Indianapolis; Phoenix; Pittsburgh; Portland; Harrisburg, PA; and York, PA. Unlike the employers in the focus groups, these firms had participated in local apprenticeship or cooperative education programs. In the surveys, they were asked why they had taken part in such programs and whether they were satisfied with the quality of students they encountered.

The results of the studies were eye-opening. Taken together, they illustrate the great difficulty that young people have in moving from the classroom to the workplace: the time between the end of schooling and acquisition of a good job is getting longer and the link between formal schooling and work is becoming more tenuous. Significantly, the two groups of employers also painted starkly different portraits of the caliber of young workers and the desirability of work-based learning programs.

Little Interest in Work-Based Learning

It would be hard to overstate the pall that the absence of labor demand had cast over the employers who met with EQW in the focus groups. Even in Atlanta and Phoenix, optimistic communities noted for their "can-do" spirit, representatives of large firms lamented the difficulties of doing business in the 1990s—hiring freezes, workforce reductions, and flirtation with bankruptcy by established companies.

Today the chief concern of many firms is to recycle their current workforces by maintaining and retraining their workers.

In the 1980s, these were the firms that would have been called on to initiate a program of youth apprenticeships and, given their community spirit, they probably would have done so. Today, however, their chief concern is to recycle their current workforces by maintaining and retraining the workers they had managed to retain after downsizing.

Many of the large firms knew that, in years to come, they would have to make use of the skills of a new generation of workers. But, preoccupied as they were with becoming leaner and more efficient, they showed little near-term interest in school-to-work transition programs.

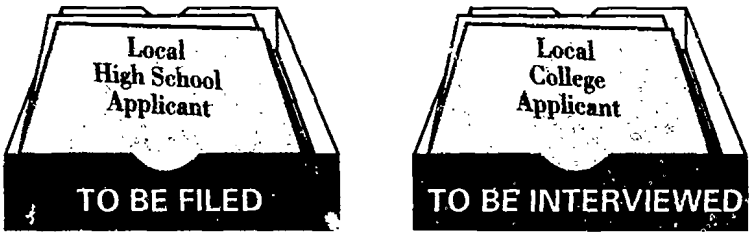
The small-business owners in the focus groups faced a different but related challenge. They were still hiring workers, but saw little need to engage in the extensive training of young people when so many older, more disciplined, better skilled workers were looking for jobs. They acknowledged that a school-to-work program would help them recruit young people, and many expressed a desire to help young people enter the labor market. They did not indicate, however, that a steady supply of student-workers would contribute to their own economic success.

Most small-business owners and some major employers did say they would have an economic interest in a work-based learning program if the labor market became tighter and there was a shortage of skilled applicants, as had been the case a decade ago. They were uncertain, however, whether those days would return. After all, the large firms had undergone restructuring and the small firms had discovered the advantages of hiring experienced workers.

The Kids Aren't Alright

How did the employers in the focus groups feel about young workers? "They don't care what they look like or care about their work," said one. Complained another: "Young people want to make big dollars immediately, but they're not worth anything to me for two years. They don't understand that you have to learn to crawl before you walk. High schools and vocational schools tell them that they're going to be successful immediately, and that's not true."

Some employer comments were what one would expect to hear from members of an older generation: the young lack discipline, don't respect authority, and want to start at the top. But many other concerns were directly relevant to the issue of whether young people are prepared to succeed in the workplace. Young workers cannot communicate effectively, employers said. They lack people skills and do not deal pleasantly with customers. They are neither literate nor numerate. They lack self-control, discipline, and a work ethic.



Except for fast-food franchises, employers no longer expect high schools to supply their future workers. Instead, they have turned their attention to college students and college graduates in their search for new employees.

The employers were also critical of high schools, complaining that schools were ineffective in supplying new workers. Schools, it was said, did not respond to employer needs, used vocational programs as dumping grounds, and were not emphatic enough in instilling in students the importance of keeping a job.

These laments, however, were not the most meaningful themes to emerge from the employers' comments about schools. More discouraging was the fact that employers, except for fast-food franchises, simply no longer expected high schools to supply their future workers. Instead, they have turned their attention to college students and college graduates in their search for new employees.

Screening Mechanisms

Employers admitted to using temporary employment agencies when hiring new workers. It was not that firms wanted to "try out" prospective workers by hiring them from a temp agency and then offering them permanent jobs. Instead, firms wanted to know if job seekers had ever worked for a temp agency. If so, an employer would call the agency for a reference. In this way, temp agencies would act as a device to screen prospective employees.

