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CHAPTER 12

Building “Jobs with a Future” in Wisconsin: Lessons from Dane County

LAURA DRESSER

University of Wisconsin–Madison

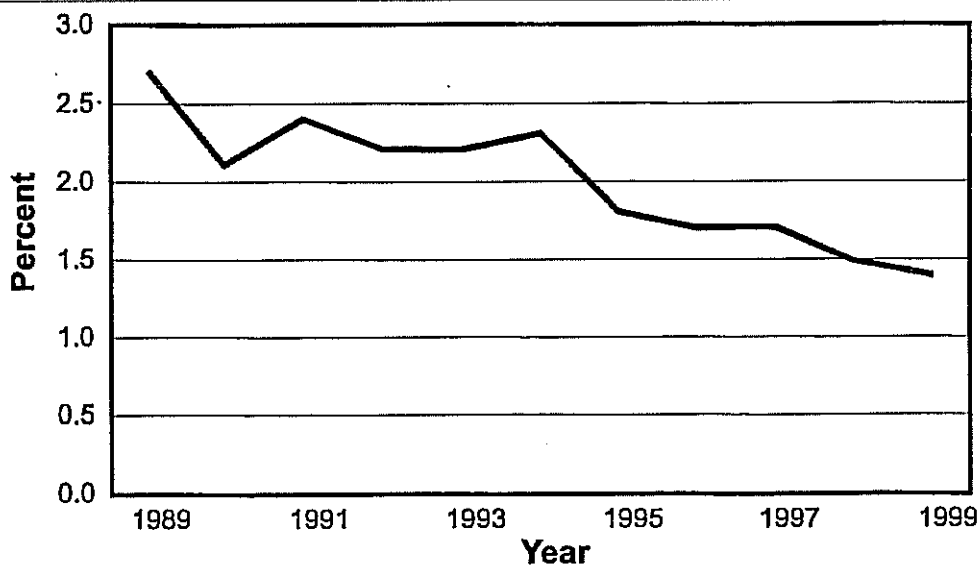
In the mid-1990s, despite low unemployment, many young Dane County workers were stuck in dead-end jobs in small service establishments. To address this problem, the Dane County Economic Summit Council asked the Center on Wisconsin Strategy (COWS) at the University of Wisconsin–Madison to conduct an analysis of the regional economy and labor market. Based on its analysis, COWS recommended building industry training partnerships and career ladders in three leading sectors (manufacturing, health care, and finance and insurance). Efforts to build industry partnerships began with the identification of common needs, followed by attempts to fill those needs. In addition to improving the labor market for low-wage workers, organizers in Dane County hoped that firms would come to see that industry partnerships would help solve training and skill development problems. Drawing on the author’s experience as research director of COWS and an active participant in building the Dane County partnerships, this paper assesses the potential and sustainability of industry partnerships in light of their ability to attract attention to industry needs from educators and trainers and in view of the weakness of unions.

Dane County, Wisconsin (population 400,000), stands out as one of the strongest economies in the nation. In the 1990s, the unemployment rate never rose above 2.5% (figure 1). For the last five years, it has been below 2%. With Madison at the county’s center, the state capitol and flagship public university anchor the economy and provide a buffer from economic fluctuations. However, recent growth in Dane County has been driven by the private sector, especially high-tech services and manufacturing, health care, and business services.

Even with low unemployment, as the following examples illustrate, thousands of workers find themselves stuck in low-wage service jobs, with little hope of moving forward on the basis of skill or seniority. Take Mary, a 24-year-old single mother, who has been steadily employed as a clerical worker at a local company.¹ She still relies on Food Stamps, Child Care Assistance, and housing subsidies to make ends meet. She spends more than three hours getting to and from her job on public transit each day. Leila has a customer service job that pays less than \$7.00 per hour and offers no benefits. She likes her co-workers and the skills she's learning on the job, but the wage is simply too small to support her and her family. Katie is a food service worker placed through a temporary agency. She works day shifts so that she can be home with her three children in the evenings but gets no health benefits on the job and brings in about \$8.00 per hour. Mira has worked full time in childcare, and with a wage around \$6.00 per hour, she can't make ends meet. Each of these women wants to find a better job and is looking for help to move up.

