

Retrain to Retain: A Prescription for the 1980s

By JANE RAITT

American business and industry has long recognized the importance of training and development as a valuable employment activity. Billions of dollars are spent annually on programs to train people at all levels of the organization—from basic skills for entry-level employees to sophisticated management development for senior executives. It has become a fundamental component of most HRD functions, and its advantages are well-documented.

Less attention, however, has been paid to *retraining* activities. As a relative newcomer, its validity has not been tested over time; its usefulness is less obvious. New problems require new strategies. Now is the time to test retraining as one of those new strategies.

A perspective

The economic swings of the 1980s, coupled with a rapidly changing technology, have created new concerns for companies. Companies trim the “fat,” robots replace people and those jobs once deemed critical are now obsolete. Further, plant shutdowns and organizational restructuring have caused unemployment figures to soar in certain parts of the country.

This massive, structural unemployment has led to the creation of a new phenomenon...the displaced worker...the permanently laid-off

employee who has a positive work history but is out of work because of company downsizing. These individuals lack the transferable skills to compete in a tight, competitive labor market, where highly technical skills are in great demand. Consequently, they represent an economic and social burden on our local and state governments.

To meet the needs resulting from these sociological and technological changes, companies, must change the way they do business. And like our companies, we, too, will need to change our employment attitudes and training philosophies to better achieve our employment goals.

Why invest in retraining?

It is a legitimate question to ask why a company should invest in retraining. Do potential benefits justify the cost in labor and financial commitment? A review of the potential benefits may prove helpful in deciding:

- *Recruitment and placement.* Retraining reduces costs associated with recruitment and placement by reemploying seasoned, company employees. When a company is confronted with change, it has two options: recruit from outside to meet its needs or use internal resources. Although recruiting from outside sources has certain advantages in some circumstances, it is not always the most cost-effective method. New employee orienta-

tion, official or otherwise, takes time. Internal recruitment, on the other hand, represents a cost savings by mitigating against learning curves and performance gaps. “Old hands” already know the “ropes” and settle in more quickly! Furthermore, they are a known quantity; their performance levels and learning capabilities have been appraised and evaluated, whereas the capacities of new recruits are less predictable.

- *Attrition.* Attrition—and attempts to control attrition—costs companies millions each year. Retraining responds well to this problem by offering a means of continued career opportunity and personal growth to its employees. People lean toward those things that make them comfortable and secure. This is true in the relationship between employee and employer. When employees feel they are treated fairly, they are more apt to remain within an organization. Retraining goes a long way in creating a positive atmosphere by providing career continuity and mobility. It is a statement of a company’s commitment to its employees.

- *Maximum use of human resources.* Retraining provides

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the opportunity to surface quality people who, through no fault of their own, may be dead-ended. Retraining becomes an *in-house* continuing education process. New career paths and ladders are continuously created. Education and requalification is encouraged and rewarded, and a dynamic, interactive environment results. The company has tapped and groomed its own pool of company resources.

Retraining also allows maximum use of management skills. Managers actively determine training criteria and curricula, establishing trainee selection requirements, monitoring the evaluation process and creating guidelines for final placement. Management, therefore, is intimately involved in the activities they know and perform best. The individual manager becomes an active partner in the retraining process.

- *Quality of worklife.* Retraining speaks to the quality of worklife by encouraging and sanctioning individual career

permits a company to be more (if not all) things to more people. When individuals evolve with a company, a cohesive climate permeates the work environment. Employees feel cared for; their basic security needs are better satisfied and they can tackle the business at hand. Relationships within the organization are built on confidence and trust, and company objectives are met through mutuality of purpose. These factors will probably be reflected in the company's overall success.

Retrain for what?

Prior to setting up a retraining program, several questions must be answered. Specifically, what is the purpose of the project, how can it best be implemented and what resources are readily available to achieve the project goals? The answers to these can best be understood by citing a case history of a retraining project recently undertaken by a Fortune 500 manufacturing corporation in the Midwest. To my

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growth and personal development. The acquisition of new skills expands an employee's skill base, linking individual work and life goals. The employee's sense of worth is elevated, and work becomes more meaningful and rewarding. On the corporate level, ongoing organization development needs are met. The company creates its own resource pool of people to do company work; job monotony and obsolescence are minimized and positive attitudes are generated.