Most employers said, however, that the best gauge of screening is age. The employers had little difficulty finding people in their 20s with two or more years of college, military service, or previous work experience. Said one: "What I want in a new worker no high school can supply—a 26-year-old with three previous employers."

Indeed, when asked specifically about their willingness to participate in a work-based learning program, the employers said screening was the pivotal concern. Since they could not depend on high schools for screening and were reluctant to invest their own energies in doing so, they wanted a simple, reliable means of evaluating job candidates.

Most employers said that the best gauge of screening is age.

More than a few employers liked the idea of job aptitude tests and "practical" achievement tests. Once screened, applicants would be interviewed by the employers—not assigned to work-based learning programs by high schools. Some wanted a program that was "highly selective," much like the practices of college admissions offices.

Most employers showed little interest in the nitty-gritty mechanics of how a school-to-work transition program should operate. However, they did say it was important to avoid red tape. The verdict on play-or-pay schemes was unanimous: no one liked the idea of using a tax credit to encourage businesses to take part in programs or supported a mandatory minimum "training tax."

The Benefit of Experience: Employers and Work-Based Learning

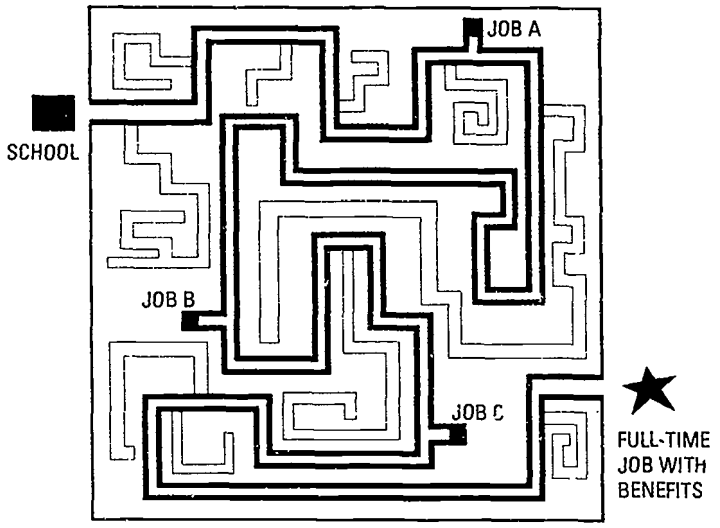
The views of the employers in the focus groups demonstrated that there was little demand for additional youth labor and minimal interest in launching a national school-to-work transition program in cooperation with public high schools. But the firms that took part in the EQW-IEL telephone survey—employers who had already been involved in such programs—had entirely different opinions.

These employers, almost all of them owners of small businesses, said that they were generally pleased with the quality of their students; that the students were productive workers; that they found the programs beneficial to themselves as well as to the students; and that they were satisfied with the ability of schools to provide students with the skills they need to succeed in apprentice-style jobs. Most important, many said they would take part again in a work-based learning program and that they would recommend that other small-business owners also participate.

What, it can be asked, accounts for such disparate views? Put simply, it appears that firms, especially small businesses, are more apt to embrace the notion of work-

based learning programs if they gain first-hand experience. Employers previously involved in these types of programs should be called upon to persuade their colleagues to "Try it, you'll like it."

In the last of the focus groups and in discussions with civic leaders who were informed of the studies' findings, EQW asked what would be necessary to convince small businesses to take the lead in their communities and participate in the creation of school-to-work transition programs. From these discussions came some suggestions on how to do so.



Data on labor market churning demonstrate that the transition from school to full-time jobs with benefits resembles less of a direct line than an indirect maze.

Some Suggested Initiatives

Define the problem: fewer good jobs. The focus groups made clear that the problem is neither a shortage of skilled workers nor a more broadly perceived decline in the educational quality of the workforce. Not even the poor performance of the schools, while widely discussed, was the principal issue. Rather, the employers made it clear that the problems that need to be addressed are the absence of real jobs for young people as well as their unpreparedness and unappreciation for work itself.

The discussions underscored the difficulties young people will continue to face in entering the labor market. In the cities where the focus groups were conducted, the proportion of the high school population was small, while the proportion of students in middle and junior high schools was much larger. Given these demographics and the attitude of the employers, these younger students will likely have even fewer job opportunities, face greater skepticism on the part of adult employers, and increasingly see themselves as trapped in educational institutions that most employers dismiss as unlikely suppliers of skilled workers.

