

CREATING A SYNERGY — ENSURING A SKILLED AND PRODUCTIVE WORKFORCE IN AMERICA

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I speak tonight not as President of the American Red Cross, but as a former Secretary of Labor, charged with the mission of ensuring that America has a skilled and productive workforce second to none.

Thirty years ago, Richard Nixon and Nikita Krushchev engaged in a “kitchen debate” over what type of government would ultimately prevail. And for the past three decades, that question was the defining one of our time.

Today, that debate is over. Democracy has won a convincing and overwhelming victory. But while we sweep up the ticker-tape from the victory parade, we must be careful indeed to ensure that other countries do not march right on by us.

The defining question of the 90’s and beyond is not “what type of government is best,” but rather, “what country has the most productive workforce?” And, ladies and gentlemen, the answer to that question is very much up in the air.

What seized my attention when I became Labor Secretary was that America’s employers and workforce are undergoing some revolutionary changes, and facing some very stark realities. These realities pose complex challenges—challenges ill-served by short-term quick fixes which tend to grab headlines, but offer few meaningful results. Indeed, ladies and gentlemen, we are faced with a workforce crisis.

The first reality: the very nature of work is changing. Jobs are becoming more and more complex. They require better

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reading, writing, reasoning and more—much more—math and science.

Few workers now perform just one task, day in and day out. Instead, they have to master a variety of skills, work as a team, solve problems, make quick decisions and communicate effectively. And perhaps the changing nature of work can best be explained by the fact that, in 1975, there were only 50,000 computers of any kind that had ever been built. Now, more than 50,000 are sold each and every day.

Speaking of computers reminds me of the days back when Garret Hobart, on whose family estate this campus was built, was Vice President of the United States. The chief of the U.S. Patent Office wrote to President McKinley asking that the Patent Office be closed. "Everything that can be invented, has been invented," he said. Thankfully, McKinley and Hobart ignored this advice, or the expansion of Hobart Hall, which will house many of the latest high-tech innovations in the communications field, might never have occurred!

And after a century of innovations, today's secretaries must be computer literate; they are being asked to compose and edit written materials, rather than to simply process them. Service technicians and mechanics, who once tightened bolts on assembly lines, now have to operate computers which control millions of dollars worth of complex machinery. Soon, over half the jobs in our workforce will require education beyond high school.

The second reality: just as the nature of work is changing, so, too, is the face of the American workforce. The baby boom is over, and our workforce is growing by only 1% annually—its slowest rate of growth in forty years and a rate that is expected to continue into the next century.

Businesses can no longer count on the luxury of "cherry-picking" the best applicants for openings and passing over those with less education or fewer skills. Why? Because what growth we will see in the workforce will come from groups who have historically been the most disadvantaged in terms of opportunity and education. Five out of every six workers who will comprise net workforce growth in the 1990's will be female, minorities or recent immigrants.

Reality number three is that realities one and two are on a collision course. The changing nature of work and the changing face of the workforce simply do not match.

Two-thirds of our current workers will still be in the

workforce at the turn of the century, yet many of their skills are obsolete, or soon will be obsolete, due to increased technology. Some experts estimate that as many as one out of every five of our current workers is functionally illiterate.

At the same time, most young Americans do not have the luxury of a William Paterson diploma—indeed, many young Americans are not receiving a high school diploma! Drop out rates continue at a record pace—50% in some inner cities. And many of those who stay in school are not coming close to learning the skills they need to survive in today's workforce.

Dealing quickly with these first three realities—the changing nature of work, the changing face of the American workforce and the mismatch resulting from those changes—is made even more imperative by a fourth reality: the members of the global marketplace are not standing still while America puts her workforce house in order.

The Pacific Rim nations continue their remarkable record of growth in the world market. In just a short time, as former British Prime Minister Edward Heath discussed here just last month, the countries of Western Europe will form a united market—a European community—with a combined gross national product larger than ours. Many of the newly-emerging democracies in Eastern Europe claim workforces young in age, and with nearly universal literacy. And in tests comparing the math and science skills of America's 13 year-olds with those of five foreign countries and four Canadian provinces, America's students finished dead last.

