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Reemployment Experiences of Dislocated Workers in a Community Experiencing High Unemployment

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REEMPLOYMENT EXPERIENCES OF DISLOCATED WORKERS IN A COMMUNITY EXPERIENCING HIGH UNEMPLOYMENT

by

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ABSTRACT

REEMPLOYMENT EXPERIENCES OF DISLOCATED WORKERS IN A COMMUNITY EXPERIENCING HIGH UNEMPLOYMENT

by

Sharon Marie VandenHeuvel

Title III of the Job Training Partnership Act (JTPA) was enacted to provide short-term education and training for dislocated workers which would enable them to find employment in the private sector. This study was designed to examine the impact of a Title III program on participants' reemployment rates, earnings, and perceptions of long-term employment and job satisfaction at their current jobs compared to those of nonparticipants. The closing in September, 1986, of a iron plant located in Muskegon, Michigan, provided the setting for this examination. The program, which operated between July 3, 1986, and June 30, 1987, offered education and training to 614 workers who were permanently laid-off. In February and March, 1989, data were collected through telephone interviews or mailed questionnaires from 127 of the laid-off workers. Sixty-four had been participants in the program; 63 had not.

Data analysis indicated there was no significant difference in reemployment rates or earnings between participants and nonparticipants. Although 80 percent of the respondents had found full-time employment by the time of the interviews, most jobs were in entry-level, low-wage positions. Fifty-six percent of participants did not find jobs related to the training. There was no significant difference between participants' and nonparticipants' perceptions of long-term employment and job satisfaction at their current jobs. Even though most workers had worked 16 or more years at the laid-off jobs, the majority believed they now had job security. Sixty-eight percent of the respondents were paid less than at the laid-off jobs, yet 75 percent indicated they were satisfied with their current jobs. Opportunities for decision making and advancement played a major role in job satisfaction.

These findings suggest three potential problems when implementing dislocated worker programs: Recruiting and outreach efforts have initiated little response from laid-off workers, training is not always compatible with labor market demands, and linkages are often weak with the private sector.

Dedicated to

My Parents

Paul and Alice Lange

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CHAPTER I

INTRODUCTION

IDENTIFICATION OF THE PROBLEM

> Every time we allow a potential worker to drop out of the productive workforce, we incur potential future liabilities in terms of lost production, lost taxes, and increased welfare and unemployment taxes . . . unless adequate training is provided, we could find ourselves with increasing labor shortages and increasing unemployment as our labor force does not match the needs of industry.
>
> Malcolm S. Cohen
> A Preliminary Analysis of Employment and Training Programs in the state of Michigan
> (1988, p. 1)

> For in the new world economy, it is the skills and creativity of the men and women who work in our offices and factories that will determine our ability to keep the jobs we have and secure new ones.
>
> Governor James J. Blanchard
> The Michigan Strategy
> (1988, p. 8)

Over the last ten years the phrases "plant closings" and "dislocated workers" have unfortunately become familiar household terms. Pick up a newspaper on any given day, and most likely there will be a feature article on another plant that is shutting its doors, displacing hundreds of workers. In the past 20 years, millions of workers have lost their jobs because of structural changes in the U. S. and world economies induced by increased foreign competition, higher energy prices, advanced technologies, and consumer

demographic trends. This concept is called structural unemployment. While the traditional manufacturing base of the economy; namely, steel, automobiles, rubber, electronics, and textiles, has been steadily declining, another structural change has been taking place. There has been a rapid growth in energy, high technology, and the service sector. In 1986, the Office of Technology Assessment (OTA) of the U. S. Congress estimated that between 1970 and 1984, 94 percent of all new jobs created in the U. S. were in the service sector with only 1 percent in the manufacturing sector.

Most economists agree that the service sector will continue to account for a greater proportion of employment; however, it is unknown if dislocated workers from declining manufacturing industries will be able or willing to take advantage of this new growth. For the purposes of this dissertation, a dislocated worker is defined as a worker who has been permanently laid off from a job.

There is enormous local, state, and federal concern about the problems dislocated workers and their communities have when faced with plant closings. Every time a plant closes or permanently lays off large numbers of workers, the workers, their families, and communities incur future potential liabilities in terms of lost production, lost taxes, and increased welfare and unemployment taxes (Cohen, 1988). Case studies on plant closings report on the growing need of workers for assurances about the security of their

jobs. "Americans have long considered it a basic goal to have the opportunity to provide for their families. Yet, the U. S. has a growing number of people with special burdens that keep them out of the mainstream of the labor force" (Jobs for the Hard-to-Employ, p. 11).

The dislocation problem exists when laid-off workers try to become reemployed elsewhere in the economy. Difficulties arise when a worker is unable or unwilling to take a suitable new job or because job vacancies do not exist which are compatible with the worker's skills. Barth (1981) states, "The dislocated problem results from a mismatch between the demands of the employers with jobs to offer and the capabilities and needs of dislocated workers" (C. 2, p. 3).

