

WE ARE WORRIED

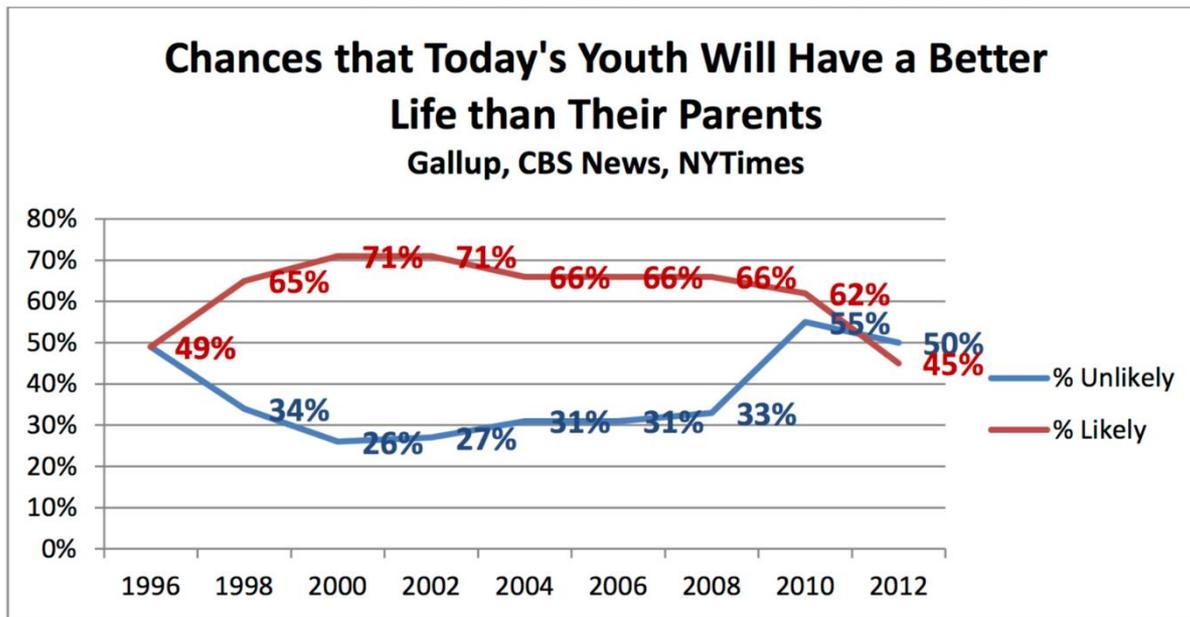
DUMB JOBS, DUMBED DOWN BY TECHNOLOGY



WHO BENEFITS



THE FUTURE



I WILL

Say a few words about overall job market trends

Turn to the main topic: job quality and how you can help improve it

WHAT ARE THE WORRIES? WHAT DO PEOPLE THINK IS GOING ON?

The employment contract is changing **yes**

The low wage sector is large and persistent **yes**

We are becoming a gig or freelance economy **no**

Skill demands are bifurcating into very high and very low and most good jobs will be out of the reach of most people **No**

THE EMPLOYMENT CONTRACT

Think

In Search of Excellence

Reengineering the Corporation

Attachment and mutual commitment is declining
outsourcing/sub-contracting
increased willingness to lay people off
though job tenure data are less clear

