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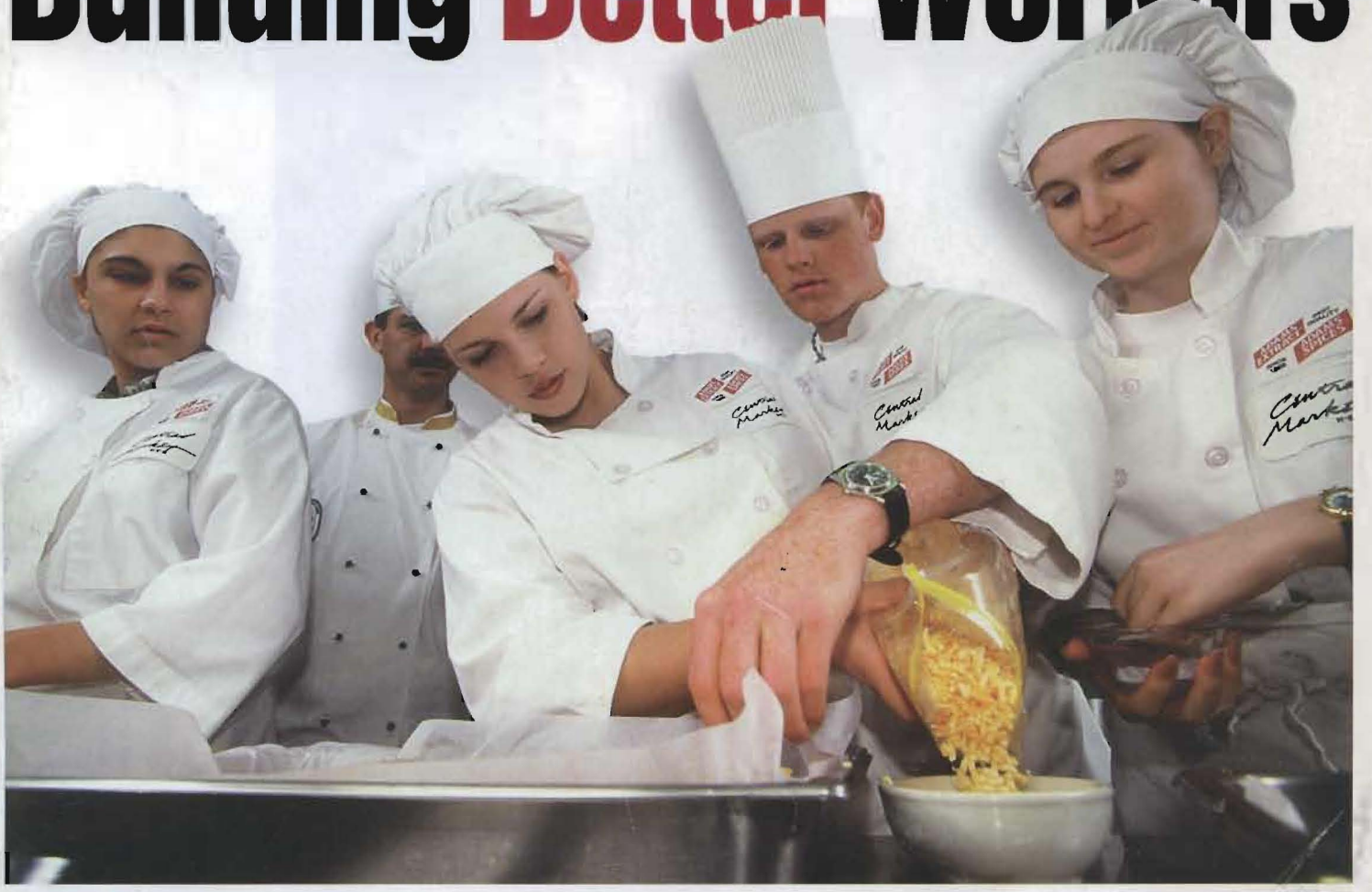

With skilled employees in short supply, companies are creating solutions to meet their current and future employment needs.

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COVER STORY

Building Better Workers

By Steve Bates

Two years ago, Advanced Microelectronics, Inc., a fast-growing computer-services company, let its employee-training programs lapse. Within months, productivity sagged and turnover soared at the Vincennes, Ind., firm. Departing workers, recalls CEO Steve Burkhart, offered refrains such as "I'm out of date" and "I'm not keeping up."

Those complaints surprised Burkhart, one of the 13-year-old firm's founders. In the 1980s he had instituted internal training programs in partnership with nearby Vincennes Community College to teach his workers additional skills, but he had not anticipated the degree of his staff's zeal for learning.

"I'm over 50," he says, "and I always thought: When I'm out of school, I'm out of school." What he found, however, was that he had "60 people each wanting $10,000 worth" of continuing education.

Burkhart responded by reinstating the training programs with "even more focus." The result, he says, was higher morale and lower turnover. Training is "just about a seven-day-a-week process around here now," Burkhart says. "It seems to be almost a demanded benefit, or people don't feel like they have a valuable job."