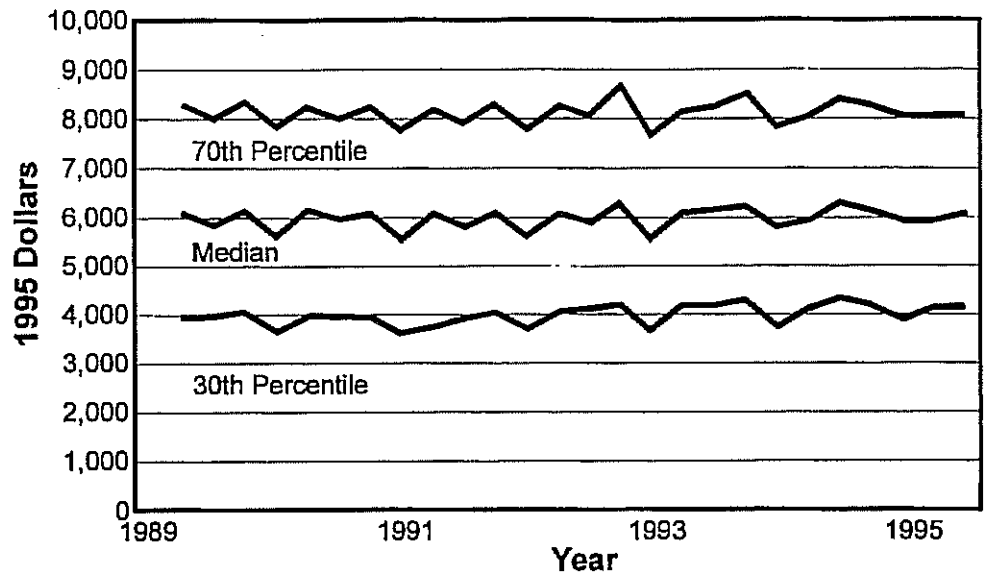
This is the underside of one of the hottest economies in the nation. Despite consistently low unemployment rates, earnings have been stagnant at up to the 70th percentile of the earnings distribution (COWS 1998; see figure 2). Perhaps more important, an analysis of state unemployment insurance data reveals that more than 40% of workers who start with very low earnings (below the poverty line for a family of three) still have very low earnings three years later.²

FIGURE 1
Dane County Unemployment, 1989-99



Source: COWS 2000

FIGURE 2
Quarterly Earnings in Dane County, 30th, 50th, and 70th Percentiles



Source: COWS 1998

In the mid-1990s, Dane County leaders, especially the county executive, became concerned that prosperity was not being shared by all residents of the county. In response, they formed the Dane County Economic Summit Council. A blue-ribbon commission comprising leading public- and private-sector representatives, the council is seeking to improve opportunities for entry-level and low-wage workers. The council sought the support of COWS to help build systems to do that. Starting with a base of labor market and industry analyses, Jobs with a Future partnerships have been founded in each of three industries. These partnerships bring employers, labor, public educators, and human service providers together to discuss and act on common industry problems and collectively work to increase opportunities for entry-level and low-wage workers in those industries. This is the story of what has been built in Dane County over the last three years and an analysis of the lessons of that experience.

Solving Labor Market Problems

Even before COWS was involved in the project, civic leaders set their eyes on building “jobs with a future for all Dane County residents.” They envisioned a “community career ladder” system that would lead to more orderly upward progression through tiers of employment. People on the lower rungs of the ladder would be able to look to a future of better jobs. Workers would move from entry-level employers (such as fast-food restaurants) to better jobs, increasing their wages and

building skills as they advanced. This vision aspired to deliver to low-wage workers what many formally gained within large-firm internal labor markets: predictable routes of advancement to better jobs.

In working with employers, however, it became clear that such an orderly and logical progression was very hard to sell. Focus groups and discussions with them made it clear that, regardless of interest in such a system, few firms could really imagine themselves as the bottom rung of the ladder. Employers worried that the project's intent was to "take your best workers and give them to someone else." While in some other regions pilot programs with cross-firm ladder schemes continue, Dane County employers have yet to show much openness to the idea.³ Given these difficulties, COWS and the Economic Summit Council began to refer to the "jobs with a future project" and dropped the "community career ladders" language altogether.

Moreover, from the start, COWS suggested that improving the opportunities for advancement of Dane County's working poor would require stakeholder partnerships organized on an industry basis to identify training needs and skill requirements. The advocacy for this structure grew out of experience in Milwaukee, where COWS had built the Wisconsin Regional Training Partnership (WRTP), a manufacturing training consortium. The WRTP's success suggested that industry partnerships could substantially improve labor market functioning and opportunities for workers. Additionally, simply linking jobs across sectors—for example, fast food to packing to machining jobs—does nothing to raise investment in training or encourage improvements in the organization of work. Improving labor market opportunity for low-wage workers requires attention to training and work organization as well as to transitions.