It is in this context that the phrase "school-to-work transition" becomes something of a misnomer. Data on labor-market churning demonstrate that the transition resembles less of a direct line than an indirect maze. The important transitions combine any of the following routes: from no work to some work, from part-time to full-time employment, from temporary jobs without benefits and prospects to good jobs that provide both. In fact, the paths of many youth increasingly combine both school *and* work, as they accrue education and job experience simultaneously or move in and out of jobs and spells of schooling. Most employers in the focus groups relied on this labor market churning to help screen new hires. They wanted to see a series of jobs on the applicant's resume and whether an applicant was progressing up the pay scale. Most of all, the employers wanted proof that applicants were employable, that they previously had been hired and retained by another firm.

Focusing on the school-to-work transition actually masks the real problem, which is the declining number of

good jobs for young, first-time workers. The focus on schooling instead of jobs also reflects the dilemma confronted by both employers and policy makers because it is difficult to provide opportunities for future workers when the prospects of established employees have become so uncertain.

The severity of this potential competition between generations was suggested by a story related at a focus group in Portland, which was attended by representatives of a number of manufacturing firms. Asked where they were most likely to look for new hires, the first answer was expected: among the skilled workers laid off by the wood products industry. The second answer was devastating: among the growing number of public school teachers laid off due to the roll-back of state taxes. When teachers end up competing with their own students for good jobs, the seeds of a national crisis have already been sown.

Focus national attention by investing in work. It is this impending conflict that is largely absent from the national discussion of the school-to-work transition and its link to school reform. The current focus on how and why schools have failed to prepare young people for work will generate neither passion nor sufficient energy to overcome employers' wariness toward federal initiatives—particularly when costs seem high and benefits uncertain. Most employers in the focus groups said it was imperative that national attention be focused on the true problem—good jobs for young people—and suggested that the president use the White House "bully pulpit" to call attention to this issue as he had for health care reform.

Prove more flexible. The omnibus bill put forward by the administration to improve the school-to-work transition provides an important first step in broadening the kinds of programs and initiatives that the White House believes deserve support. The School-to-Work Opportunities Act, recently passed by Congress, does not call for a national school-to-work transition system but rather fosters continued experimentation, principally by states, with programs that better link schools and the workplace.

Based on the results of the focus groups and other research, EQW believes that still greater flexibility ought to be considered—flexibility that neither ties the initiative to school reform nor insists that schools play a role in each of the programs. Specifically, EQW proposes an additional set of initiatives that might be included in such a broadening of national policy to explore the need to create more and better jobs for young people.

Make the youth labor market itself more supportive of young people's ambitions. This suggestion arises from the employers' use of performance in the youth labor market, rather than performance in school, to evaluate an applicant's employability. This is a role that the military once played—offering purposeful employment, plus training and credentialing, to youth who did not want to go directly to college after high school.

Federal funds could be used to create more structured work opportunities for young people, furnishing screening and credentialing without linking the programs to schools. Youth employment agencies currently run by community organizations could be expanded in partnership with for-profit temp agencies that already have relationships with employers. Internships may prove easier to establish as well as fund if they followed graduation from high school or college, instead of trying to integrate the two activities.

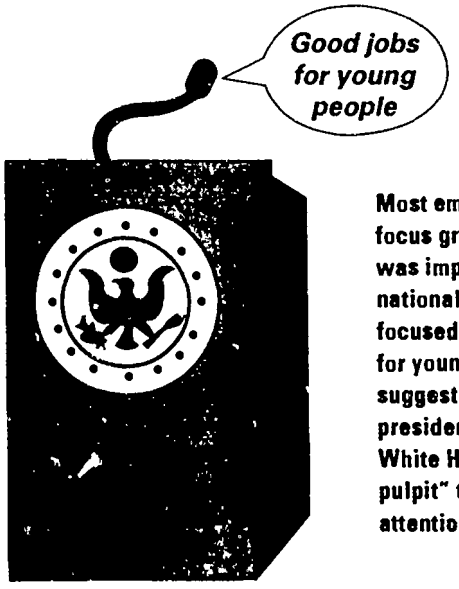
It is also worthwhile to establish and promote "work standards" that define the kinds of comportment and customer-service skills sought by firms that employ young people. McDonalds, the largest single employer of teenagers, has sought support for such an approach within the restaurant industry.

