

How Employers Create Good Jobs to Maintain Their Competitive Advantage

February 22, 2018



Investing in
America's
Workforce

Improving Outcomes for
Workers and Employers

Logistics

- The recorded version of this webinar with audio is available online at <https://www.youtube.com/watch?v=9asu4CYoXmU>

Investing in America's Workforce

- A Federal Reserve System initiative to reframe workforce development as an investment
- Focus on improving outcomes for workers and businesses
- Wide range of resources available across the Federal Reserve System at www.investinwork.org
- This Job Quality Webinar Series presents leading organizations focused on three perspectives:
 - Employer
 - Worker
 - Research

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Fred Dedrick
President & CEO

fdedrick@nationalfund.org

www.NationalFund.org



Our mission is to drive policies, practices and investments that...

- Help individuals succeed at good jobs
- Provide skilled workers to employers
- Generate inclusive community prosperity

Background

- Supported by national philanthropy
- 32 regional funder collaboratives in 25 states
- Organize employer-led partnerships in multiple industries
- Initially focused primarily on skills development and placement
- Over ten years, assisted 100,000 individuals
- Pre-employment services, skills training, credential acquisition and job placement

New Focus

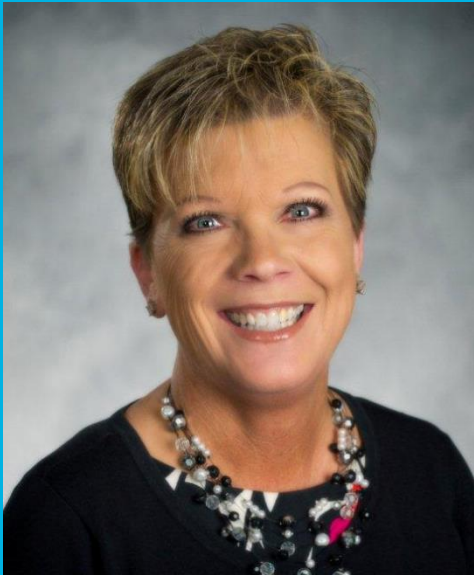
- Advocating for improved workforce development systems
- Increased emphasis on business practices that prevent employees from gaining a quality career
- Quality career: a job with dignity, safety, opportunity to learn, pathways to advance, and wages to more than support basic cost of living
- Looking to high road employers for ideas on how to create and support good jobs

Lessons We Are Learning

- Good skills don't guarantee a good job
- A job, any job, may not be worth the investment of precious training dollars
- Employers with high turnover must be challenged about their practices
- A good job is not just about wages

Lessons We Are Learning

- A tight labor market creates new opportunities for different conversations
- Considerations of job quality must be an essential component of workforce development
- Many companies are already providing good jobs – Examples today
- We can learn a lot about job quality from these companies



Kathy Jewett
HR Manager

Meet **XLT**:

- Sector: Manufacturing
- Product: Industrial Conveyor Ovens and Ventilation Systems
- Privately-held
- Employees: 160
- 200,000 sq ft facility


Overview of XLT

- Company started 60 years ago in Wichita, KS
- Since 2000, XLT has designed and built conveyor ovens (“pizza ovens”) and hood ventilation systems
- Sells products to over 80 countries
- Currently has 160 Team Members
- Strong concentration on increased automation and robotics in the manufacturing process and products
- Aggressive growth and new product development plans



XLT Culture

- Recruiting Philosophy:
 - Team Members, Not Employees
 - Picky About Team Member Selection
 - We Hire for Character and Values vs. Skill
 - Move with a Purpose



**Teamwork: Selfless
Acts Toward a
Common Goal**

Benefits XLT Offers Team Members

- Excellent Pay
- Health & Dental Insurance
- Profit Sharing
- 401(k)
- Tuition Reimbursement
- Paid Holidays
- Vacation (and PTO for hourly Team Members)
- Flexible Spending Accounts
- Educational Assistance
- Voluntary Benefits
- Paid Bereavement



Profit-Sharing is Critical to the Success of XLT Team Members

- We decided to offer profit-sharing because Team Members become invested in all they do
- 25% of annual profits are shared with Team Members
 - Includes the maximum contribution to 401(k) accounts allowed by the IRS
 - Balance of the 25% Profit Sharing is paid in cash
 - In many cases, this doubles a Team Member's annual pay
- Team Members are increasingly interested in how XLT spends its dollars and increases its sales
- The biggest challenge has been:
 - Understanding to whom much is given, much is expected – Standards are high!