A review of the literature reveals a consensus that the demographics of dislocated workers do differ from the "general" unemployed workers in that dislocated workers tend to be older, white, less educated, much more experienced, accustomed to higher earnings and income, and less likely to have had recent experience in job search techniques (Barth, 1981; Horvath, 1987; Kulik, 1984; Bartholomew, 1987; Thor, 1982). Most researchers in the area of employee dislocation agree that dislocated workers are less likely than the average unemployed worker to believe that their jobs are permanently lost and probably less accustomed to receiving unemployment related services. They are also likely to experience significant earning losses and both

psychological and health problems in adjusting to the fact that they have lost long-time jobs.

Studies indicate that younger dislocated workers (22 to 44 years of age) who have the skills in demand or the right educational background have little trouble finding another job. However, a large percentage of dislocated workers remain out of work for many weeks, months, or even years (Gordus, 1981; Kulik, 1984).

NEED FOR THE STUDY

A plant closing is much more devastating in times of high inflation and unemployment. Reemployment possibilities are even more limited in this situation when there are few vacancies and many job hunters. The occurrence of job loss and the length of unemployment are only two aspects of personal costs associated with economic dislocation. Studies by Kulik, 1984; Cohen, 1988; and Bendix, 1982, indicate that not only do workers lose their jobs, but the new jobs they eventually obtain do not usually provide as much income, status, or security as their old jobs.

Most of the recent studies completed on dislocated workers indicate that permanently laid-off workers do not suffer just temporary losses until reemployment is found. Many never make a complete occupational or annual earnings recovery. It is estimated by Bendick and Devine (1980) that if a worker is unemployed by economic change and lives in an area of high unemployment (above 8.3 percent), his or

her expected duration of unemployment is increased by 20 percent.

The U. S. is faced with the dilemma of what policies are needed to cope with rising plant closings that would effectively help dislocated workers re-enter the labor market. Studies suggest that current social services do not help a majority of those experiencing unemployment. Margoli and Farran (1984) report that unemployment assistance is available to less than one-half of the unemployed and that the amount and duration of benefits rarely exceed 50 percent of a worker's weekly wages. Although the federal government has assisted the unemployed for years with special legislative acts, federal policy fails to recognize that when unemployment occurs during a recession, or when a large plant closes, there is a decline in the availability of community resources to assist dislocated workers. Ferman's (1984) analysis of the plight of the unemployed in Michigan during the 1980-81 recession points out two things that occur as unemployment increases:

> First, there are reductions in state and federal funds for human services when revenues decline; . . . there is increased competition for shrinking resources among advocates for the unemployed, the aged . . . (p. 152).

As industries modify their technologies, shift their resources from one industry to another, and fail to compete internationally, a variety of decisions will face policymakers, labor leaders, and communities. When new jobs are created, the skills required are frequently different from skills possessed by workers whose jobs have been

eliminated. "The workers who are likely to lose their jobs are frequently semi-skilled or skilled, relatively high paid, experienced manufacturing workers whose jobs are phased out because of foreign competition or incorporation of new computerized, automated, or energy efficient technologies in the workforce" (Barth, 1981, C. 2, p. 25). Therefore, it is vital that local, state, and federal decisionmakers understand what factors are necessary to recruit dislocated workers into and retain them in programs that will allow them to become productive, self-supporting members of the community.

SIGNIFICANCE OF THE STUDY

Michigan Business Climate

The problems of dislocated workers caused by plant closings and massive layoffs are likely to continue. When plant closings occur in communities that are already plagued with high unemployment, the concern for maintaining the population and industrial base of the area and assisting dislocated workers in finding replacement jobs to preserve the tax base becomes paramount.

Michigan has been traumatized by the effects of the downturn in the national economy for a number of years. According to Governor Blanchard in his January, 1988 report, The Michigan Strategy: Building the Future, the state was threatened with bankruptcy at the beginning of this decade, with a $1.7 billion deficit, depression-level joblessness with an unemployment rate of 17.3 percent, and decay of

plants and technologies. Michigan's economic base has been dominated by manufacturing, with the greatest loss in percentage decrease of employment in gray iron foundries. The U. S. Department of Commerce data indicate Michigan was particularly hard hit by the recession of the early 1980's, losing much of its manufacturing base (The Muskegon Chronicle, September 24, 1988).

Governor Blanchard described the barriers to progress in Michigan as the GM layoffs, the twin federal deficits of budget and trade, and Wall Street's Black Monday response to Washington's lack of progress in addressing the nation's economic perils (Blanchard p. 7). The series of GM plant closings precipitated job losses not only in motor vehicle unemployment, but in parts, equipment, suppliers, and other related industries. Since 1979, auto plant closings have resulted in nearly a 30 percent decline in auto-related employment, from a high of 409,600 jobs to about 288,000 (Bergstrom, 1988).