And the revitalized training effort was not just targeted to his computer-repair and network-service technicians. Burkhart also offered bookkeepers and other administrative staffers a chance to learn word-processing and spreadsheet software programs at evening classes.

Fearing a low turnout, he offered free pizza to all comers. But workers, who signed up in big numbers, said no enticement was necessary. Training is "a big deal for companies—no matter what size they are," says Burkhart.

Burkhart is just one of countless American employers who have discovered that

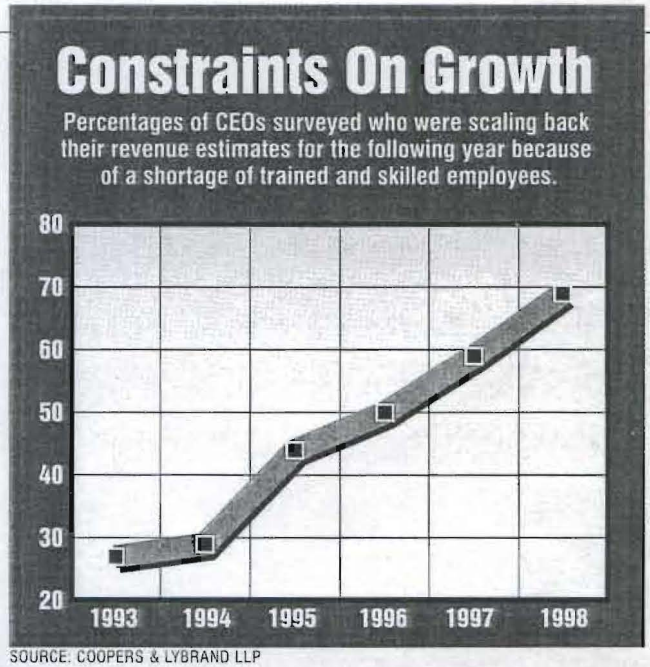
PHOTO: ©SHAWN SPENCE

Feeding workers *information and pizza at Advanced Microelectronics, Inc., a computer-services firm in Vincennes, Ind., are trainer Bob Haygood, seated, and, behind him, CEO Steve Burkhart.*

U.S. companies need a more highly skilled work force. Almost all employers can do something to make that a reality.

finding and keeping good workers is one of the greatest challenges facing them today. An expanding U.S. economy and a correspondingly low unemployment rate have created a powerful demand for intelligent, well-trained workers, especially in booming technology-related businesses.

Companies are going to great lengths—and great expense—to find experienced workers, often luring them from competitors or bringing them in from overseas. Some firms hoping to snag entry-level workers sent representatives to Florida beaches this past spring to interview college students who had gone there for spring break. Other companies are trying equally creative means of attracting workers. (See "Smart Tactics For Finding Workers," January.)



SOURCE: COOPERS & LYBRAND LLP

Businesses are stretching the bounds of what is normally considered the work force to fill staff vacancies. They're recruiting retirees and offering computer-related training to people who have little or no background in the field. And, in an initiative that benefits government, society, and business, firms are hiring individuals off the nation's welfare rolls.

While such programs are helping to reduce the backlog of job vacancies—particularly in high-tech industries—they aren't enough to guarantee an adequate supply of capable workers. Business leaders are increasingly coming to realize that the work force necessary for fueling America's economy now, in the near future, and into the 21st century is not one that they can simply buy or borrow. They must build it.

Small Firms Hit Hard

Small businesses have been hit particularly hard by the shortage of skilled workers. Many of them lack the personnel departments that larger firms employ to focus on such tasks as recruitment, and they can't afford to match the financial incentives that large firms can offer potential employees.

Finding workers is "the No. 1 priority for our company," says Steve Kenda, CEO and president of Kenda Systems, based in Salem, N.H. The firm employs just over 100 full-time workers and uses about 600 contract workers to provide temporary information-technology services.

"It's the primary reason for our company not growing faster," says Kenda. The firm has "lost a lot of people to recruiters" but is bringing on two talent coordinators to ensure that Kenda Systems finds and keeps the best people.

A recent survey of small but growing companies such as Kenda's, conducted by New York City-based professional-services firm Coopers & Lybrand LLP, found Kenda's experience to be similar to those of many other companies. (See the chart above.)

More than two-thirds of the firms that responded to the survey said that a lack of skilled workers will limit their revenue growth this year—up from 50 percent who said so two years ago and 27 percent in 1993. The skills shortage was by far the most significant factor cited by respondents as limiting growth.

The results of a *Nation's Business* reader poll, which were published in the May issue, underscore the pervasiveness of the skills shortage. Fifty-nine percent of respondents said it has been "very difficult" to find qualified workers in the past year; only 10 percent said that it had not been difficult or that their firm was not hiring.

About half of the respondents said they were unsatisfied with the quality of applicants, and more than one-third said jobs generally remained vacant at least three months as a result.

A Matter Of Money

American businesses spend about 1 percent of their payroll costs on training, but closer to 3 percent might be needed to succeed in the next millennium in competitive industries, some business researchers say.