Financial Wellness/Education is also Critical to the Success of XLT Team Members

We decided to offer financial education with these benefits:

- **Proven Plan for Success:**
Step-by-step plan for financial health
- **Online Budgeting Tool:**
EveryDollar (learn where every dollar goes)
- **Motivating Content:**
Learn from Dave Ramsey and his experts

Dave Ramsey's SmartDollar Program (online/mobile)



SmartDollar helps you reach your money goals with a proven, easy-to-follow, step-by-step plan that will help you get out of debt, save for retirement, and make your money work for YOU!



LifeLock Offered to all Team Members

SEMI-MONTHLY SERVICE PLAN OPTIONS		LifeLock Benefit Elite	LifeLock Ultimate Plus™
	Employee Only [18 and over]	\$1.74	\$10.25
	Employee +**	\$5.99	\$22.99

SERVICE FEATURES	LifeLock Benefit Elite	LifeLock Ultimate Plus™
LifeLock Identity Alert® System¹	✓	✓
Lost Wallet Protection	✓	✓
Address Change Verification	✓	✓
Black Market Website Surveillance	✓	✓
LifeLock Privacy Monitor™ Tool	✓¹	✓
Reduced Pre-Approved Credit Card Offers	✓	✓
Fictitious Identity Monitoring	✓	✓
Arrest and Court Records Alerts	✓	✓
Data Breach Notifications	✓	✓
Credit Card, Checking & Savings Account Activity Alerts¹	✓¹	✓
Investment Account Activity Alerts¹	✓	✓
Live Member Support	✓	✓
Identity Restoration Specialists	✓	✓
Stolen Funds Reimbursement up to \$1 Million*	✓	✓
Service Guarantee for lawyers and experts*	✓	✓
Personal Expense Compensation up to \$1 Million*	✓	✓
Checking and Savings Account Application Alerts¹		✓
Bank Account Takeover Alerts¹		✓
One-Bureau Monthly Credit Score Tracking¹		✓
Three-Bureau Credit Monitoring¹²		✓
Three-Bureau Annual Credit Reports and Credit Scores¹ <small>The credit scores provided are VantageScore 3.0 credit scores based on data from Equifax, Experian and TransUnion respectively. Third parties use many different types of credit scores and are likely to use a different type of credit score to assess your creditworthiness.</small>		✓
File-Sharing Network Searches		✓
Sex Offender Registry Reports		✓
Priority Live Member Support		✓

**Employee Only Coverage
for \$3.49/month (\$1.74/pay
check)!**



Financial Wellness Makes a Difference

- We want all Team Members out of debt:
 - Extreme relief, stress reduction, higher productivity
 - More positive personal and family life
- How we measure our impact:
 - Productivity increases
 - Absenteeism reduction
 - Reduced turnover

In conclusion: **Eat More Pizza!** 😊



Mike Mandina
President

Meet Optimax Systems

- Largest precision optics manufacturer in North America
- Founded in 1991
- Privately-held
- 300 employees
- 60,000 ft facility
- Workplace Dynamics top business to work for (5th consecutive year)

Our Frontline Workers

- Optical Technicians
“Opticians” =
frontline worker
- 20% expected growth
- Pipeline sources have
become very
competitive



Sourcing Talent

Challenges

- Labor law restrictions for students
- Lack of school to work programs in region
- Manufacturing stereotypes
- Lack of investment in training
- Lack of recommendations from parents, teachers and administration

Sources

- Referrals
- Academia (Vocational school, High school and College)
- Job Shadows/
Internships/Co-Ops (5% pledge)
- Other (career fairs, job boards etc.)