To determine the demands of the workforce, economic development analysis reports were examined from the state of Michigan. One of the purposes of the review was to determine the training and/or retraining needs that would emerge from the proposed targeted activities and the potential need for job skills. In The Michigan Strategy, 1988, Blanchard cited the protection and creation of Michigan jobs as the single leading priority of state government. In support of that effort, he identified eight

areas in which the state will initiate new activities. A third of the state's new initiatives are designed to retrain workers and to create jobs resulting from the rapid introduction of new technology into Michigan's businesses.

Muskegon Business Climate

Much of Michigan has been dependent on the automobile industry for its economic health. West Michigan, and Muskegon in particular, is no exception. On May 23, 1982, The Muskegon Chronicle began an 18-part series on Muskegon's economy in which reporters described the loss of 12,000 manufacturing jobs over the last 30 years. Community participants in a randomly selected survey attributed the loss of jobs to high taxes, high workers' compensation costs, auto-related businesses, and labor problems. Employers' perceptions of the reasons for departing industries were Reagan policies, the state legislation, "a tough labor town image", bad union relations, exasperated management, Michigan's workers' compensation, unemployment insurance rates, state taxes, and regulatory laws (Thompson, 1988). Overall, the consensus was that Muskegon had a bad climate for doing business.

Since the report was written six years ago, many industries and businesses have left Muskegon for similar reasons. In the past three years, Muskegon has had five major plant shutdowns, dislocating approximately 1,600 workers (Morgan, 1988). With the closing of foundries and the resultant loss of jobs, Muskegon has been perceived as

an area of declining or dying industries. The workers who permanently lost their jobs as a result of these closings do not always find it easy to secure replacement jobs because of the already high unemployment rates. Figure 1, page 10, shows Michigan's and Muskegon's unemployment rates compared to the U. S.'s overall unemployment rate.

The 1988 Muskegon/Oceana Consortium: Adult Training and Re-Training Grant Application indicated that the existing labor force in the area (both employed and unemployed) is disproportionately concentrated in skilled and unskilled blue-collar occupations. This suggests that the area may have a competitive advantage for firms requiring skilled and unskilled blue-collar labor. However, between 1980-85, the number of unskilled workers increased, while the number of skilled workers in the area declined. "Even though there is an abundance of unskilled workers in the area, it is unlikely these workers will accept the low-wage levels of unskilled workers in the South and third world countries" (p. ii).

Skilled workers required for more advanced and complex manufacturing processes do appear to be in demand. However, 20 percent of the firms surveyed in this report indicated that the supply of skilled workers to be unsatisfactory to fill these demands. The area is substantially underrepresented in professional and managerial occupations and in the proportion of residents with four or more years of college education. "Several small industries looking to

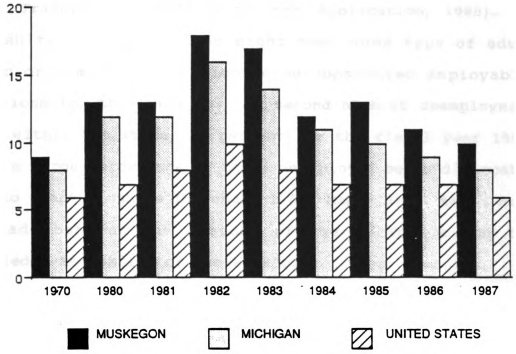

Figure 1: Annual jobless rates: Annual average percent unemployed

Source: MESC - Muskegon, Michigan, 1988

locate here, and a few local employers, have learned for them--'a good person is hard to find'" (The Muskegon Chronicle, November 27, 1988, p. 1C). Seeking qualified applicants for even a handful of specialized technical, professional, and managerial jobs, these firms have discovered the local labor pool has run dry.

The demographic make up of Muskegon's population is as follows: 13 percent nonwhite, 51.6 percent females, 89 percent between the ages of 16 and 54, and over 25 percent without a high school diploma (Muskegon/Oceana Consortium: Adult Training and Re-Training Grant Application, 1988). As a result, this population might need some type of adult basic or remedial education to be considered employable. Additionally, this area has the second highest unemployment rate within the state, 11 percent for the fiscal year 1988, with a large percentage of those unemployed being dislocated due to plant closures (Hausman, 1988, March 9). A match must be made between the demands of the workplace and the knowledge and skills of the workforce.

Job Training Programs

Much of the impetus for job training in Michigan has come from the Governor's Office for Job Training. Governor Blanchard contends that 1.3 million Michigan workers are not equipped to fill increasingly complex, high-technology jobs.

A common criticism of the education and training programs for the unemployed is that very little evaluation has been done to determine the effectiveness of these

programs (Cohen, 1988). For example, in the state of Michigan alone, over $800 million a year is spent on 70 state and federal human-investment programs (Investing in People, 1988). This figure does not include funds spent by local governments and by private organizations such as firms, unions, foundations, and charitable groups (Cohen, 1988).

