

## FACILITY PLANNING

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Back to Basics: Finding Skilled Workers

Your facility's success depends on workers with solid basic skills. How can you effectively assess a location's potential employee pool?

By Debra Williams

Staffing a new facility doesn't just require salespeople, engineers, and financial experts. Facilities, regardless of their purpose, also need data entry clerks, production workers, and couriers.

In fact, hourly workers usually make up the bulk of a new facility's employees. They do most of the work — providing the service or making the product that makes the company money. That makes it imperative for those workers have good basic skills. Without proper math skills, workers can't be trained to measure. Clerks can't write reports if they haven't learned the difference between a verb and a noun. Most companies also count on these employees to grow with experience, eventually taking on front-line supervisory roles. But a lack of basic skills often equals a lack of confidence, which leads to poor management abilities.

With basic skills being so important, a big part of a facility's success lies in the local school systems and the value they place on providing students who aren't college-bound with the skills they need to succeed in the world of work. Unfortunately, measuring the basic skill level of an area's work force can be almost impossible.

### The Dropout Rate

Facility planners often first look at an area's high-school dropout rate as a way to determine the quality of a school system. For many employers, including the military, a high-school diploma is considered a requirement for even the most basic work.

"The Army certainly has found that it takes a high-school education. It is a pretty good indicator of intelligence," says Fred Mael, an organizational psychologist with the American Institutes for Research. Mael has developed assessment and retention tools for the largest branch of the military and for private employers.

The Army requires all new recruits to have high-school diploma or a General Equivalency Diploma (GED). This is true whether someone is going to be a cook or a linguist. Even though the Army has recently raised age limits to increase the number of incoming soldiers, it hasn't lowered this educational requirement. That basically rules out 15 percent of the American population. According to the U.S. Department of Education, only 85 percent of high-school students have a diploma or the equivalent by age 24.

Should the Army standard be applied for your new facility? Are 12 full years of education needed for all jobs in industry and business? Mael says that while the requirement does work well for the Army, a higher dropout rate shouldn't cause planners to automatically rule out an area — or a potential employee: "So many things go into completing high school, like a student's home situation."

Mael believes that high-school completion rates don't guarantee basic skill attainment and they don't guarantee a work ethic. He suggests that employers look at how a school system's product performs. "Instead of looking forward and trying to guess what somebody is going to do, look at current employers. Look at the people in the work force now," he says. "It's all guesswork, whether you're looking at ACT scores or the eighth-grade standardized tests. That doesn't tell you if the people work. Do workers get to work on time? Do they have substance abuse problems? Look at the workplace despite all the norms in the community and see if they have stable lives and look at the turnover rates."

Mael also encourages employers to look at similar industries in an area. Find out how a school system's product actually performs on the job. "One measure is to look at the turnover rates," he says. "If many people quit or are dismissed right after joining a company, it good sign that they can't do the job." He suggests that the reason they can't do the job could be linked to a lack of basic skills, which makes it difficult for employees to learn even the basic information taught on the first days of the job. "For example, poor literacy may mean new employees can't even read

orientation paperwork, leaving them feeling intimidated when handed a stack of paperwork to complete,” says Mael. “The end result is obvious. If a facility has a turnover rate of 40 percent during a year, it’s a huge loss on a significant investment.”

#### Considering Other Statistics

What about standardized tests administered at the end of certain grade levels by many states and local school systems?

“Measuring basic skills is hard because we don’t have [national standards] for grade competencies,” says David Passmore, professor of education in the Workforce Education and Development Program at Pennsylvania State University. “There’s not a single database that you can go to and find out what basic skills are taught. Managers can find out how many square feet of warehouse space is available, but it’s not as easy for someone to examine educational data.”

Passmore suggests avoiding the temptation to equate high scores on tests designed to measure other outcomes of the education system with basic skills competency. Scores on ACT and SAT tests, which are used by colleges to evaluate applicants, don’t reflect basic skills, nor do they indicate a quality school system when it comes down to basic skills. “There’s really no connection,” he says. “The person who is going off to college may have math skills but it’s something different to know math and to use math. It just doesn’t line up.”

A variety of statistics might give you some insight, but Passmore believes you really have to go into a school system, meeting face-to-face with administrators, to really know the quality of instruction, especially for those students who aren’t bound for college. “Look at the school programs and see if the system has a strong vocational program,” he advises. “Examine the kind of training done and see how that matches up. You might have to gather some investigative data in this area.”

Jack Gido, director of Penn State’s Pennsylvania Technical Assistance Program, agrees. He encourages facility planners to see how the local business community is involved in the development of programs and even the education of students.

“Having been on a school board and having worked in industry, I think the plant manager has to go in and talk to people in the school system,” says Gido. “Find out how business is involved with the system. Are there business advisory boards or internship programs? Is there early career awareness in middle school? See how the school system is really connected with businesses and industry.”

A lack of a connection, warns Gido, should be a warning flag, even in school systems with high graduation rates and top ACT scores. It could mean that the school system is a miniature academic ivory tower, concentrating on the college-bound student and giving little thought — or preparation — to students who will not go to college.

#### Knowing What You Want

It’s hard to predict whether a work force will be an asset to your facility unless you know specifically what you need. Go beyond the generalizations, like 100 production workers, and determine specific skills needed — for example, 25 production workers with good multiplication skills and capable of doing basis measurements, and 25 sales clerks with the ability to write coherent correspondence and keep accurate records. The more you know about what you need, the better position you’ll be in when assessing a school system.

“A lot of [the basic skills needed] depends on the type of work your company needs,” says Mael. “The lack of a high-school diploma could be compensated by other things. Some people aren’t meant for the classroom. They don’t have the patience to sit through classes but they have good practical skills. An employer has to ask ‘what am I going to require from people?’”

Passmore agrees. “One of the critical things that has to happen is that businesses need to know more about the basic skills they need,” he says. “Businesses need to consider what skill set is absolutely, on-the-ground necessary for minimum performance. If they haven’t answered that question, these assessments just make interesting reading.”

“Businesses know something about their processes and products and what performance is expected of those,” says Gido. “They need to know more about what skills are needed to go into that mix. Some of them might be general, like a high-school diploma as a minimum.” Gido adds that some may so specific that individual mechanic skills could be listed — knowing how to use metric tools, for example.

Passmore says developing specific skill sets for each job is no different than the research that goes into the purchase of a piece of equipment, but should be considered much more important: “Building a new facility usually begins with knowing about what equipment is needed. If a

company is going to get a milling machine, you analyze the life cycle. You'll know what that machine will be able to do. You also need to do a labor analysis and know what skills are needed."



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