- *Company perpetuation.* Retraining strengthens the economic life of a company and increases its ability to compete effectively. Retraining is an organizational mechanism that

knowledge, it was the first large-scale pilot of its kind.

Hard hit by the recent economic downswing, the company found it necessary to reduce its workforce substantially—in some cases, eliminating entire departments. Many of the displaced workers were skilled, long-service employees. The company attempted to place as many as possible in other facilities, however, many were not picked up.

It was soon determined that the corporate systems function of the company needed systems and programming personnel between the beginning of spring and year end. Outside recruitment efforts were not expected to meet the

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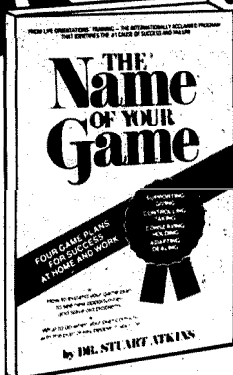
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system's need. The personnel staff, in cooperation with the outplacement office, explored alternatives. The result was a proposal, outlining a plan to rehire laid-off employees and to retrain them as programmers and systems analysts.

Through the collaborative efforts of personnel, the outplacement office and members of the systems function, the following

priorities were set and tasks were assigned:

- The establishment of trainee selection criteria and training program requirements, design and format;
- Selection of an organization to conduct the retraining program;
- Identification of various funding possibilities;
- Identification and canvass of

laid-off employees who met stated criteria;

- Arrangement of interviews to determine final trainee selection.

Upon completion of these tasks, the proposal was restated to read as follows: a retraining project that would take 30 laid-off employees who met stated criteria and would provide them an opportunity to develop new skills to satisfy the systems demand. The program would be funded by CETA Title VII monies. At the conclusion of the retraining program, all trainees would be guaranteed job placement within the company.

Once preparation had been completed, the program was launched and was subsequently evaluated. What follows is a list of those factors that helped make the retraining project a success:

- An *orientation seminar* that facilitated trainee transition into a new work environment; prepared trainees for a new career and provided support and guidance;

- Selection of an *appropriately qualified organization* to conduct the retraining program;

- *Continual monitoring and input* from related staff members;

- *Guarantee of job placement* at the conclusion of training;

- Collaborative and *cooperative efforts* of all who sponsored and supported the program.

The retraining pilot satisfied a number of objectives. It:

- Mitigated against a weakened economy by providing specialized training to laid-off workers;

- Alleviated the economic and social drain on the economy;

- Adjusted skills of an area work force to better meet labor demands;

- Provided a vehicle for the discovery of new potential that could be remarketed to the company;

- Reduced company expenses associated with layoffs;

- Eliminated recruitment and placement costs.

This pilot is only one of many retraining programs currently underway. Others are in planning

stages, and still more are being studied. As more efforts are undertaken, we can expect additional data to support the merits of and provide future direction for other retraining initiatives.

Additional applications

Reemployment of displaced workers is one application of a retraining endeavor; others can be equally rewarding. Variations will necessarily depend on situations, conditions and needs to be addressed. Suggestions to broaden the applicability of retraining follow, discussed in the context of the element common to most retraining programs.

- *Training population.*

Reemployment of laid-off workers was a useful application for the company. A vast majority of its displaced workers possessed the skills and educational background to be retrained. Another equally relevant goal could be continued employment and career mobility for present employees. National Semiconductor Corp. in Santa Clara, California is doing just that. Thirty employees are currently being retrained in the latest tools of office technology. The result will be an in-house pool of skilled employees equipped to meet future job demand and qualified for possible promotion.

- *Retraining organization.* The organization selected to retrain displaced workers in the example specialized in computer technology. Other sources may include community colleges, universities or trade schools. An equally valuable retraining source is in-house expertise. For example, another Fortune 500 manufacturing company also engaged in programmer retraining has selected internal systems specialists to provide on-the-job training and consultation to an outside training organization. This ensures shared ownership of the project and ongoing company management of the process. Whatever the mechanism, the selection decision should be made on the basis of professional

reputation, skill specialty and budget.

- *Selection criteria.* Candidate selection in the example was based on CETA requirements. The corporate systems function established additional requirements. They included a business, math, education information or science degree and previous corporate experience. National Semiconductor criteria emphasized enthusiasm, desire and ability to learn new skills and to accept a new career. Criteria, then, are specific to the organization and to the project goals. A clear definition of program objectives and detailed eligibility requirements, however, can help guide this matching process.