Job Design

- Diverse sourcing
- Educational partnerships (FAME)
- Lifelong learning
- Low complacency
- Open book transparency
- Team infrastructure – empowerment
- Accessible management

Perks and Benefits Available to All

- 25% monthly profit sharing
- Comprehensive benefit package
- 401k matching
- 100% Tuition assistance
- Off-shift premiums for pay and PTO accrual rates
- Upskilling / On-the-job training
- Fun committee (monthly social events)
- Providing opportunities to work on projects that benefit humankind
- Cross functional roles for all employees
- Use of corporate condo in Florida

System Design Supports Workers

- Invest in operational systems and infrastructure
 - Inventory control
 - Job specification flow
 - Physical tool inventory
 - Accessibility
- Higher productivity and quality
- Highly engaged employees



National Fund
for Workforce Solutions

EMPLOYER PROFILE OF JOB QUALITY

OPTIMAX SYSTEMS INC.

"THE BUSINESS LOGIC OF CONTINUOUS LEARNING"

continuous learning as the key to success in our strategy. This is why our team people will be our most valuable resource in the future and today.

The National Fund for Workforce Solutions is proud to recognize the strategies that have helped us become a leading employer in the industry. Our success is a result of the company's commitment to continuous learning.

We've put people at the center of our strategy, and that's why we've been able to attract and retain top talent. Our employees are the heart of our success, and we're committed to providing them with the tools, training, and support they need to thrive in their jobs.

Our goal is to provide the best of both worlds: a high-quality work environment that allows our employees to grow and develop, and a high-quality product that meets the needs of our customers. We're committed to providing the best of both worlds, and we're committed to providing the best of both worlds.

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OPTIMAX SYSTEMS INC.

When people work in the morning and work in the afternoon, they work for two different companies. We build our employees' minds, skills, and abilities by providing them with growth opportunities and job challenges that allow them to learn and grow.

Founded in 1987 by a group of young engineering graduates, we have grown into a leading provider of high-quality work environment. Our success is a result of the company's commitment to continuous learning. The company's success is a result of the company's commitment to continuous learning.

Optimax's 50,000 employees are manufacturing, sales, and service professionals. Our success is a result of the company's commitment to continuous learning. Our success is a result of the company's commitment to continuous learning.

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Questions?



Kelly Aiken

Vice President & CareerSTAT Director

kaiken@nationalfund.org

www.nationalfund.org

JOB DESIGN FRAMEWORK



FOUNDATIONAL

Compensation

- Wages & benefits
- Gain sharing
- Employee loans
- Access within pay period

Fundamentals

- Safety
- Fairness
- Respect
- Job Security
- Grievance procedure

Structure

- Open communication
- Stable hours & scheduling



SUPPORT

Training

- Entry level
- Specialized

Internal Assistance

- Supervisory training
- Job coaching
- Peer mentors
- Team development
- Financial counseling

External Linkages

- Tax credits
- Childcare
- Transportation
- HR services



OPPORTUNITY

Career Development

- Cross training
- Advancement
- Educational benefits

Acknowledgment

- Internal & external recognition
- Leveling of perks

Engagement

- Participation/Self-Management
- Representation/Mattering
- Pride
- Ownership

More Information?

- [Pinkerton Papers](#)
- [Optimax Case Study](#)
- CareerSTAT's [*Guide to Investing in Frontline Healthcare Workers*](#)
- [NationalFund.org/job-quality-resource-center/](#)



Register for the Next Job Quality Webinars

- **Webinar 2:** March 22, 2018 | Engaging Workers in Creating Good Jobs
 - The Aspen Institute
- **Webinar 3:** April 26, 2018 | In Search of the Employment “High Road”: A Research Perspective on Developing Good Jobs
 - The Good Companies, Good Jobs Initiative at the MIT Sloan School of Management
- Visit www.investinwork.org/conference for more information