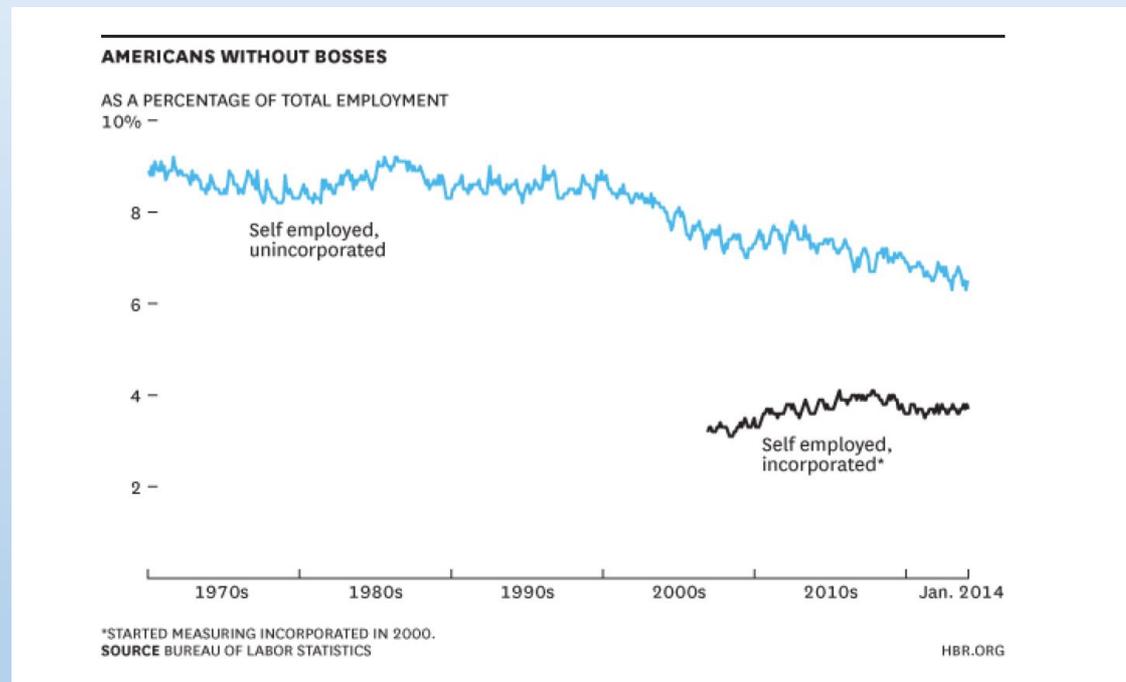
Employee voice is diminished

Organizations are flatter, hence fewer promotion opportunities

Paradoxically, the demand for skill is up (but modestly, as we will see)

WE ARE NOT BECOMING A FREE-AGENT
NATION. THIS IS NOT A GIG ECONOMY

SELF-EMPLOYMENT TRENDS



<https://hbr.org/2014/02/where-are-all-the-self-employed-workers/>

TEMPORARY HELP TRENDS

Table 1. Percent of US workforce placed by employment services providers

	1990	2000	2013
Employment services industry	1.4	2.9	2.5
Temporary help agencies	1.1	2.0	2.0
Professional employer organizations (PEOs)	0.1	0.6	0.3
Employment placement agencies & executive search services	0.2	0.3	0.2

Source: Current Employment Statistics, Bureau of Labor Statistics.

SKILLS

We are not becoming a nation of rocket scientists or hamburger flippers

- retirements will generate big demand for middle skills

- there are many jobs out there that require community college level skills

An example: production jobs in manufacturing:

- 75,000 net new jobs by 2022

- 1,800,000 openings by 2022 due to retirements

Evidence on skills:

- Surveys of employers that are concrete, not just asking vague opinions

JOB QUALITY

The most common indicator is wages and we have a large and persistent low wage job market

PERCENT OF **ADULTS** WHOSE HOURLY WAGE PUTS THEM BELOW THE POVERTY LINE

2001: 29.6%

2007: 20.1%

2013: 30.8%

And, for adults, mobility out of low wage jobs is difficult

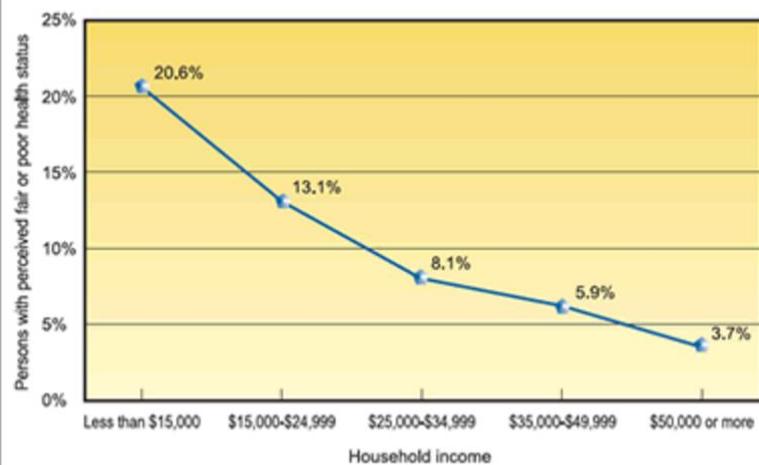
WHY DO WE CARE?