Cohen's research indicated that out of the 70 programs, impact evaluations have been done on only two programs, and only six process evaluations have ever been done. It appears the government is willing to allocate monies for human-investment programs, but not for evaluating the effectiveness of the programs. As a result, very little evidence suggests that the federal and state funded programs do improve the employability of participants (Cook, 1987). Title III of the Job Training and Partnership Act (JTPA), which consists of training and/or retraining programs for the dislocated workers, has also lacked systematic monitoring or evaluation. Cohen theorizes that because the federal government has turned the programs over to the states and there has been no systematic monitoring or evaluation of the programs, it is unclear how effective JTPA really is.

Because of a reduction in funds available to trainees, stress on business needs rather than client needs and pressure for short-term rather than long-term training have impaired the effectiveness of JPTA in assisting dislocated

workers (Levitan, Gallo, 1988). One important measure of success is placement; therefore local delivery areas have been known to "cream" off the most likely applicants to succeed, leaving the most needy applicants to fend for themselves. For the purposes of this study, training and retraining are used synonymously; therefore training will be used throughout the study.

At every level of government, serious problems arise as workers dislocated by plant closings move to enroll in government programs that will compensate them for their losses. This research, examined reemployment rates, earnings, and perceptions of current job security and job satisfaction for participants and nonparticipants of a training program. The results may provide decisionmakers with information on whether or not the present government-sponsored training programs are meeting the needs of dislocated workers. This information, if used effectively, could be valuable when allocating resources for dislocated worker programs. For example, should more money be expended for remedial education rather than the job training itself? Should more funds be expended for On-The-Job-Training (OJT) rather than classroom training? Should more emphasis be placed on long-term training rather than short-term training? Should programs emphasize job search skills rather than classroom training? Who should be trained? How much of the post-training success can be attributed to the training?

PURPOSE OF THE STUDY

Although much research and writing has been done on plant shutdowns and dislocated workers in the last ten years, it has been done sporadically. Most recent studies or evaluations of dislocated worker programs are short-term, usually 30 days to 90 days after the training programs have ended. Short-term evaluations may be risky and misleading. The effects of training are revealed over a relatively long period of time. The placement requirement of most government-sponsored training programs is that a participant must remain on the job for a specified number of days. For example, the Title III portion of JTPA stipulates that a worker needs to be reemployed for 30 days in an unsubsidized position at a minimum wage of $5.40 an hour to be counted as a placement by the local Service Delivery Area (SDA). The only other mandate by the federal government is that local SDA's do a follow-up 90 days after the unsubsidized placement (Doby, 1988).

Other programs like M-Job (which is a Michigan human-investment program) count as placements participants who gain full-time employment for at least 30 days at a minimum of $5 an hour within 12 months of enrollment in the program. As a result, data on long-term full-time placement after job training or retraining is practically nonexistent. The few follow-up studies that have been conducted did not examine dislocated workers' perceptions of long-term employment prospects and job satisfaction.

The purpose of this dissertation is to determine what happened to the 614 workers who were displaced from an iron foundry in Muskegon, MI, in September, 1986, when one of the major plants shut down. This study will examine the impact of short-term human-investment programs (funded under JTPA and/or Trade Readjustment Act (TRA) on participants' reemployment rates, earnings, and perceptions of long-term employment and job satisfaction compared to nonparticipants'. Nonparticipants are the dislocated workers who elected not to participate in any human-investment program.

ASSUMPTIONS

The basic assumptions on which this study is based are as follows:

1. Dislocated workers are reluctant to enroll in government-sponsored training programs.
2. Many dislocated workers do not have transferability of skills.
3. The investment in training programs for dislocated workers will provide a benefit to society in the forms of increased skills, knowledge, earnings, and taxes.
4. Job satisfaction may be as important as wages earned in maintaining long-term employment.
5. Society has a vested interest to assist dislocated workers to achieve at least functional literacy and/or achieve economic viability.

HYPOTHESES

The following five hypotheses, stated in the null form, were tested in this research:

HYPOTHESIS 1: There is no significant difference in the frequencies per classification for the number of weeks between job termination and reemployment for participants and nonparticipants.

HYPOTHESIS 2: There is no significant difference between participants' and nonparticipants' reemployment rates at the time of the interviews.

HYPOTHESIS 3: There is no significant difference in the frequencies per wage classifications for participants and nonparticipants.

HYPOTHESIS 4: There is no significant difference between participants' and nonparticipants' perceptions that their current jobs provide long-term employment.

HYPOTHESIS 5: There is no significant difference between participants' and nonparticipants' perceptions of current job satisfaction.

Other questions that were descriptively examined are:

1. Do participants perceive that their present jobs are related to the training received?
2. What are the ages of participants and nonparticipants?
3. What is the number of weeks of training completed by participants?
4. What are the perceptions of participants about the training program?
5. What are the levels of education of participants and nonparticipants?

THEORETICAL EXPLANATIONS

Bendix and Devine (1980) state that it is definitely harder for job seekers to find employment in areas of few vacancies and many job seekers. As a result, upgrading dislocated workers' skills and education through government training programs is necessary if these workers are going to

be successful in competing for the jobs that require more skills and education. However, Cook (1987) and Cohen (1988) indicate that there is little evidence suggesting that the training programs sponsored by the government do improve the reemployment rates and increase wages of dislocated workers. Government training programs attract only a small proportion of workers who qualify for the programs. There may be some theoretical explanations for Cook's and Cohen's findings.