Industry partnerships are intended to build an infrastructure that improves labor market information and increases training opportunities consistent with industry demand. Improved labor market information can be used by public agencies to prepare workers for good jobs in the economy. Workers gain if the partnerships can produce a general increase in training, and firms gain if that training is more closely tied to actual skill shortages. The partnerships are intended to provide collective capacity to manage skills and workforce issues on an ongoing basis. They should help workers to learn where the jobs are and the payoff to different levels of skill. They should also help labor market entrants to find predictable routes to jobs that will enable them to support a family. Further, if successful, industry partnerships should help incumbent workers acquire training that leads to advancement.

The WRTP, which served as a model for efforts in Dane County, is a partnership in the Milwaukee area's durable manufacturing sector. To build it, beginning in the early 1990s, COWS worked with labor and management leaders in the area to identify industry problems and suggest collective solutions to those problems. The WRTP is now a consortium of some 46 firms employing nearly 50,000 workers in the Milwaukee area, with active committees overseeing incumbent worker training, workplace modernization, and future workforce development. The WRTP has built an infrastructure of workplace education centers in the industry, connected more than 300 central city residents to jobs in member firms, and worked on numerous modernization projects.⁴ Led by labor and management representatives, the WRTP works closely with the public sector to ensure that the industry's needs are met. By presenting a unified voice regarding skills shortages, training requirements, and technology needs, the WRTP contributes to and improves the administration of public programs such as "school to work," the Workforce Investment Act (WIA), and manufacturing extension in the Milwaukee area.

In Dane County, COWS set out to build industry partnerships akin to the WRTP not only in manufacturing—where the high-productivity, high-wage path, if not always taken, is at least better documented and understood—but also in the service sector. Given low union density in Dane County, partnerships could not be built on a foundation of labor-management partnership within member companies. After quantitative analysis of local labor market conditions and focus groups and interviews with business and labor leaders, in the fall of 1996, three promising sectors were identified: health care, manufacturing, and finance and insurance.

The Dane County Jobs with a Future Partnerships

The health, manufacturing, and finance and insurance sectors together account for about 30% of Dane County employment.⁵ To get information on current practices and needs in each industry, the COWS research team conducted two- to three-hour interviews with 12 to 15 human resource and training experts from the area's leading firms and issued reports at partnership kickoff conferences in the spring of 1997. The conferences highlighted shared problems in the industry and suggested that a partnership of industry leaders could be the first step toward building solutions. For these meetings, those who had participated in the survey were brought together with others from each sector to discuss the results of the investigations. This led to a series of discussions with industry leaders about shared industry recruitment, training, and retention

problems and the potential of collectively solving those problems. After a summer of meetings, three Jobs with a Future partnerships formed. These have been meeting once a month ever since. They have focused on identifying occupational shortages and developing training so that incumbent workers can move into better jobs. Recently, all three partnerships have begun to concentrate on recruiting new workers and finding new ways to work with the Job Center to reach out to the area's working poor.

The Health Care Partnership includes three of Dane County's four hospitals, two clinics, three nursing care facilities, three home health organizations, and five unions. Together, these organizations represent around 10,000 workers. Currently, partnership activities focus on overcoming a countywide Certified Nursing Assistant (CNA) shortage and changing training systems in response to occupational shortages and industry restructuring.

Frontline caregivers do some of the industry's most difficult and poorly paid work. The job has traditionally been disconnected from pathways to more skilled work. While some CNAs may make their way to higher-skilled nursing positions, the schooling required makes this goal unattainable for most. The Health Care Partnership has been working to identify other occupational shortages, often in hospitals, in jobs that build on nursing assistant skills. These jobs can provide a pathway for frontline caregivers into better-paying work. The first success was achieved by working with the technical college to develop and offer condensed training in phlebotomy for CNAs (formerly, blood drawing was a part of the yearlong lab technician curriculum). Already three classes of 15 students each have graduated, graduates' wages and skill are up, and the area's hospitals and clinics are able to fill positions that used to go empty for months. Presently, new training programs for restorative aides and health unit clerks are being developed.