Though Kenda and Burkhart have put a premium on educating their staffs, many CEOs of small businesses are hesitant to invest heavily in worker training. Some see little immediate payoff to justify employees' time away from the office and the expense of the classes.

Maintaining that view could be a serious mistake, however, says Herbert London, president of the Hudson Institute, a research organization in Indianapolis. The plenitude of cheap workers that existed for generations has all but disappeared, which means that "every potential employee becomes valuable. ... We have to think about investing in human capital," says London.

There are some pressing reasons to so do. "Placement firms' fees are going up, and turnover costs are high," says John N. Evans, deputy director of Arthur Andersen's Enterprise Group in New York City, which provides advice to midsize companies, many of them closely held.

"Try to be ahead of the curve," he suggests, by hiring top people, training and

CHARTS: KATHLEEN VETTER

treating them well, and understanding why they leave. Often, he notes, "compensation is not as important as how employees feel they're treated and empowered." Giving workers access to the Internet and new job-related skills, for example, can make a big difference in their productivity, Evans says.

Business executives frequently "underestimate the role of on-the-job training, both formal and informal," agrees Murray Weidenbaum, chairman of the Center for the Study of American Business at Washington University in St. Louis.

A promising applicant who is not trained in a particular job skill might be better than a less inspired applicant who has experience in a particular job area, says Weidenbaum. "Look for highly motivated young people and train them yourself."

The Shifting Nature Of Work

Investing in quality workers is becoming particularly crucial because the nature of work is changing. Increasingly, employers are demanding not only skills oriented to specific tasks but also the ability to think critically and solve problems.

Fewer and fewer jobs can be performed by people with no special training or skill. Even maids at some hotels must be able to use a computer to maintain an inventory of supplies. Yet more than half of American adults have no formal education beyond a high-school diploma.

"There's no such thing as getting a meaningful job today without a strong academic education," says Rep. William F. Goodling, R-Pa., chairman of the House Education and the Workforce Committee.

High-tech jobs are in supreme demand. While the need for people with those skills will continue to increase in the next few years, the growth of jobs will vary significantly by industry during the early 21st century. (See the chart on Page 21.)

According to the U.S. Bureau of Labor Statistics, the number of technical jobs will continue to grow, but professional specialty positions and lower-paid service jobs will also increase significantly in the next decade. Health services, business services, social services, and engineering, management, and related services will account for nearly half the jobs added to the economy from 1996 to 2006, the agency forecasts.

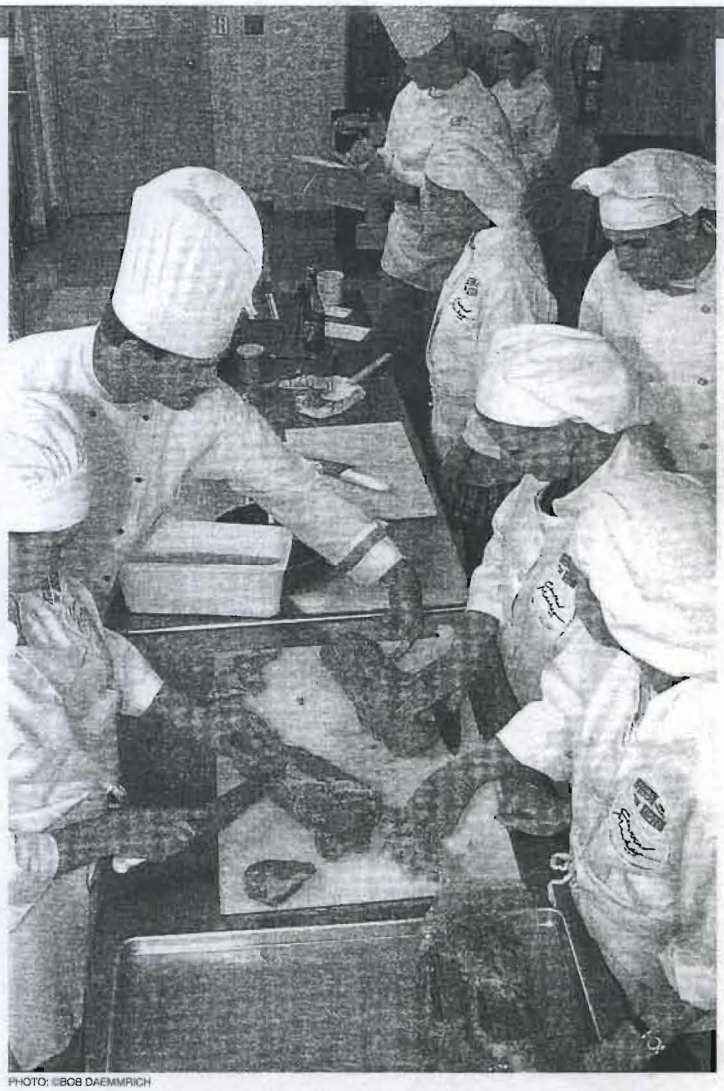


PHOTO: ©BOB DAEMMRICH

Sharpening the skills *of Dëjá Gibbins and other students, chef Peter Wabbel gives a lesson in trimming pork at James Bowie High School in Austin, Texas.*

Failing To Measure Up

As the need for a better work force increases, many executives say a disturbing number of job seekers don't measure up. A recent survey by the National Association of Manufacturers, based in Washington, D.C., found that 60 percent of manufacturing firms say current workers lack basic math skills, and 55 percent report having employees who are deficient in writing and comprehension.