The Human Capital theory and Herzberg's theory on factors that influence job satisfaction were examined as explanations for low levels of participation in training and levels of current job satisfaction as perceived by the reemployed workers.

Human Capital Theory

The Human Capital theory was developed in the 1960's and attempted to explain the relationship between education and economic growth. The theory is based on the idea that individuals possess human capital in which investments can be made. "These investments, if made carefully and rationally, can add to the worth of the capital and result in a return on the investment" (Bartholomew, 1987). The main concept of the human capital theory is that people will continue to make these kinds of investments, such as participating in training programs, as long as the benefits of future returns outweigh the costs of investment, including wages not earned while in school (Thurow, 1970).

For example, it is a difficult task to convince a dislocated worker who once made an hourly wage of $12 in a traditional manufacturing setting to participate in a training program for a job in the service or high-tech sector that most likely will result in a lower paying job!

Herzberg's Theory

Herzberg's theory (1966) was used as a base for estimating job satisfaction in this study. Herzberg developed a theoretical framework which illustrates that many factors influence job satisfaction. He classified working conditions into two major categories. The dissatisfiers, called hygiene factors, are primarily associated with compensation factors, such as salary, fringe benefits, company policies, job security, and physical working conditions. The dissatisfier factors associated with the conditions surrounding the "doing" of the job are called extrinsic factors. They describe the environment and serve primarily to prevent job satisfaction since people are constantly trying to adjust to these factors. The satisfiers, called motivation factors, are primarily associated with opportunities for personal growth, promotion, recognition, and participation in decision making. These factors are related to the inner structure of work and are referred to as intrinsic job factors. It may be that the majority of dislocated workers are more concerned with the hygiene factors at the expense of motivational factors resulting in low participation in

training programs. Improvements in hygiene factors will serve to remove the impediments to positive job attitudes; however, while hygiene factors can influence the degree of job dissatisfaction, they have no relationship to actual satisfaction in work.

LIMITATIONS

This research is limited by the fact that it was a case study of a group of dislocated worker from one plant in a community that has a history of high unemployment. While this means that generalizations cannot be made to all dislocated workers in other geographic regions, it is important to note that the foundry workers interviewed for this study resemble the larger population of dislocated workers in several dimensions: wages, skills, education, and employment sector. The majority of the foundry workers were high-wage, semi- or low-skilled workers, with 24 percent having less than a high school education. Only a small proportion (13 percent) of the dislocated workers elected to enroll in a training program, which is a similar pattern among other dislocated workers around the country. The intent of this study is not to generalize about all displaced workers, but to raise issues for consideration and further study.

The study is limited to those dislocated workers who chose to participate in an interview, so the results may not reflect dislocated workers who chose not to participate in the study. Also, this study was completed 2 1/2 years after

the plant closure which made it difficult for some of the dislocated workers to remember exact time frames that were required to answer some of the questions on the questionnaire.

DEFINITION OF TERMS

For the purposes of this study, the following terms are defined:

Cyclical unemployment: Seasonal fluctuations which can be caused by change in demand, strikes, weather, and model change-overs.

Deindustrialization: A widespread, systematic disinvestment in the nation's basic productive capacity.

Disinvestment: Financial resources and real plant and equipment which has been diverted from productive investment in basic national industries into unproductive speculation mergers and acquisitions, and foreign investment.

Dislocated worker: Workers who are permanently laid off from jobs due to increased international competition and/or changing technology after putting in years of service and who have acquired very specific skills.

Dislocated worker programs: Programs which provide skills and education to participants which would allow participants to become self-supporting through wages earned in stable, full-time employment.

Effectiveness: Reemployment in an occupation related to training.

Frictional unemployment: Time spent looking for a job.

Human-investment programs: Employment and training programs to assist subgroups of the population by reducing unemployment and increasing an individual's skills so as to raise his/her standard of living.

Impact evaluation: Evaluations that measure outcomes of programs.

Job satisfaction: The positive feelings reemployed dislocated workers have about their work.

Long term: Employment or training lasting more than 12 months.

Nonparticipants: Dislocated workers who did not participate in a human-investment program.

Older person: A person who is 55 years or older.

Other workers: Workers who were not classified as skilled, semi-skilled, or unskilled (e.g. floor supervisors or secretaries).

Participants: Dislocated workers who participated in a human-investment program.

Process evaluations: Evaluations that focus on how programs are being implemented and how services are being delivered.

Reindustrialization: Investing capital in basic plants and equipment.

Runaway shop: A plant that closes down and moves to another location.

Semi-skilled workers: Production workers who learned a skill while on the job without formal education or apprenticeship program (e. g. coremaker, grinder, fork-lift operator).

Short term: Employment or training lasting 12 months or less.

Shutdown: A shutdown occurs when a work organization permanently dislocates most or all of its employees.