The partnership hopes that the success of these short courses will encourage the modularization of health care curricula at the Madison Area Technical College (MATC).⁶ Industry representatives from the partnership have worked with leaders in the health division of the technical college, writing letters of support for programs and identifying supervisors and workers to help with curriculum development and serve as instructors.

The Health Care Partnership is also pursuing strategies to improve the quality of frontline caregiver jobs. As a first step, modeling an analysis of Pennsylvania nursing homes (Eaton 1997), COWS and the Health Care Partnership released a document on the high turnover of nurse's

aides and some examples of best local practice to reduce that turnover (Dresser, Lange, and Sirkus 1999). The report shows that good wages and benefits, respect for CNAs, workplace teamwork, and two-way communication with supervisors correlate with lower turnover. Using the report, partnership members are reaching out to regional nursing homes and home health agencies to promote improvements in job quality for frontline caregivers.

The Finance and Insurance Partnership, representing approximately 6,000 workers, includes seven insurance companies, three financial institutions, and two finance-related organizations, with two unions participating informally. Its most noteworthy work to date has been the development of a training program that allows clerical workers and others an internal career ladder to programming and computer systems positions.

To date, students in two classes of 15 have been sponsored by their employers to become programmer trainees. The companies pay the cost of both the training and students' time in class. Most trainees are clerical and customer service workers that have topped out in their present occupations. They are selected on the basis of programming aptitude (not seniority). After a 16-week intensive course designed and taught by the local technical college, trainees move into their employers' programming department. This "grow-your-own programmer" approach appeals to companies that have to fill programming positions in a tight technical market in which companies are fighting over an insufficient pool of qualified candidates. Not only does this program develop a new source of workers, but the firms expect these trainees to prove more loyal than programmers hired on the external labor market.

In response to employer demand for additional training, MATC has also developed a Phase 2 program, in which Phase 1 program graduates will continue to upgrade their skills at an accelerated pace. In these courses, students also receive credit toward their associate's degree at MATC.

The programmer trainee project was the Finance and Insurance Partnership's earliest success, but local demand for programmers is now waning. So, too, is demand for the course, and the one planned for the fall of 1999 was canceled due to lack of enrollment. On the other hand, there is considerable interest among partnership companies in developing other new technical training modules for emerging technical fields.

More recently, the Finance and Insurance Partnership has worked with the Dane County Job Center to recruit and prepare workers for customer service positions. For the first class, candidates were recruited

from the welfare and Food Stamps recipient pool. Companies and the public sector shared the costs of the 25 hours of training, and graduates were guaranteed interviews at sponsoring companies. This class was a learning experience for everyone concerned. Of 15 students who started, 10 completed it, and only 3 were offered customer service positions. Of the others, some are still looking for work in the industry, and some have chosen to pursue other jobs. There is, nonetheless, interest in repeating the class but with much clearer understanding between the industry and the Job Center on prerequisites for the class and better orientation to the nature of customer service jobs for prospective participants.

The Manufacturing Partnership consists of more than 15 area manufacturers and two unions. In its first years of operation, it devoted considerable resources to visits to the plants of participating companies, during which members of the partnership learned about one another's training and production processes. During one visit, the host plant highlighted its on-site ESL (English as a Second Language) classes for Latino and Hmong workers.

While the on-site ESL class inspired many firms, most partnership members are simply too small to be able to offer ongoing ESL training for immigrant workers. As a result, the partnership began to work on one shared ESL class, which was filled by three firms. The curriculum built upon the existing program with input from bilingual staff in participating companies. A fourth company participated in program development but found that it had enough students to run its own on-site course. Graduates from the shared training are already requesting more advanced manufacturing ESL, and co-workers are asking when the next introductory course will be offered.

Additionally, industry representatives have worked to more clearly describe their entry-level jobs and are collaborating with the Job Center to reach new groups of prospective workers. More than 25 prospective job seekers recently attended an orientation at the center, which emphasized the experience of frontline women workers at partnership firms. Each participating company brought one human resource representative and one current employee with shop-floor experience. Participants asked questions of incumbent workers, met the human resource managers of prospective employers, and filled out applications. One of the companies received 10 applications and made three offers at the event itself. Participating managers said the evening was much more effective than running an ad in the paper.

Lessons Learned: Filling Occupational Shortages

Industry leaders and the technical college have worked within the partnerships to develop new ways of addressing occupational labor shortages. Often, a fairly simple problem drives cooperation: smaller firms do not have the human or financial resources to support an entire class for training. They are therefore likely to be willing to develop a shared curriculum and send a few of their workers to the class. About 100 students—from programmer trainees to phlebotomists—have participated in training designed in response to needs identified by the partnerships. A number of lessons from this Dane County program may be useful to others considering building industry partnerships and career advancement programs in their own communities.