These realities have caused many to wonder if we can turn things around. . . if the same America that won the war in the Persian Gulf can win the battle for success in the global marketplace.

Ladies and gentlemen, I am sure you agree that we can and we must. But we need plenty of help—because one thing is very clear: government cannot do the job alone. Now, President Bush and Secretary of Education Lamar Alexander have shown outstanding leadership, and have focused America's attention on what is going on—or not going on—in our schools.

The reforms that President Bush and Secretary Alexander are promoting in their "America 2000" plan are comprehensive, ambitious, and yes, some are controversial. They include voluntary nationwide examinations, alternative certification systems for teachers and principals and permitting states and localities to

adopt policies which allow parents to choose their children's schools.

Some have disagreed with these proposals, insisting that the best way to improve education is to spend more money. In fact, the United States spends more money per student now than either Germany or Japan. We will spend 33% more in real dollars per pupil in 1991 than we did in 1981—\$400 billion, instead of \$160 billion. When you consider that verbal Scholastic Aptitude Tests have declined for the fourth straight year or when you look at the recent announcement that fewer than one out of every five students in grades four, eight, and twelve has achieved "competency" in math, I do not think there is anyone in the room who would say that we have seen a 33% improvement in our schools' performance.

The President's program does anticipate more money, but in the final analysis, education depends not on a commitment of more cash, but on committed teachers, committed students, committed parents, committed communities, committed employers and committed government.

What we have got to do is create a synergy.

Let me speak first to the parents in the audience. It is parents—mothers and fathers—who must instill such values in their children as the value of education, the value of hard work—personal moral values. Teachers cannot be expected to do this nor can the government! It is parents who must take an active interest in their children's classrooms by making certain that the skills necessary for today's jobs are being taught. Simply put, parents must insist that their sons and daughters master the skills needed in the workplace and that their local schools teach those skills.

Businessmen and women tell me constantly that they have jobs to offer, but the kids coming out of school simply do not have the skills to fill them and that a high school diploma does not say much about a young person's basic skills in areas like computer literacy, problem solving, and communication, let alone the more traditional reading and math skills.

As Labor Secretary, I appointed a blue-ribbon panel of business leaders, labor leaders and education leaders and charged them with the mission of hammering out national competency guidelines that reflect work readiness—that will serve as working definitions of what skills employees must have on the job. These guidelines are now being taken into the schools for developing curriculum, for promotion and for graduation.

Let me give you an example of the problems we face: how do you solve this math problem? If a man makes \$7.00 an hour, how much does he earn in eight hours? To get the answer, do you add, subtract, multiply or divide?

Obviously, that is a very basic math problem. But when New York Telephone tested job applicants with questions like that one, three out of four failed. They had to look at 50,000 job applicants to fill 2,100 entry-level positions like telephone operator. Motorola had a similar experience—80% of applicants flunked their employment exam which required levels of seventh-grade English and fifth-grade math.

Those youth who failed these exams—those unable to make it in the workplace—often end up not only in the unemployment lines, but as statistics in the troubling social problems of our time—drugs, crime, gangs and teen-age pregnancy.

Employers can help provide an enormous public service, and in the long-run help themselves, by reaching out to America's youth. You should make no bones that you want to hire students who have excelled. Al Shanker, President of the American Federation of Teachers, puts it this way: "Be public about it. Put out posters. Put it on stationery. Just as you would say you're an equal opportunity employer, why not say you're an excellent student employer." Shanker says employers do not ask for grades. Ask to see an applicant's grades. Help kids make the connection between staying in school and getting a job—between doing well in school and getting a good job. Too many young people just are not making the connection.

Employers can also be part of the solution by forming partnerships with their school districts. As Secretary of Labor, I convened the first-ever national conference on the school-to-work population—the 50% of our youth who graduate from high school but do not go on to college. They have no credentials like the college graduate. As I have indicated, all too often these youth are not trained in the skills needed in today's jobs and are moving from low-paying job to low-paying job with little chance of advancing up the wage ladder.

At this conference, we learned that the programs that are succeeding are those where employers serve as partners with education—where students combine school with on-site job training carefully designed to supplement classroom work.