Skilled workers: Workers who obtained a skill or skills through education and or apprentice programs (e.g. maintenance worker, pipe fitter, millwright, electrician).

Structural Unemployment: Unemployment caused by cyclical unemployment and changes in the U. S. and world economies induced by foreign competition, higher energy prices, advanced technologies, and consumer demographic trends.

Unemployed: People who are seeking work.

Unskilled: People not skilled in a specified branch of work or who lack technical training (e.g. laborer).

Younger person: A person who is under 55 years of age.

SUMMARY

Plant closings have become common practice in the U. S., causing millions of workers to become permanently laid-off. Many of these workers either do not have the skills or education necessary to re-enter the labor market quickly. Some experience long durations of unemployment or find employment in low-wage, entry-level positons. Policymakers

are faced with the dilemma of what policies are needed to assist dislocated workers to obtain the education and skills they need to enable them to compete in the labor market. A common criticism of the education and training programs for dislocated workers is is that very few longitudinal studies have been done to determine the effectiveness of the program.

Chapter II reviews legislative initiatives and case studies pertinent to dislocated workers.

CHAPTER II

REVIEW OF THE LITERATURE

INTRODUCTION

> The workers displaced by the current closing are having a much harder time finding new jobs than they would in a healthy economy. Foreign imports, declining consumption, high industrial investment costs, and changing technologies all have eroded employment in manufacturing industries where these workers would ordinarily look for jobs at comparable wages and skill levels. The growth occupations of today and tomorrow are likely to require skills and technical experience the typical displaced worker does not possess.
>
> A Union Response to Plant Closings (1982, p. 1)

This review of the literature includes: (a) theories on plant closings, (b) government employment and training assistance (federal and state), (c) plant closing initiatives in the U. S., (d) legislative initiatives in other countries, (e) summaries of dislocated worker projects, (f) surveys and studies on dislocated workers, and (g) summary.

Theories on Plant Closings

While there has been much debate over what causes plant closings, there is little argument about the impact of plant closings on workers, their families, and the communities in which the plants are located. In small communities, plant closings may cause a devastating rippling effect. As plants

close, community tax bases shrink; and as a result of this shrinkage, public services often suffer. Other industries and retail stores who provided supplies to the closed plants may experience a reduction in sales that often forces their own closing. Faced with potentially great losses, communities often respond to plant closings with a sense of urgency and despair.

There are many theories concerning the causes for large numbers of plant closings in the U. S. Many economists cite deindustrialization as the primary factor for a large majority of the closings. Others credit changes in consumer demands, failure to keep pace with technology, poor management, international competition, and creative destruction (referred to as the free-market concept) as principle contributors to plant shutdowns or cutbacks. Three of these concepts (deindustrialization, free-market, and international competition) are discussed in more detail.

Deindustrialization

To Bluestone and Harrison (1982), deindustrialization is the culprit for a large majority of plant closings. Using Dun & Bradstreet statistics, deindustrialization is the major contributor to over 30 million jobs lost in the 1970's because of plant closings. Bluestone and Harrison define deindustrialization as a widespread, systematic disinvestment in the nation's basic productive capacity. The bottom line is that capital has been diverted from productive investment in basic industries in the U. S. into

unproductive speculation, mergers and acquisitions, and foreign investment which leaves "shuttered factories, displaced workers, and a newly emerging group of ghost towns" (p. 6). These authors suggest that government intervention might be necessary to control plant disinvestment policies.

Staudohar and Brown's (1987) research indicates that deindustrialization is becoming more widespread.

> In the past, deindustrialization has proceeded on a selective basis. Particular industries and geographic areas have borne the brunt of decline. Today, deindustrialization and its problem of plant closure has a new dimension. A broad cross-section of manufacturing industries is shifting production activities to locations in the Sunbelt and outside the U. S. Because the incidences of plant closure has spread to more industries of a wider geographic area in the U. S., the problem merits greater public attention today (p. xv).

Economists are quick to point out that corporate managers have not stopped investing; many are just not investing in their own basic industries. For example, U. S. Steel's nonsteel assets grew 80 percent to $4.7 billion during the past three years, while steel assets increased only 13 percent to $5.9 billion. In Pittsburgh, the U. S. Steel Corporation announced it would permanently close 14 mills in eight states within the year, laying off 13,000 workers. The Federal government, to save jobs, gave U. S. Steel a $850 million tax break, which was later used as a down payment to purchase Marathon Oil (Bluestone, 1982).

General Electric (GE) has diversified its holdings, making everything from toaster ovens to jet engines, and is

expanding its capital stock outside the U. S. During the 1970's, GE expanded its worldwide payroll by 5,000. It did this by adding 30,000 foreign jobs and reducing employment by 25,000 in the U. S. RCA cut its U. S. workforce by 14,000 and increased its foreign workforce by 19,000; and Mobil Oil acquired Montgomery Wards department chain (Babson, 1973; Klein, 1983). This type of disinvestment may be a major contributor in escalating the number of plant closings across the U. S.