- Proponents of career ladders need to be clearly focused on solving pressing business problems. While the goal of project developers is worker well-being, the appeal to business must be based on a good understanding of the problems in the industry. An industry partnership is not the place to count on civic interest to motivate participation, though it can provide a nudge. Compelling solutions can be developed only out of real understanding of firms and jobs—skills required, occupational shortages, advancement possibilities, and problems shared by multiple firms. Unless outsiders quickly develop this knowledge, they will not elicit respect and trust from managers, who often face competitive and time pressures. Nor will managers take the time to consider how to improve the project. Without understanding different jobs and skills, it is difficult to make creative suggestions about career transitions. This lesson is important for community organizations, labor unions, and policy makers. Such outsiders often relate to managers in essentially naive ways, asking managers to make social or moral commitments that have no clear link to employers' bottom line. In Dane County, COWS continuously seeks bottom-line problems that can be solved through programs that advance workers.
- Partnerships can provide the infrastructure of relationships and trust that is required for building training programs. Simply networking with colleagues from other firms can build trust; managers often find it a relief to learn that others confront similar problems, that they are not alone. They appreciate the opportunity to think in new ways and learn from others' experiences. The partnerships have built relationships with and among firms so that new ideas can be developed and then "owned" by the group as a whole. Getting firms to try something

new (such as building new career advancement systems) requires confidence in the people suggesting that new strategy and some confidence that a competitive firm pursuing it will not be “suckered.”

- Trust among firms and between firms and public-sector partners, especially the technical college, has been another outcome of the partnership building process. The first time that classes are offered, confusion can ensue: when will the class start, who is sending students, what are the costs?⁷ Given these problems, the fact that all classes to date have been offered at least twice (and have run much more smoothly the second time) is evidence of the growing relationship between the firms and the technical college.
- Once career advancement proponents have developed a good understanding of the industry, they must develop practical ideas on how workers currently without options (but with relevant skills) could be prepared to move into higher-level occupations that are experiencing shortages. Because of the pressure managers are under, they typically spend little time thinking about ways to increase the value of lower-end employees. They tend to concentrate on those with greater market or production leverage and seek to fill existing gaps in higher-end jobs through external recruitment rather than “growing their own.” To promote career advancement opportunities for those in low-wage jobs, it is necessary to show concrete ways to accomplish this.
- Close collaboration with the technical college to support curriculum development and provide training has been absolutely essential. The contract training division of MATC was willing to develop curricula with industry representatives, prepare new courses, allow multiple companies to be served by a single contract, and become more flexible about delivery of training. Technical colleges do have quite a bit to gain from working with such partnerships, including connections and new means of marketing to smaller firms. At the same time, such projects do challenge institutional rigidities. If you are looking to build an industry partnership that will be an advocate for students and send them to classes, you need allies inside the key training institutions.
- Partnerships that are building career ladders can also provide the public sector with a more legitimate and informed employer voice in the governance of public employment and training programs. Individual employers who historically sat on regional and state governance bodies for training programs (for instance, private industry councils) tended to be ill-informed and have idiosyncratic interests. The establishment

of training partnerships in major regional industries gives the public sector the opportunity to engage with more informed employers that truly represent the labor market. Those who set out to build partnerships in a regional labor market should seek to find ways to have information flow back from the partnerships into public systems.

The work on Dane County's partnerships has also provided a few lessons on balancing the interests of workers with those of employers and achieving short-term successes while pursuing larger, long-term goals. Such tensions are common, and there are no simple solutions. Worker advocates are generally concerned primarily with employee advancement and skill upgrading. They are usually interested in profits to the extent that they motivate managers to be interested in worker advancement. By including union representatives and nonprofit employers, it is easier to keep worker concerns on the table. So far, in Dane County, achieving this balance has not proven particularly difficult, but to the extent that the partnerships build their own identities and programs, the goals of founding advocates could receive less emphasis.