Perhaps more significantly, many job seekers lack the basic life skills needed to hold any job: preparing a résumé, dressing appropriately for an interview or job, and arriving on time.

Researchers, meanwhile, say the raw intelligence of young people today is higher than that of previous generations. However, their academic achievement isn't keeping pace with their learning potential, according to some measurements.

Nationwide standardized tests show relatively good results for elementary grades, but as young people progress through middle and high schools, their academic achievement appears to tail off by some measurements—particularly scores on mathematics and science tests.

Focus On The Schools

"Public education today is totally inadequate to the task," says William E. Brock, a former U.S. secretary of labor who runs Intellectual Development Systems, Inc., an Annapolis, Md., firm whose programs are structured to enhance intelligence and improve academic performance. "Our schools are not designed for the workplace," says Brock. The worst of it, he says, is that "nobody is telling the kids that they're unprepared."

Many business people share Brock's view. And while some simply throw up their hands in despair, he and others espouse an activist agenda: Business people should demand better results and get involved.

At a February symposium on the work force in Washington, D.C., organized by the U.S. Chamber of Commerce, retired Gen. Colin Powell declared that "we in the profit sector can do a lot more by getting involved in the education of our children." Powell heads America's Promise—The Alliance for Youth, a national organization based in Alexandria, Va., that encourages volunteerism on behalf of at-risk youth. (See the interview with Powell on Page 25.)

President Clinton and Democratic leaders in Congress are pushing an agenda that calls for hiring 100,000 additional public-school teachers over the next seven years and would spend $22 billion in just two years to repair and upgrade public-school buildings.

Republican leaders in Congress prefer a plan to create tax-free savings accounts for children's education, to give communities more flexibility in spending federal education aid, and to start school voucher projects in more than 20 cities so families could send students to private schools.

A separate bill, sponsored by Sens. Mike DeWine, R-Ohio; Jim M. Jeffords, R-Vt.; Edward M. Kennedy, D-Mass.; and Paul David Wellstone, D-Minn.—and backed by

the U.S. Chamber and a wide variety of other organizations—would streamline job training. S. 1186, the Workforce Investment Partnership Act, would consolidate skills training, career counseling, and job-bank services and coordinate them with services such as transportation and child care.

But the career-preparation process starts with the public schools. Says Brock: "We need to rethink what it is that we want from education. We're not teaching students to be adaptable, to value job skills and integrity." To demand improvements in education and career programs, says Brock, "small business has got to work in a more collective way."

The federal School-to-Work program, a collaborative effort of the U.S. Education and Labor departments, encourages partnerships between educators and business people. It provides seed money to such partnerships and is scheduled to be dissolved in 2001, at which time local governments, citizens, and community groups would have to fund the efforts.

In some communities where businesses and educators are committed to career-oriented partnerships, young people are gaining much-needed insight into the world of work.

Yet perhaps just as significantly, business people are rediscovering the difficulty—and the importance—of preparing the next generation of workers.

Evans, of Arthur Andersen's Enterprise Group, notes that most companies—particularly small and midsize firms—find the vast majority of their work force in the immediate area around their office or plant. That, he notes, means that forming partnerships locally can pay solid dividends. "Start to team up with those schools" in your community to cultivate your future labor pool, he suggests.

Employment Trends

While the U.S. work force will grow by more than 18 million people from 1996 to 2006, some employment sectors will far outpace others.

Job Category	Portion Of Work Force			Growth In Jobs	
	1986	1996	2006	1986-1996	1996-2006
Executive, administrative, managerial	9.5%	10.2%	10.5%	28.1%	17.2%
Professional specialty	12.2	13.7	15.2	33.7	26.6
Technicians and support	3.3	3.5	3.7	24.0	20.4
Administrative support/clerical	18.7	18.1	17.1	15.1	7.5
Service	15.6	16.1	16.7	22.2	18.1
Agriculture, forestry, fishing	3.3	2.9	2.5	3.4	1.0
Precision production, craft, repair	12.4	10.9	10.2	4.4	6.9
Operators, fabricators, laborers	14.6	13.5	12.8	10.1	8.5

SOURCE: U.S. BUREAU OF LABOR STATISTICS

A Texas Recipe For Success

If you walk into Peter Wabbel's main classroom, down an ordinary hallway in the middle of James Bowie High School in Austin, Texas, your eyes and ears might be tricked into believing you're in the wrong building.

White-garbed chefs-in-training are bustling around stainless-steel tables. Dishes are being stacked, celery is being sliced, and advice is being offered on sauces and spices. If it seems like a restaurant kitchen, that's because it is.