One thing that has become clear over the past five years is that plant closings are not confined to the industrial Frostbelt, or Rustbelt states; they occur in large numbers all over the country. In fact, one study completed in 1976 by Birch (1979) indicated that the South or Sunbelt states had a higher proportion of plant closings than the North, West, or Northeast. Almost half the jobs lost to plant closings, including runaway shops, during the 1970's occurred in the Sunbelt states and in the West. Runaway shops move their plant and equipment into areas where wages are lower, unions are weaker, and government provides a good business climate. In the 1970's somewhere between 450,000 and 650,000 jobs were transferred elsewhere because of runaway shops (Bluestone, 1982).

Free-Market Concept

Other economists such as Joseph Schumpeter from Harvard University would argue that America is not undergoing deindustrialization. Dislocations caused by plant closings

are viewed as "necessary creative destruction" to eliminate inefficient operations and to provide new economic opportunities (Perrucci and Targ, 1988). This viewpoint is called the free-market concept, which means no government intervention. Businesses should be left alone to operate by the law of supply and demand. Moses Abramowitz (1981) summarizes the free-market concept:

> The pace of growth in a country depends not only on its access to new technology, but on its ability to make and absorb the social adjustments required to exploit new products and processes. Simply to recall the familiar, the process includes the displacement and redistribution of population among regions, and from farm to city. It depends on the abandonment of old industries and occupations and the qualifications of workers for new, more skilled occupations (page 2).

Proponents of the free-market approach claim that if deindustrialization is taking place, it is good and healthy for the country. McKenzie (1984) supports this philosophy by stating that as some firms go under, they release their resources to other, more cost-effective firms that offer consumers more of what they want at more attractive prices. The free-market advocates are against any government policies regulating free enterprise. They argue that dislocated workers eventually find other jobs and that some assistance, such as unemployment insurance benefits (UIB) and job placement services, is available in all states to help dislocated workers. Also, the Federal Trade Adjustment Act (TAA) of 1974 gives extra financial support to workers who lose their jobs as a result of foreign competition.

The latest legislation enacted in 1983 which provides education and training for dislocated workers was the creation of the Job Training Partnership Act (JTPA). The protectionists argue that these measures are inadequate because UIB are for a specified number of weeks, and TAA and JTPA funds have been drastically cut during the Reagan administration. Legislation, therefore would be required to minimize the impact of plant closings (Staudohar, Brown 1987).

International Competition

Other analysts have traced the decline of industry to international competition. Failure to use the latest technological innovations to make products more competitive with imported products has resulted in many plants closing their doors, dislocating millions of workers. For example, many plants in Japan and Germany are newer and more modern than many plants in the U. S., enabling these countries to have a competitive advantage in international markets. This fact, coupled with a labor force that is paid considerably less than their U. S. counterparts, makes it next to impossible for many industries in the U. S. to compete with industries in other countries.

During the boom years, U. S. economic expansion abroad not only generated enormous short-run profits, but also established excess (unused) productive capacity in one basic industry after another.

> Through their multinational subsidiaries and the profitable sale of patents and licenses to foreign enterprises, the leading American firms even helped to generate their own future competition. In the 1970's this competition came back to haunt them in virtually every major industry: steel, automobiles, shipbuilding, and electronics (Bluestone, 1982, p. 15).

Bendick's research (1982) reported that businesses cite competition in the market place as the major reason for closures or layoffs. About 70 percent of the businesses indicated that reduced product demand and/or increased competition were major factors influencing their decision to close or lay off workers. Over 35 percent of the closures and layoffs in establishments with 100 or more employees were within industries in which the Department of Labor (DOL) had certified as being adversely impacted by international trade.

Many argue that deficiencies in industrial policies in the U. S. have contributed to a decline in the industrial sector. As global trade expanded, U. S. firms were forced to meet foreign competitors staffed with superior work forces and managers who were backed by sound government policies. U. S. businesses are bound by restrictive General Agreement on Tariffs and Trade (GATT). Iacocca (1984) summarized his feelings about GATT in relationship to Japan by stating that we can't afford a trading partner who insists on the right to sell, but who refuses to buy!

Candee Harris (1984) reported on the intersection of recession, structural change in the economy, and plant

closings. She wrote that in 1982 there were 1.4 million fewer manufacturing jobs than in 1970.

> Closings of large firms eliminated over 16 million jobs between 1976 and 1982. Almost one-third of these were in the manufacturing sector. While small manufacturing firms--those with fewer than 100 employees--registered annual new employment growth rates around 6 percent between 1976 and 1982, larger firms contracted their employment. Rates of employment loss due to closings of manufacturing branches doubled in the 1980-82 period over the 1978-1980 period . . . combining with lower replacement rates to produce a net decline of 5.2 percent in manufacturing (p. 16).