An issue of balance also occurs with respect to implementation. While COWS was needed to push the process forward, further progress requires that employers buy in to the program. At the end of partnership kickoff conferences, for example, COWS conducted a roll call of employers and asked whether they were willing to participate in a series of four meetings over the summer, given what they had learned at the conference. At the end of those meetings, COWS again called on employers to say whether they were in or out. In the partnerships, COWS has consistently tried to push projects forward, but it is the employers who initiate them. One human resources representative reported that what he liked most about the partnership was that these were the first meetings where industry was part of the process of building a shared solution. Getting business to lead on these issues required intensive external facilitation, nudging, listening, and writing.

The focus on short-term success (which motivates participation, builds a positive reputation, and keeps people interested) must be combined with a long-term focus on the health of the partnership. In the Finance and Insurance Partnership, a great deal of attention focused on the programmer trainee project, but the partnership was never intended to take on only information technology issues, and those without programmer shortages became alienated. Subcommittees and work groups are now used to keep the computer projects going, and the partnership has moved on to new issues, but some company representatives who found the original focus irrelevant have not come back.

Lessons Learned: Improving Recruitment for Partnership Firms

With unemployment under 2%, firms are constantly looking for entry-level workers. The partnerships work with the Dane County Job Center (Dane County's "one-stop" agency for employment and training services) to build pathways out of poverty-wage employment. Partnership firms offer higher-paying positions, more benefits, and more opportunities for advancement than the current retail and food service positions that many of the county's working poor hold.

Using surplus dollars from welfare programs, the county has funded the Job Center's Upward Mobility Program. County staff identify working poor adults, often Food Stamp and Medical Assistant recipients, many of whom were formerly on welfare. Counselors work with these clients on identification of skills and interest, career planning, and résumé development. Employer-services staff canvas firms for job openings and work on retention with their placements. When the project was just nine months old, it had successfully placed more than 80 Dane County residents in better jobs. The average wage increase for the new jobs is just over \$1.00 per hour. Increases in health care coverage on the job are even more dramatic; only one third of participants had employer-provided health care before the program, but nearly all do on their new jobs.

It is still too early to judge the full potential of this program, but the response of participants and firms is promising, and a few lessons have been derived from this work:

- Moving people out of poverty-wage jobs requires information on where the better entry-level jobs are and how they are typically reached. Most policy makers and administrators lack good data on patterns of job transition, typical career paths, sectoral variation in wage and benefit structures, and so on. Furthermore, many workers have little idea of job requirements and wages, the ranking of employers on different scales of worker friendliness, or availability and quality of training. Partnerships can help gather such information (which usually requires supplementing government data with inside information from employer surveys and focus groups) and work with others to get the information to those who need it.

The *Jobs with a Future Resource Book* has been one tool for overcoming the information deficiency in the labor market. This book provides industry overviews, worker profiles, and descriptions of companies that are partnership members. Released in January 1999, it has been widely distributed through a broad network in Dane County.

The copy at the public library is dog-eared from use. Schools use the information it provides about industries in school-to-work courses. Career counselors use it to show the range of employment options to their clients. Employers are asking how to get a page in it. COWS pulled together the first edition of the book, but employer-services staff at the Job Center are updating the next edition. A fairly simple document, it appears to be quite useful for job seekers, career counselors, and the participating employers.

- Information alone is not enough, however. Promoting mobility out of dead-end jobs requires targeting trapped workers and reaching out to them. Such people typically want to deal with somebody they know and trust.

Staff from the Upward Mobility Program reach into the community through community centers and through caseworkers at the Job Center. When clients recertify for Food Stamps, county caseworkers provide information on the Upward Mobility Program. In a focus group, successfully placed Upward Mobility participants credited their success to support from these caseworkers. Unlike conventional program-funded staff, the Upward Mobility caseworkers can work in a very individualized way with each participant. For some workers, a lead on a job provides the solution. More commonly, however, they lack the confidence necessary to make a transition. The caseworkers encourage program participants but allow them to identify opportunities and move up at their own speed.

- Even with good information and strong relationships, workers may not really understand the opportunities in the labor market. Upward Mobility clients regularly come to the program with unrealistic notions about their abilities and the nature of various jobs. To counteract this, the Job Center and the partnerships have been conducting industry orientations for Upward Mobility. Additionally, the caseworkers are arranging “job-shadowing” experiences at partnership companies so that their clients can better understand their opportunities.

Participation in the Dane County partnerships has helped both the Madison Area Technical College and the Dane County Job Center redesign their services to better respond to employer demand. In the partnerships, the private sector is not treated simply as a potential recipient of services such as training or recruitment. Instead, the private sector works along with the public sector to craft new solutions.