Have schools focus on work readiness, while other public and private agencies establish links with employers. Employers in the focus groups suggested that work readiness programs ought to begin in middle school

and continue through high school. The employers made their needs clear: they want students who can read and write, who can do complex arithmetic and simple math, who show up on time, and who are respectful of customers.

Extend the concept of national service to include a strong work component. It should be possible to provide community service so that a volunteer, in addition to achieving a sense of accomplishment and money to pay college tuition, comes away from the experience having demonstrated a capacity for work. Specifically, national service should be made more like military service—that is, successful completion of a volunteer assignment would be viewed by employers as evidence that the volunteer has been both screened and tested and, therefore, is ready for work.

Making national service more job-connected would require a redesign of some programs and initiatives, but the payoff would be substantial in terms of the number of young people, as well as communities, served. It also would show that national service is not just for the college-bound.



Most employers in the focus groups said it was imperative that national attention be focused on good jobs for young people and suggested that the president use the White House "bully pulpit" to call attention to this issue.

Conduct a national school-to-work transition program with effective employer organizations. Few American trade groups are able to match the depth and breadth of the organizations involved in the German apprenticeship system. But there are opportunities to recruit groups of employers for the task of providing young people with a more realistic introduction to the world of work. One example became evident at a focus group in Cleveland, which has a small-business organization, 13,000 strong, that owes much of its vitality to operating as a buying cooperative for employee health insurance. If managed care becomes the rule for the provision of health benefits—creating in the process large numbers of employer-owned buying cooperatives—the potential exists for using those organizations to secure the participation of small firms. Other organizations, such as the U.S. Chamber of Commerce, local chambers of commerce, and industry-based associations, could also help to identify employers.

To implement recommendations such as these, policy makers must first ensure that youth labor market and work readiness programs are given the legitimacy that other federal initiatives have achieved. If employers'—particularly small business'—reception to work-based learning proves to be as resistant as it has been to health care, then programs of work readiness will have an all but impossible future. In that case, the prospects are for a continued discounting of the youth labor market; for a tilt in national and state policies that benefit the currently employed, often at the expense of those whose work lives lay largely ahead of them; and for an increasingly frustrated youth cohort that sees itself both shut out of the labor market and derided for lacking a work ethic. Ultimately, since employers' perception of youth seem to be altered through exposure to these programs, the final hope for participation on a national scale hinges on strong leadership from firms who already support these programs and the government that would fund them.

— Stephen Morgan

Upcoming *EQW ISSUES*

This *EQW ISSUES* is the first in a series of five to appear over the next five months, all of which represent the results of a year-long intensive research effort by EQW. The next four topics will include:

- closing the gap on public and private job training;
- the effect of workforce changes on higher education;
- the behavioral skills gap; and
- school inputs and labor market outcomes.

The National Center on the Educational Quality of the Workforce

EQW is a partnership between one of this nation's premier business schools and one of its leading graduate schools of education. Established by the University of Pennsylvania's Wharton School and Graduate School of Education under a cooperative agreement with the U.S. Department of Education, **EQW**'s program of research and policy analysis takes as its principal challenge the renewal of American competitiveness through leveraged investments in the quality of the nation's workforce.

The **EQW** research agenda focuses on four broad questions:

1. What do employers need to know to better use the skills their workers bring with them and acquire in the workplace?
2. How can schools and other providers become more effective suppliers of skilled and disciplined workers?
3. How can workers develop more complete skills portfolios that combine the competencies and disciplines a productive economy requires?
4. What is the best role for public policy in the development of a work-related education and training market that efficiently links consuming firms, supplying schools, and educated workers?

The Research Connection

Each *EQW ISSUES* grows out of the Center's linking of research and practice. The process involves the identification of a key issue or problem, the investigation through research of its nature, and the determination through discussions with policy makers and practitioners of its implications for policy.

The research for this issue included the following:

Irene Lynn and Joan Wills. 1994. "School Lessons, Work Lessons: Recruiting and Sustaining Employer Involvement in School-to-Work Programs." Philadelphia, PA: National Center on the Educational Quality of the Workforce.

Robert Zemsky. 1994. "What Employers Want: Employer Perspectives on Youth, the Youth Labor Market, and Prospects for a National System of Youth Apprenticeships." Philadelphia, PA: National Center on the Educational Quality of the Workforce.

Paul Osterman and Maria Iannozzi. 1993. "Youth Apprenticeships and School-to-Work Transition: Current Knowledge and Legislative Strategy." Philadelphia, PA: National Center on the Educational Quality of the Workforce.

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