Wabbel's "staff," male and female students attired in chef's aprons and hats, is preparing a banquet they will serve the next day. The students in the culinary-arts program have their own catering business, and some work in local restaurants after the school day ends.

Are these young people learning marketable skills? Do they have any idea of what the world of work is like? They don't just think so. They know so.

"Look at this; this is fun!" proclaims Dëjá Gibbins, 16, a sophomore trimming fat from a pork tenderloin roast. As she works, Wabbel—a professional chef with an impressive résumé—passes by, suggesting that she reverse the direction of the knife.

"The experience is so cool," says Gibbins. She expects "lots of opportunities to get jobs" once she finishes her formal educa-

What Employers Can Do

The following suggestions on what employers can do to improve the U.S. work force are drawn from discussions with business and industry leaders, as reported by Reingold Associates, Inc., a Washington, D.C.-based firm of school-to-work and workforce-development consultants.

For more information on employer involvement, call Reingold Associates at (202) 686-8600 or contact the organizations listed in the box on Page 27.

In The Workplace

- Train employees and their children in nontraditional skills, such as how to interview, how to dress for a job, and how to get a driver's license.
- Develop training programs and flexible schedules that encourage employees to be good mentors and good parents.
- Offer students workplace tours and job-shadowing programs, in which youths spend a day with a worker.
- Hire students as summer employees and as interns and apprentices during the school year.

In The Schools

- Encourage employees to visit schools and tell students about the world of work.
- Work with school officials to design curricula and create practical examples that illustrate how students can apply classroom learning to real-world jobs.
- Bring educators into the workplace to work with employees and gain their own perspective on the working world.
- Create programs with guidance counselors to inform them about what employers and colleges require.

In The Community

- Talk with school boards and consider seeking election to the boards.
- Hold leadership academies in which business and industry executives and officials from other school systems lend their expertise to educators and others.
- Create career days and job fairs at which employers tell young people and their parents what they expect.
- Lobby government officials to support school-to-work programs and to demand strong academic standards.

PHOTO: RICARDO FERRO

She's the boss: *Jennifer Jones, 10, a fifth-grader at Garrison-Jones Elementary School in Palm Harbor, Fla., plays the role of mayor at Enterprise Village, a career-training facility in Largo, Fla.*

tion. The class spends about 20 percent of its time in a traditional classroom and the rest in hands-on food preparation in the kitchen and in the miniature restaurant next door, where they can practice serving. "The classroom [part of the course] is not the same," says Gibbins. "This is where the magic happens."

Classmate Nicholas Ross, 17, a junior, has an even better idea of what it's like to be a professional chef. Four or five afternoons a week, he works at the restaurant in Austin's posh Four Seasons Hotel, baking breads and preparing desserts.

His older, full-time co-workers at the restaurant "gave me a little bit of a hard time at first," recalls Ross, but "I've kind of earned some respect. I wanted to show them that I know some things" about cooking.

The experience at the restaurant "has shown me that this is what I need to be doing. When I leave, I don't feel that I've wasted my day. I've learned something tangible." Not only that, but the staff at the Four Seasons let him "put some of my own creativity" into the desserts, and they make sure that he earns good grades at school. "They've been a godsend," says Ross.

Culinary arts isn't the only recipe for career preparation at the high school. Industrial electronics is a highly popular elective, particularly because Austin has become home to several high-technology businesses. Students learn in labs filled with the latest scientific gear, and many earn summer jobs at area businesses—as do some of the school system's teachers.

For example, Advanced Micro Devices (AMD), a Sunnyvale, Calif.-based company that manufactures semiconductors at a plant in Austin, provides internships and apprenticeships to students planning careers in electronics. But it also makes this offer to many promising youths: Sign a contract pledging to work for AMD for at least two years after graduating from college, and the company will pay every penny of your tuition.

Then there's Lanier High School's criminal-justice program, in which students ride with police officers on their rounds and make trips to the Austin morgue. And there's a performing-arts program. And a broadcast-journalism program. In all, there are nine career specialties from which all students in the Austin Independent School District's school-to-work program must choose an area of concentration by the 10th grade.

The students fill thick binders, called career portfolios, to show to potential employers. The portfolios include résumés, photos, and other evidence of their achievements.

> "We need to rethink what we want from education. We're not teaching students to be adaptable, to value job skills and integrity."
>
> —William E. Brock, Former U.S. Secretary Of Labor

Austin Effort No Accident

Austin's career-preparation system didn't happen by itself; as recently as 1995, the Austin schools didn't even offer an industrial-electronics course. Concerned that an unprepared work force would choke the city's economic progress, the business community proposed a partnership with the school system. Educators accepted the challenge.

About 2,500 local businesses have "adopted" schools, providing mentors to individual students or providing state-of-the-art laboratory equipment. Industry leaders meet regularly with educators to plan and adjust career programs in Austin's 10 public high schools.

"We need to look at the data. Do we need high-tech programs in all of the high schools? Do we have too many cosmetology students? We don't want to flood the market," says Diane Hodges, executive director of the city's school-to-work program.