The Shortfall of the Partnerships: Stuck outside the Firm

The work in Dane County models positive approaches for community colleges, job centers, and industries seeking new solutions to recruitment and skill development problems. A limitation has been that the main focus remains *outside* of firms. Negotiations focus on coordinating training resources, not redesigning jobs. In some instances, the partnerships have developed an internal solution (e.g., training current workers for occupations with vacancies), but filling current vacancies by training current employees for open positions is a far cry from actually increasing skill requirements across the board. For the most part, the partnerships have avoided getting into discussions of work reorganization, production modernization, or advancing work processes.

To have a real effect on the way companies deploy labor and on the opportunity structure throughout the economy, it is necessary to increase the general level of skills demanded inside firms, to build systems that increase incumbent worker training at all levels, and to modernize work processes. Though COWS has tried to facilitate work by various companies on such projects—within nursing homes and manufacturing firms, especially—there has been less progress on this front.

This stands in direct contrast to experience at the WRTP. It has three active committees—incumbent worker training, modernization (which deals with new technology and its effects on work organization), and future workforce development (which takes on school-to-work issues, as well as projects to connect disadvantaged workers with entry-level jobs)—with labor and management chairs for each. From the start, the committee for training incumbent workers has been one of the partnership's most active committees. Members are assisted as they develop workplace training centers and can learn about best practices in the region for designing and implementing workplace training. Labor and management teams learn from peers about critical elements and pitfalls concerning the training offered by and the administration of the center. The committee has also developed a curriculum for training peer advisors—shop-floor workers who inform and encourage their co-workers to take training at the centers.

The modernization committee works with the state's manufacturing extension partnership to ensure that area firms receive and effectively use state and federal support for technology upgrades and other productivity improvements. Two WRTP staff members serve as labor-management specialists for this program, working with management and workforce on the interface of work reorganization and technology transfer inside the plant. This depth of labor participation in the program is

unique to manufacturing extension programs and a critical ingredient for success, for new technology always affects the organization of work and workers are often in the best position to know the specifics that can improve plant layout and job flow. In many WRTP firms, modernization and incumbent training advance together. The plant cannot change work processes without workers who can learn and adapt to new systems.

As previously noted, the Dane County partnerships have not reached inside firms so directly. Instead, their work has focused on cross-firm issues and training for jobs as currently organized. This has clearly improved the lot of some workers and increased investment in incumbent worker training in participating firms. It has had less direct effect, however, on the organization of work.

A number of differences between the capital-intensive manufacturing companies that make up the WRTP and Dane County partnerships' members may help explain their different outcomes. The WRTP has been operating since the early 1990s and has staff devoted to each of its committees. The Dane County partnerships have been operating more modestly and for just two years, and two of them are in the service sector, where the emphasis on work reorganization and incumbent worker training is more limited and the effects of such training on the bottom line less well documented.⁸ Additionally, the Dane County manufacturing firms in the partnership are, in general, smaller and less capital intensive than the metalworking shops that predominate in Milwaukee and the WRTP.

Another important feature that has limited the Dane County partnerships to external problems and solutions is that unions are not a full partner of the project. Without labor union leadership at the partnership level and within participating firms, it is almost impossible to get inside firms and to initiate broad incumbent worker training projects. Such projects require an economic incentive or source of pressure that makes firms willing to invest in upgrading the skills of workers. Some union firms have an incentive because high, contractually negotiated wages generate a need for equivalently high productivity. Other firms and unions find worker training an issue on which they can start discussions of interest to both parties. In these ways, unions can increase firm commitment to worker training.

Effective incumbent worker training also requires good information from shop-floor workers. They have the most intimate knowledge of the content of work, wasted steps, and process problems. Without independently elected workforce representatives, companies must rely on their

chosen informants for these details. Such informants may not feel safe to offer criticism. Because unions provide independent workforce representation and, often, greater security, they can contribute to making workforce training and modernization efforts more effective.

In Dane County, unions have participated in discussions and have in some cases worked actively on specific projects. However, unions have not been equal partners within firms and within the partnerships to the extent they are in the WRTP. As a result, the focus of partnership activities has been determined by business priorities. This has had some pay-offs for a subset of workers and actually may have broader systematic effects in terms of curricular reform at the technical college. However, the fundamental problem of training and skill development for incumbent workers will not be solved without more leverage inside firms.

Can Career Ladders Be Built Anywhere?