- *Needs identification.* The retraining curriculum in the example grew out of a need. In this case, the company needed programmers and systems analysts. Another company might require electronic welders, machine repair persons or heavy equipment mechanics. In a non-manufacturing environment, other critical skills might be required. Legal and medical secretaries, radiology technicians, health care aides, orderlies and attendants are only a few occupational areas worthy of attention. Whatever the need, companies should look carefully at their human resources forecast and should address their needs accordingly.

- *Funding.* There are many funding sources. The purpose, objectives, design and process of the proposal prepared by the company met the guidelines for funding under Title VII of the Comprehensive Employment and Training Act's Private Sector Initiative Program. Other funding possibilities may include the use of company monies or shared funding agreements. Commitment is important. When commitments are pledged, funds are usually available.

- *Job placement.* Job placement after training is perhaps the most crucial feature of an effective retraining effort. The trainees in the example were

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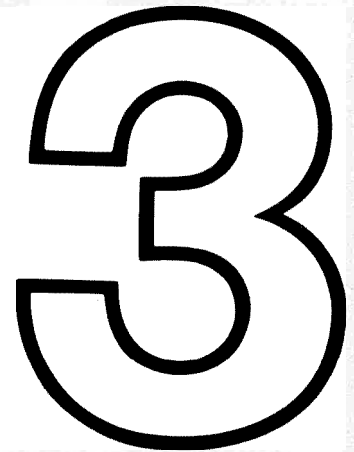
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guaranteed a job upon successful completion of the program. Without the meshing of employee needs and company demands, a company only retrain for the sake of retraining—and that, relevant to company goals and objectives, is meaningless.

Implications for the 1980s

Our most important task as personnel planners of the 1980s will be to integrate all decisions relating to the deployment of people into a comprehensive human resource plan that addresses both company goals and personal employee needs. In doing so, personnel administrators will need to be aware of and open to new policies, programs and strategies.

Retraining represents one of these new strategies. Its successful integration into an HRD plan will require us not only to expand our roles and respon-

sibilities, but also to adopt new attitudes toward our work force.

To accomplish this we must:

- *Accept retraining as a viable employment strategy.* We must first accept the value of retraining and the belief that many people are retrainable. This will mean eliminating parochial views regarding the limitations of our internal and displaced employees. The need to make the most of human potential is primary to company survival and organizational renewal. Its success rests with the modern personnel practitioner's ability to create the opportunities for continual development of human resources. To do so will also provide a measure of our own value to the organizations we serve.

- *Become experts at forecasting critical job needs.* Because of the wonders of modern technology, job forecasting has become a sophisticated science. The modern personnel administrator will need to manage that science to predict future job supply-demand needs and, subsequently, to develop training and retraining mechanisms to upgrade work force skills. Equally important will be the ability to monitor that system in order to plan for change and to ensure company viability.

- *Become vocal "politicians" and advocates of legislative reform.* Resolution of work force issues will call for collaboration between industry, government and education. In particular, it will require private sector involvement in public affairs. The Midwest is a prime example of the movement toward collaboration between industry and government. In an effort to find alternatives for the economic and social backlash resulting from a rapidly expanding technology, new alternatives are being explored. Committees have been set up to attract other industries to the Midwest. Councils have been formed to study economic growth potential. Task force teams have been established to research and forecast critical job needs. Full employment plans are being studied. Personnel ad-

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ministrators need to sit on committees, volunteer their expertise and become more actively involved in community and state affairs. Who can better represent the voice of a company and the needs of its work force than the personnel administrator?

At the cutting edge

American industry is at the cutting edge. It is watched closely, as it struggles to regain its share of the world market. It is challenged by other world powers disputing its rightful position as the titan of industrial world trade. Historically, it was considered the innovator of change and the problem-solver of industry. Our ability to efficiently and successfully bring about industrial renewal is being tested. How we respond to today's challenges will set the tone for our economic position tomorrow. Industry's response will no doubt need to link industry objectives to national goals. Simultaneously, our response will need to link company objectives to human resource potential.

Retraining presents a response to the times. It addresses the needs of all companies alike: the need to upgrade skills and knowledge based on a changing technology; the need to make education relevant to the workplace; and the need to improve job performance, product quality and overall productivity. Its inclusion in the personnel function is natural; its benefits, far-reaching.

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