A key to the success of the initiative is that "students learn to make career decisions," says Hodges. "When you go into high school, you have an individual academic and career plan," she says. "One girl was upset, saying she had discovered that she didn't want to be an accountant" after having worked toward that goal through high school, notes Hodges. "I said, 'That's wonderful; at least you didn't go all the way through college before finding out.'"

Careers For All Students

The Austin program isn't just for students bound for four-year colleges. In a well-appointed industrial-electronics lab at Austin Community College, teacher Martin Frye gives three high-school students a lesson on impedance in capacitors—a building block to the understanding of the sophisticated devices they will use in their work after graduation.

"Try to be methodical; it will make you a better technician," says Frye as his students punch buttons on calculators. The message is clear: Learn this, and you will get a good job. "I won't go on

Continued on Page 26

Continued from Page 24
until you're sure you can calculate the right answer," he adds.

His students, part of the Accelerated Careers in Electronics (ACE) program, split their time between the community college and Lyndon B. Johnson High School.

"A lot of people get out of high school and don't know what they're going to do," says James Chambers, 18, a senior. In schools without career programs like his, "they teach you stuff, but you don't see what to do with it. We'll really use this in a job. It's not something you just learn and throw away."

PHOTO: ©SAL DIMARCO—BLACK STAR

A "university concept" *ensures that Farid Naib, CEO of financial-software firm FNX Limited in Wayne, Pa., maintains a highly skilled staff.*

Making It Happen

One of the biggest challenges to putting together a program like Austin's is finding qualified teachers, say city school officials.

Mark Coleman, like Austin Community College's Frye, is certified to teach at the college level. At the moment, though, he doesn't have much time for that. He works full time as a quality engineer for Dell Computer Corp. and spends four hours a day teaching industrial electronics at Bowie High School. His students can earn dual credits toward degrees at the high school and the community college under an arrangement between the institutions.

"I know how it was when I was a student," says Coleman, "and I want to give something back. I really like it when that light bulb goes on" and a student solves an important problem. Classes such as his "make the difference between flipping burgers or working for Dell or AMD," he adds.

Despite their success to date in developing career programs, the Austin schools "are getting there, but we're not there yet," says Glenn West, who heads the Greater Austin Chamber of Commerce.

He says communities that want to improve the effectiveness of their schools must keep one thing in mind: Education and business leaders must prepare young people for the jobs that are available in that community. "It's very much a bottom-line issue," he says.

And while programs like Austin's are made easier by a booming local economy, that's not a prerequisite. Business people in Las Cruces, N.M., have started with a more focused program sponsored by local banks. That's good enough for 18-year-old Crystal Vela.

Each morning she attends classes at Oñate High School in Las Cruces, where she is a senior. Each afternoon she works at the Matrix Capital Bank in Las Cruces. And two nights a week, she takes college-credit courses at Doña Ana Branch Community College in town. It's a grueling schedule at times, but she believes that the effort will pay off.

"I feel like I'm really getting ahead in life," says Vela. She is earning $5.75 an hour at the bank and is rotating through every department to gain a wealth of experience. Before the program, she had no real career plans. Says Vela, "This really gave me a sense of direction."

Educators and business leaders are finding that it's never too early to encourage students to think about careers. Every weekday, about 100 fifth-grade students in Pinellas County, Fla., storm into Enterprise Village, a miniature business district. Children enter cinder-block "buildings" to play the roles of grocers, bankers, and other wage earners.

The 18,000-square-foot facility, built by a foundation set up by area businesses and donated to the county school system, hosts about 12,000 students each year. Similar facilities have been built by nonprofit groups or school systems in Indianapolis and other communities, and more are in the works around the country.

It's not a day of idle play for the participating children. For more than a month before their visit to Enterprise Village, they study what it's like to be in the work force. Then they get to put that learning to work as consumers and as employees of one of about 20 mock businesses. They open bank accounts, apply for car loans, deal with customers, and make change.

"It's realistic. It's hands-on, and that's important with today's children," says Keith Gall, manager of the facility. "They really get a sense of what it's like to be a business person and a consumer."

Business Urging Reform

Sometimes, adults need to be reminded what it's like to be a student, say some business people. To that end, the Florida Chamber of Commerce Foundation, a coalition of local chambers in that state, kicked off a program designed to reverse what many business people and other citizens perceived as a decline in the quality of the state's public schools. With a 1994 report titled "No More Excuses," the foundation announced a bold "era of business-led reform" aimed at producing world-class public schools.

Part of the effort is a series of three-day "academies" in communities around the state in which business people, educators, parents, and others learn about practices that are improving academic achievement in schools around the country.

"For years, business people [in Florida] tried to work with school task forces and had been frustrated," says Ruth Mustian, executive director of the state chamber foundation's WorldClass Schools Inc., based in Orlando.

The collective effort is starting to pay off, but "business has to keep the pressure on," says Mustian. That means demanding better results and working in schools with young people. "Don't just donate a used computer," says Mustian.

While children and young adults are the focus of many career-preparation programs, business isn't limiting its efforts to them. In Sacramento, Calif., groups of senior citizens who are near the poverty level are being trained to use software by Microsoft Corp. of Red-

mond, Wash., as part of a pilot program funded by the U.S. Department of Labor.