New economic realities and the discouraging situation for many at the bottom of the labor market require consideration of new models for building training and skills. The partnerships provide some solutions to key problems in regional labor markets, especially the lack of training for workers and lack of good labor market information. In large part, this approach works because managers can come to realize that remedying these problems is critical not only for workers but for firms as well. The partnerships have attempted to find solutions that could meet business needs while also improving opportunities and wages for the workforce.

The models constructed in Dane County may be applicable elsewhere. Regions tend to have leading sectors that employ a considerable share of all workers and firms in those sectors that tend to confront a number of skill and training problems, whether they need more entry-level workers or are facing a shortage in a particular occupation. With some attention to detail and some creative ideas, those firms can likely be convinced that joint action to solve existing and future problems is in their interest. As long as firms have shared needs and are willing to search for innovative responses together, there should be some support for developing partnerships.

It is also important to note that even very small interventions can make considerable contributions, particularly in the realm of labor market information. For example, announcing the release of the *Jobs with a Future Resource Book*—which provided detailed industry, job, and firm opportunity profiles—brought a flood of calls, in part because workers are looking for more-detailed labor market information than they can

find from reading job descriptions. Developing such a book is a relatively straightforward process, and doing so can help build interest in partnerships and systems of outreach.

At the same time, the tight labor market has contributed substantially to the success of the work in Dane County. Obviously, sustained unemployment levels below 2% push employers to seek out new solutions. If the economy were in recession, the interest in developing or sustaining joint programs for recruiting and investing in training would fade. Even in labor market slumps, however, occupational shortages tend to emerge, so some firms are likely to be looking for more effective ways to relate to public programs that can help solve the shortages. Thus, while interest in partnerships might fade as the economy slows, it probably would not disappear.

A further limitation of this approach is that in many sectors there are few jobs requiring higher skills and paying higher wages that could be linked with entry-level jobs. In food service, for example, there have never been many opportunities for advancement. In other sectors, such as health care, opportunities on the first rung of the ladder (e.g., home health aides) are increasingly abundant, while restructuring is eliminating midrange hospital jobs and thus some potential upward mobility paths.

None of these limitations render partnership development pointless. Partnerships should focus on sectors where leverage is high and at least some significant share of jobs pays well. At the same time, in the long run, countering the growth of inequality and improving outcomes for workers generally will take more than a series of regional industry partnerships. As long as business can readily hire low-wage workers, many will do so, and work reorganization to upgrade skills, wages, and opportunity will take place in only parts of the economy. Nonetheless, partnerships can demonstrate that improving jobs and training opportunities in local industries is possible and desirable. They can also help change the way the public sector responds to industry and, in so doing, improve the efficiency of training and support services. Last, but not least, if public policy shifts the incentives firms face away from low-wage strategies, partnerships may even be able to lay the foundation for larger-scale changes.

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Notes

¹ These cases come from a survey of working Food Stamp recipients conducted by COWS and the Dane County Job Center. Those who received the survey were invited to respond if they were interested in better work. All names are fictitious.

² These data come from unpublished COWS analysis of a 5% sample of the Wisconsin Unemployment Insurance wage record file.

³ There is, for example, a Burger King in Michigan that refers its employees to an area manufacturing firm and is also seeking to partner with other manufacturers. Another example is a newly established Job Ladder program in Detroit. In it, participants move from tier 1 employers (often fast food) to tier 2 employers (banking and health care).

⁴ For more on the WRTP, see Parker and Rogers (1996) and Neuenfeldt and Parker (1996).

⁵ For more details on the process COWS used to develop the partnerships, see State of Wisconsin Department of Workforce Development (1999).

⁶ The focus on training and advancement through the health care industry builds on some of the principles developed at the Cape Cod Hospital, where SEIU Local 767 and hospital managers have developed an institution-wide career ladder program. In fact, Bill Pastreich, a union leader at the hospital, presented the model at the partnership kickoff conference. While the work in Dane County does not exactly follow that model, it does mirror the principle of making incremental training and advancement possible within the industry.

⁷ To varying degrees, the question of when the class should start can be most difficult. The technical college will not want to guarantee a class until they have secured enough students. Companies have a difficult time recruiting students for a program that has no clear start date. This is quite obviously a problem that is not insurmountable—the technical college can offer a contingent start date (e.g., given 15 students by date 1, the course will start on date 2)—but on the first run of each course it is always a problem.

⁸ For other studies of service-sector projects, see Abrams et al. (1998).

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