Obvious reasons: low earnings means poorer quality of life

Subtle issues: for example time to attend parent/teacher meetings

But also: it kills you.....

Relationship Between Household Income and Fair or Poor Health Status



Source: Centers for Disease Control and Prevention, National Center for Health Statistics, National Health Interview Survey, 1995.

STRATEGIES FOR IMPROVING JOB QUALITY

Make “bad” jobs good

Build pathways into good jobs

Create more good jobs

MAKING BAD JOBS GOOD

Employment Standards

- minimum wages

- living wages

- misclassification

Employee voice

But all of this , while important, is not part of today's discussion

PATHWAYS INTO GOOD JOBS

Intermediaries

Sectoral Programs

Dual client focus

Rapid remediation (fix CC)

Supports

Real, not quick and dirty, training

CREATING GOOD JOBS

This is what you are about

WHAT IS A GOOD JOB?

Certainly **wages** are important.

But there are other characteristics

--Is the job a **rung on a ladder** within an organization?

--Does the job **offer training in skills** that enable mobility across organizations?

BUT NOT: just simple job experience

But the point is that even if a job pays poorly it may be a "good" job if it has other attributes

WITH THIS IN MIND BE THOUGHTFUL ABOUT WHAT INDUSTRIES TO TARGET

Ask

Ladders

shape of the industry

Skills

opportunities to learn skill that are transferable

Quality

percentage of decently paying jobs

LADDERS: THE “SHAPE” OF THE INDUSTRY

To illustrate the point

Hospitals versus Hotels

TRANSFERABLE SKILLS

The distinction between specific and general skills

Offer training: It is easy to skimp is a mistake

Among low wage workers longitudinal research—Holzer, Andersson, and Lane—found that about 76% of those who escaped the low wage labor market did so by changing employers

WAGES VARY RADICALLY BY INDUSTRY

Percent of jobs which are low wage:

retail	49%
food/drinking	72%
health care	29%
manufacturing	26%

BUT EVEN “BAD JOB GENERATORS” CAN BEAT THE RAP

Examples of high road practices in low wage industries

research on retail: better jobs leads to better customer service,
better inventory management, better
and more accurate stocking on shelves

via: reduced turnover, more
training, increased commitment

BUT: this means that if you generate jobs in “low wage industries” you need to be even more focused to assure that you follow the high road.

You need to carefully pay attention to the competitive strategy and to
management and
human resource practices

MORE ON CREATING GOOD JOBS

Build alliances

with labor market intermediaries

with community colleges

These can help lift the weight off of firms for training and also be a source of labor supply

I suspect you and these institutions often operate in two worlds, in silos, but breaking these barriers down will help you.

CHALLENGES FOR THE GOOD JOBS STRATEGY

From Firm's perspective: the excuses

Time and resources are scarce and margins are tight
so training is hard to justify unless it is fast and specific

May seem as if there is a trade-off between job quality and
profitability: and hence a temptation to squeeze

Partners—community colleges and intermediaries—can
be time consuming and frustrating

YOUR LOCATION BASED JOB CREATION IS THE RIGHT STRATEGY

There is growing evidence that the chances for upward mobility across generations varies a great deal in different parts of the country and that one factor driving this is the extent of economic inequality in the area.

Just one illustration: The probability that a child reaches the top quintile of the national income distribution starting from a family in the bottom quintile is 4.4% in Charlotte but 12.9% in San Jose

IN THE END

If you consider the past decade we have learned that “any job” is not acceptable.

People cannot live a decent healthy life on “any job”

Our social fabric is stretched by the divide between a nation of few good and many bad jobs

We need to be a nation that creates good jobs.

This can mean

good wages and/or

advancement chances and/or

worthwhile and transferable training (not just “experience”).

But creating good jobs must be our focus.

THANK YOU!