Others act on their own. Just ask Scott E. Bird of Scottsdale, Ariz., who invested $8,000 of his personal savings in a series of computer courses for himself last year.

Not a computer guru by nature, Bird nevertheless took the courses to become a Microsoft certified systems engineer, which qualifies him to install and maintain server computers at the core of business networks and the PCs attached to them.

Following that, he continued taking courses until he became qualified to teach people seeking that certification.

In the first two months after completing his courses—working part time, no less—Bird earned back the $8,000 cost of his courses. Not bad for a 72-year-old.

"All my friends were out playing golf or investing in mutual funds," says Bird, now 73. "They thought I was crazy." He pores over extensive ads for information-technology workers, shakes his head, and proclaims: "This is the wave. Let's catch the wave!"

To Learn More

Here are some organizations that businesses can contact for help in developing a better work force:

- The American Society for Training and Development, a professional association raising standards for workplace training; Alexandria, Va.; (703) 683-8100; *www.astd.org*
- The Center for Workforce Preparation, an arm of the U.S. Chamber of Commerce promoting better skills and positive attitudes among workers; Washington, D.C.; (202) 463-5525; *www.uschamber.org*
- Junior Achievement, a nationwide, nonprofit economic-education organization seeking business people to serve as volunteers in schools; Colorado Springs, Colo.; (719) 540-8000; *www.ja.org*
- The National Employer Leadership Council, a business coalition promoting employer participation in training activities; Washington, D.C.; (202) 822-8027; *www.nelc.org*
- The Welfare to Work Partnership, a nonpartisan effort to move people off public assistance and into private-sector jobs; Washington, D.C.; (202) 955-3005; *www.welfaretowork.org*
- WorldClass Schools, Inc., a business-led organization urging education reform; Orlando, Fla.; (407) 418-4441; *http://worldclass.flchamb.com/*

Campus Partnerships

Community colleges and universities are making waves of their own with the young, the old, and everyone in between in partnerships with businesses.

Companies in the Columbus, Ohio, area are sending executives to Ohio State University's prestigious College of Business for short but intensive training tailored to their needs. Programs can last from a few days to a few months, says Joseph A. Alutto, dean of the business school. "You can think of them as just-in-time learning," he says.

At FNX Limited, a company based near Philadelphia that provides software to large financial institutions, no one is hired without passing a pressure-packed, 12-week course in real-world finance.

Even a job applicant with impeccable grades at a major graduate school spends 10 hours a day in class, followed by several hours of homework each night.

Farid Naib, the company's founder and CEO, says he found out the hard way that even the best formal education can't teach people how to do a job. Previously, "when we hired people, we found that they didn't really know enough about the financial markets. We did the 'Go sit with someone who knows what they're doing,' but that wasn't enough."

The firm's "university concept," as Naib calls it, costs at least $15,000 for each worker added to the payroll. But, like so many growing companies, FNX found that a lack of job skills among employees was the firm's biggest impediment to revenue growth. "We see [the training] as a strategic strength," says Naib.

FNX was a 1997 honoree in the Blue Chip Enterprise Initiative, which recognizes small firms that have surmounted major challenges. The competition is cosponsored by Massachusetts Mutual Life Insurance Co., known as MassMutual—The Blue Chip Company; the U.S. Chamber of Commerce; and *Nation's Business*.

Adds Naib, who forecasts that company revenues will jump to $24 million this year from $18 million in 1997, "I don't see this [intensive training] in any of our competitors—yet."

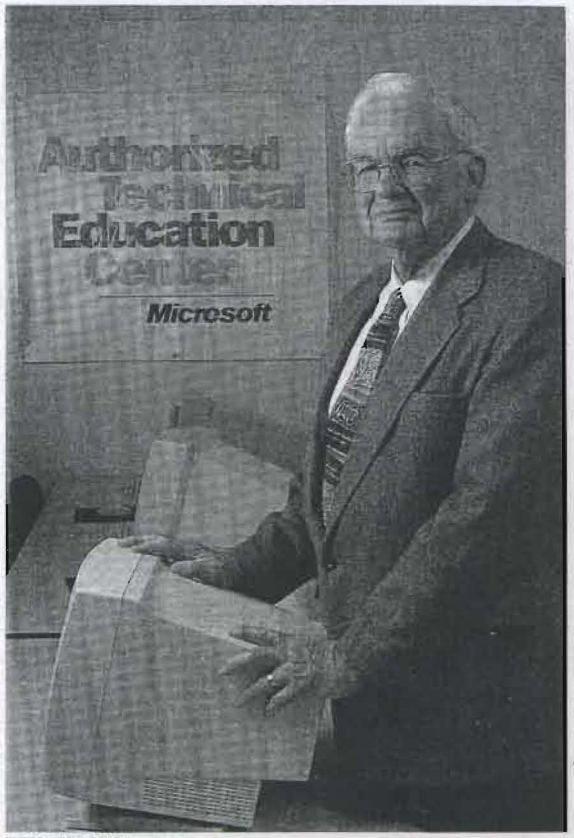


PHOTO: ©PAUL GERO

Riding the wave *of new careers for senior citizens, Scott E. Bird teaches aspiring Microsoft systems engineers in Scottsdale, Ariz.*

Not every company can afford that kind of training program or offer college scholarships. But almost every company can do something to improve the effectiveness of its employees or give a boost to the work force of the future, say many leaders in the increasingly intertwined worlds of business and education. (See "What Employers Can Do," Page 21.)