But what about the huge number of youth who are at risk to dropping out of school, to gangs, to teen-age pregnancy? I con-

tinually visit job training programs across the country, many of which provide a second chance to high school drop outs. And over and over again, I witness miracles—young men and women who were gang leaders, drop outs, or teen parents who now possess the skills needed in today's workplace and the hope for a bright future. On several occasions, I brought these 17 and 18 year-olds to Washington to testify with me before the United States House of Representatives and the Senate. These young men and women helped me to get additional funds for job training and to focus attention on the fact that we can no longer be satisfied with just training kids for one specific job and then pushing them into that slot.

Instead, many of our youth desperately need basic skills, literacy, remedial education, counseling—a total support system. That is what we tried to provide through the Job Training Partnership Act. Each youth must be assessed and a service strategy developed to meet that individual's needs. And each youth must be followed after he or she enters the marketplace and checked after six months and a year.

Now let me make a special plea—a challenge to each of you: “One adult establishing a relationship of trust with each youth.” This has been a special mission of mine for the past several years. I believe that mentoring—a one-on-one relationship between a young person and a role model—is one of the most effective ways in which Americans can make a positive difference.

Ladies and gentlemen, nothing is more important to a young person at risk than one person standing up and saying, “I care.” I am calling on America's businessmen and women to allow ten percent of their workforce the leeway to become involved in mentoring, to have time off from their jobs to help a kid at risk. I urge you, individually and collectively, to join me in this crusade.

Let me congratulate students at William Paterson for devoting yourselves not just to higher learning, but to higher yearning, as well. Volunteerism is alive and well here at William Paterson—you can see it in your mentoring programs, where students act as tutors in neighboring public schools. You can see it in the summer program that brings local high school students to this campus for a carefully planned academic program. And you can see it in Project Link, where mildly handicapped, non-college bound students are matched with William Paterson special education majors who serve as role models.

Helping at-risk youth would be a top priority for me, if only

to see these young lives turned around. But, at the risk of repeating myself, there is another motivation as well. These youth—many of them minorities—are the employees of the future. And if we hope to compete effectively in this complex global market—if America is to be truly strong, and not just barely strong enough—then we darn well better see to it that our youth are prepared for the challenge.

Let me turn now from our future workers to our current workforce, because it is imperative that employers and employees alike realize that education does not end at the schoolhouse door.

We know that work-based training programs raise productivity and wages. We know that workers who upgrade their skills are less likely to quit their jobs or to be laid off. And we know that if they are laid off, they experience shorter unemployment periods than those who receive no on-the-job training.

While it is true that American employers spend an estimated thirty billion dollars on formal training, 27 billion of that is paid out by just 15,000 employers—that is one half of one percent of America's employers. Additionally, the vast majority of training programs are aimed at those least in need of training. The Labor Department estimates that over 90% of training programs are aimed at executives and managers and only eight percent are designed for front-line workers—workers who face the most difficult technological changes and whose skills are most in need of upgrading.

I am well aware that most employers do not have the luxury of a Human Resources Department and many cannot afford training courses for their employees. What all employers can do though—indeed, what you must do—is create an atmosphere conducive to retraining. Let your workers know of your commitment to retraining. Where possible, allow them the leeway to enroll in classes, to learn new skills and to expand their horizons.

Training costs can also be cut by the simple fact that all employers are in the same boat. That competitor or business across town must also adjust to meet the workforce crisis. As a result, many employers have learned that, by joining together in a consortium, they can offer an expanded number of training opportunities while sharing, and therefore reducing, the cost.

Again, my congratulations to William Paterson, for initiating an adult learner program to begin next fall, which will support

and encourage students age 25 and over, who are pursuing a bachelor's degree.

And let me add that as we work to provide Americans with the skills needed to succeed in the workforce, we must remember that there are some women and minorities who may already have all the skills required, but who are still blocked from moving up the ladder.

I cannot help but think back over my own career—beginning with my days as a student at Harvard Law School. There were 550 members of the Class of 1965, and only 24 were women. On the first day of class, a male student came up to me and asked what I was doing there. In what can only be described as tones of moral outrage, he said: “don’t you realize that there are men who would give their right arm to be in this law school—men who would use their legal education?”

