How Employers Create Good Jobs to Maintain Their Competitive Advantage

February 22, 2018
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
Fred Dedrick
President & CEO

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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
Meet XLT:

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

Kathy Jewett
HR Manager
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
LifeLock Offered to all Team Members

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

**LifeLock Benefit Options**

<table>
<thead>
<tr>
<th>Service Plan Options</th>
<th>LifeLock Benefit Elite</th>
<th>LifeLock Ultimate Plus*</th>
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<tbody>
<tr>
<td>Employee Only [18 and over]</td>
<td>$1.74</td>
<td>$10.25</td>
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<tr>
<td>Employee</td>
<td>$3.99</td>
<td>$22.99</td>
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**Service Features**

- LifeLock Identity Alert® System
- Lost Wallet Protection
- Address Change Verification
- Black Market Website Surveillance
- LifeLock Privacy Monitor® Tool
- Reduced Pre-Approved Credit Card Offers
- Fictitious Identity Monitoring
- Arrest and Court Records Alerts
- Data Breach Notifications
- Credit Card, Checking & Savings Account Activity Alerts
- Investment Account Activity Alerts
- 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 Alerts
- Bank Account Takeover Alerts
- One-Bureau Monthly Credit Score Tracking
- Three-Bureau Credit Monitoring
- Three-Bureau Annual Credit Reports and Credit Scores
- File Sharing Network Search
- Sex Offender Registry Reports
- Priority Live Member Support

*The credit scores provided are 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.
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! 😊**
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)

Mike Mandina
President
Our Frontline Workers

- Optical Technicians
  “Opticians” = frontline worker

- 20% expected growth

- Pipeline sources have become very competitive
# Sourcing Talent

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Sources</th>
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<tbody>
<tr>
<td>Labor law restrictions for students</td>
<td>Referrals</td>
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<tr>
<td>Lack of school to work programs in region</td>
<td>Academia (Vocational school, High school and College)</td>
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<tr>
<td>Manufacturing stereotypes</td>
<td>Job Shadows/Internships/Co-Ops (5% pledge)</td>
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<tr>
<td>Lack of investment in training</td>
<td>Other (career fairs, job boards etc.)</td>
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<td>Lack of recommendations from parents, teachers and administration</td>
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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
Questions?
Kelly Aiken
Vice President & CareerSTAT Director
kaiken@nationalfund.org
www.nationalfund.org
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<th>SUPPORT</th>
<th>OPPORTUNITY</th>
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<tr>
<td>Compensation</td>
<td>Training</td>
<td>Career Development</td>
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<td>Wages &amp; benefits</td>
<td>Entry level</td>
<td>Cross training</td>
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<td>Gain sharing</td>
<td>Specialized</td>
<td>Advancement</td>
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<td>Employee loans</td>
<td>Internal Assistance</td>
<td>Educational benefits</td>
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<tr>
<td>Access within pay period</td>
<td>Supervisory training</td>
<td>Educational benefits</td>
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<td>Job coaching</td>
<td>Leveling of perks</td>
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<td>Peer mentors</td>
<td>Acknowledgment</td>
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<td>Team coaching</td>
<td>Internal &amp; external recognition</td>
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<td>Financial counseling</td>
<td>Engagement</td>
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<td>Participation/Self-Management</td>
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<td>Fundamentals</td>
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<td>Representation/Mattering</td>
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<td>Safety</td>
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<td>Engagement</td>
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<td>Fairness</td>
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<td>Pride</td>
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<td>Respect</td>
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<td>Ownership</td>
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<td>Job Security</td>
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<td>Grievance procedure</td>
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<td>Structure</td>
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<td>Open communication</td>
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<td>Stable hours &amp; scheduling</td>
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**EXTERNAL LINKAGES**
- Tax credits
- Childcare
- Transportation
- HR services

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

**SUPPORT**
- Training
- Entry level
- Specialized
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- Peer mentors
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- Financial counseling
- External Linkages
- Tax credits
- Childcare
- Transportation
- HR services

**National Fund for Workforce Solutions**
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](http://www.investinwork.org/conference) for more information