To start, says Hodges of the Austin school system, "all it takes is people getting together and saying, 'You do this, and I'll do that.'"

She recalls how frustrated Austin educators were a few years ago when science labs needed new carpets and the school system's procurement policy didn't offer much hope of fast action.

Hodges and other school-system officials met with area business people to see if they could help. Before long, they not only had re-carpeted the labs but also had networked three schools for computer systems.

Says Hodges: "The power of business is just amazing." NB

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Colin Powell Tells How You Can Help

Retired Gen. Colin Powell, who served as chairman of the Joint Chiefs of Staff under Presidents Bush and Clinton, is now chairman of America's Promise—The Alliance for Youth. The organization, based in Alexandria, Va., is a national not-for-profit group dedicated to improving the lives of at-risk youths, particularly by improving their employability.

In a recent interview with *Nation's Business*, Powell elaborated on the ways in which small-business people can help develop their future workers. Here are edited excerpts from that interview:

Q We've seen impressive contributions from corporate America to America's Promise. Some small-business people may think they can't do anything as significant. What can they do?

A I would start by saying that they are more important than the major corporations because they live in these communities; they are out there in the field.

Every small business out there that can hire a youngster—for an afternoon job, a Saturday job, a summer job, or a holiday job—is providing a safe place for a youngster, putting that youngster in the presence of adults who care about the person, teaching that person responsibility, structure, discipline, math, and how to interact with customers or others in the work environment.

But they have to do more than just hire their partner's kid or their neighbor's kid. They have got to find a kid who might not look like too much right away, who might need a little bit of coaching and training, who might need a little bit of instruction in how to show up on time, dress for the job, and interact with customers.

Q My sense is that small business can get involved in a number of ways.

A There are other roles for small business to play. A small-business manager, a CEO, a boss, can let people go from the workplace for a few hours to go to a school on the other side of town, to spend a few hours with a child, to mentor, to read.

What corporations have found is: We're not losing a thing by doing this. We gain in employee satisfaction; we gain in employee productivity at the end of the day; and we gain in what it says to the community about the responsibility of that corporation in the community.

I know it's hard, but it's so important, and it's going to mean something.

Q Whose responsibility is it to ensure that the schools graduate young people with adequate math and reading skills?

A The reality of life in America is that the ones who make the school system function are the parents. Where you have caring, involved parents who worry about their children and who constitute a strong family unit and who pay real-estate taxes—guess what? You've got a good school system because those parents demand accountability.

The problem is that we have too many communities in America where that strong parental involvement is not there and sometimes the tax base isn't there. Those schools tend not to be as good.

The way we can compensate for that is to bring adults from elsewhere in the community into that environment to serve as parents.

PHOTO: KEN TOUCHTON

Joining forces *to provide resources to at-risk youths, America's Promise Chairman Colin Powell gives U.S. Chamber of Commerce President and CEO Thomas J. Donohue a red wagon—a symbol of support and optimism for youth—at a February Chamber symposium.*

Q Some business people are wary of partnerships with educators. It seems that when they put that aside, they learn a lot.

A They're learning a lot about their customers; they're learning a lot about the kind of training programs they'd better have in place as these youngsters come out of high school; and they're learning a lot about their community.

There's a tremendous opportunity there for small-business leaders.

But you've got to enter it knowing it may not be easy. You've got to enter it knowing you may pick up a kid who gives you trouble. But try again, please. Please try again.

U.S. Chamber Urges Youth Hiring

The U.S. Chamber of Commerce has joined with America's Promise—The Alliance for Youth to encourage companies and organizations to provide jobs for young people this summer.

"This is one way businesses can give students exposure to the workplace and help improve their readiness for jobs later," says Leslie W. Hortum, the Chamber's senior vice president for federation development.

The Chamber is asking companies to make a written commitment to hire students for the summer based on each firm's number of employees. Firms with up to 30 workers are asked to hire at least one youth full time for the summer; firms with 31 to 50 employees, two workers; 51 to 100, three workers; 101 to 500, four workers; 501 to 1,000, six workers; and more than 1,000, seven workers.

Employers should fax their commitments—stating their employment and the number of summer workers they will hire—to Hortum at (202) 463-3137. Commitments may also be sent via electronic mail to *lhortum@uschamber.com* or by mail to Leslie W. Hortum, Summer Hiring Program, U.S. Chamber of Commerce, 1615 H Street, N.W., Washington, D.C. 20062-2000.

Participating employers will receive a thank-you letter from Gen. Colin Powell, chairman of America's Promise, and a pin symbolizing the organization's mission.