That man is now a senior partner in a Washington law firm. And every so often, I share this little story around town. You would be amazed at the number of male classmates who have called me to say, “Please tell me I’m not the one! Tell me I didn’t say that, Elizabeth!” Well, as they say, good things come to those who wait. Today, nearly thirty years after that statement was made, forty percent of the Harvard Law class are women.

Unfortunately, there can be little doubt that a woman, no matter how well-schooled, what her age, or how vast her credentials, enters many business organizations with limited or no hope of reaching the top. The positions of power and decision making in business are still held primarily by men.

My objective as Secretary of Labor was to serve as a catalyst for change, to strive to help remove vestiges of discrimination from the workplace and to ensure that women and minorities have equal access to senior management positions. That is why I ordered an investigation into how senior management positions are filled and whether qualified minorities and women are being developed for these opportunities. My effort had nothing to do with quotas, but everything to do with equal opportunity.

We examined training, rotational assignments, developmental programs and reward structures—all the indicators of upward mobility in corporate America. The study is now complete and it found ample evidence of what has been termed the “glass ceiling.” Of the nearly 4,500 executive-level managerial positions in the nine corporations we studied, only 6.6 percent were held by women and 2.6 percent by minorities. In other words, women

and minorities—who account for half the workforce—comprise less than 10% of top managerial positions.

I do not think the role of the Department of Labor is to mandate who private companies should hire for specific positions. But I do agree with Lynn Martin that the Labor Secretary should use the “bully pulpit” to tell business in no uncertain terms that if they effectively block half of their employees from reaching their full potential, they are only hurting themselves. Remember, most of the net workforce growth in the 1990’s will be women and minorities.

Let me also note with pride that a certain Senator from Kansas has introduced legislation which would establish a National Commission on the Glass Ceiling. Bob and I hope it will not be long before that old glass ceiling meets the same fate as the Berlin Wall. America’s economic future—your future—depends on a philosophy that regards people not as a cost, but an investment—an investment worth training, worth safeguarding and worth nurturing. Our human resources are, after all, our most precious resources.

Ladies and gentlemen, we have just witnessed incredible changes occurring in the Soviet Union and Eastern Europe that were unthinkable just a short time ago. As we continue to watch the fervor for democracy transform the world’s political landscape, we must be ever vigilant, keeping our own flame of freedom burning just as strong. Just as bright.

One of the most unforgettable experiences of my life was walking through the shipyards of Gdansk, Poland, with Lech Walesa. We talked about the history being written by the courageous people of Poland. And, with a smile, Walesa told me the definition of a Communist economic enterprise: “100 workers standing around a single shovel.” Then he said: “What Poland needs is 100 shovels.”

I have thought a lot about that conversation. He was talking about men and women who had no role to play in their economy or their nation. . . men and women with no voice, on the outside looking in. Fortunately that is all changing. Here in America, though, our voices have always counted. And if we are going to turn our education system around, if we are going to turn young lives around and not just join those who have thrown up their hands and given up on what they call the “lost generation,” if we are going to properly train our current workers, then each of us

must speak up and get involved—as concerned parents, good businessmen and women and caring citizens.

In this remarkable time, we know that the dream that inspired the Poles, the East Germans, the Czechs, the Hungarians and the Russians—the dream that inspired them all—is the American dream. A dream that anyone, through hard work and dedication, can rise to the top and succeed in building a better life. That dream becomes a reality through America's schools and America's workplaces.

And if the American dream is to prevail—if our young people are to have that chance—then they must have the skills required to survive and advance in the system. The author, H.G. Wells, possessed an uncanny ability to look into the future. And he correctly foresaw the challenge that faces America when he wrote: "Human history becomes more and more a race between education and catastrophe."

Ladies and gentlemen, the flag is up. . . the race is on. . . the crisis is now. And as we prepare to meet our challenges, let us take heart from the words of a great President. Almost 100 years ago, Teddy Roosevelt said as he confronted a new century: "We are face to face with our destiny, and we must meet it with a high and resolute courage. For ours is the life of action, of strenuous performance of duty. Let us live in the harness, striving mightily; let us run the risk of wearing out, rather than rusting out."

Together, we will run that risk. And we will win our race. And, in doing so, we will ensure that our dream endures—that America's best days are truly yet to come.