Declining rates of profits across all sectors of the U. S. economy have pushed capital investors in search of better returns. This has resulted in investment opportunities and cheaper labor in Third World countries. It has been suggested by many economists that a change is needed in the U. S. federal tax code to eliminate loopholes that provide incentives to close plants, to move production overseas, and to participate in wasteful conglomerate acquisitions. While it is agreed that the economy benefits from relatively unrestricted trade, quotas and tariffs have become a particularly delicate political issue as more American industries encounter stiff competition from foreign markets, resulting in job displacements (Gordus, 1981).

Because of structural changes in the economy, the U. S. economy may be experiencing a significant shift in employment patterns. Audrey Freedman, a labor economist, noted a 25 percent increase in the number of temporary and part-time workers in the total workforce between 1975 and 1985. "By 1985 about 29.5 million of the 107 million U. S.

workers were temporary or part-time employees" (Serrin, 1986, p. 9). U. S. appears to be changing from a full-time productive workforce to a workforce consisting of temporary or part-time low-paid workers. "The redesign of full-time into part-time jobs, the disproportionate growth of part-time or part-year work, and the spread of wage freezes and concessions from one industry to another all suggests a decline in annual earnings" (New York Times, December 1986, p. 18). Labor Department data shows that in the July-September, 1988 quarter, the number of "discouraged workers" who gave up finding a job rose from 910,000 to 930,000. More than half were women, and one-third were blacks. Another 5.1 million worked part-time but wanted full-time jobs and could not find them (The Muskegon Chronicle, October 25, 1988, p. 1, 4B).

GOVERNMENT EMPLOYMENT AND TRAINING ASSISTANCE

Federal Training and Retraining Legislation in the U. S.

National concern over dislocated workers began to grow in the 1980's when it became apparent that a large proportion of employment cutbacks in the steel, auto, rubber, and textile industries might be permanent, leaving many dislocated workers with little possibility of reemployment in the same industry. The ability of these workers to readjust after plant closings or large cutbacks has been the subject of considerable interest to policymakers, labor leaders, and economic analysts (Horvath, 1987).

Over the last 25 years, the Federal government has initiated several employment and training efforts to assist disadvantaged subpopulations. Attempts to compensate dislocated workers for their job losses have taken two major forms: readjustment services and income replacement. Job search assistance, skill training, and out-of-area vacancy information have been made available through public and private employment and training agencies to assist workers in finding new employment. In the past, however, these services have not been targeted specifically to dislocated workers but have been available to all individuals seeking work or training. Employment Security Commissions have provided job placement assistance, but staff reductions occurring since 1977 have substantially lowered the level of individualized services that can be provided to workers through this channel (Horvath, 1987).

In 1961 the Area Redevelopment Act (ARD) was enacted by the Federal government. This act provided up to 16 weeks of training for unemployed and underemployed workers and paid them an amount equal to unemployment compensation during the training. ARD was followed by the Manpower Development and Training Act (MDTA) of 1962, the first national retraining legislation. MDTA provided training for experienced workers dislocated by automation, but it was later redirected toward the poor (Somers, 1968). In the next 20 years, government-supported training programs as remedies to labor market problems came and went. In 1964, the Economic Opportunity

Act created the youth employment program. This act was followed in 1967 by the Work Incentive Program (WIN), which was aimed at acquiring work experience and support services for welfare recipients. Next, the Trade Adjustment Act (TAA) was initiated in 1974 to give assistance to dislocated workers who were laid off due to import competition. The TAA program, which provides income support, training, and job search and relocation assistance to participants through the employment service, has focused primarily on income maintenance rather than adjustment services (Kulik, 1984).

Prior to revisions of TAA in 1981, benefits were calculated at 70 percent of the worker's average weekly wage up to a ceiling of the manufacturing average, for a base period of 52 weeks. Up to 26 additional weeks were offered to participants enrolled in approved training. Now, TAA benefits are available to eligible dislocated workers for 52 weeks in duration plus a 26-week extension if enrolled in a training program minus state unemployment benefits. (Morgan, 1988).

After Nixon became President, the Comprehensive Employment and Training Act (CETA) was enacted in 1973. This program, established to create jobs, was funded by the Federal government but was managed locally. Dislocated workers formerly could receive retraining and other services through CETA only if they met that program's eligibility requirements. Since most dislocated workers received income

support benefits and had significant assets, the majority found it difficult to qualify for CETA under the established income criteria. The 1978 CETA amendments further intensified that program's focus on the disadvantaged. In 1980, 95 percent of all CETA enrollees were classified as economically disadvantaged (Barth, 1981). Many dislocated workers were reluctant to seek services from a program that had been associated with a low-income, public assistance population (Kulik, 1984).

President Reagan eliminated CETA in 1983 in his efforts to cut employment and training spending. In CETA's place emerged the 1983 JTPA. Congress appropriated $3.8 million for the first year of operation (Levitan, Gallo, 1988). JTPA consists of a number of separate programs. Since JTPA is the primary vehicle for assisting dislocated workers, a more detailed understanding of the act is pertinent.

Features of JTPA: The heart of the act is Title II, which provides training grants to states, summer jobs program for youth, and set-aside funds for education and older worker programs. Title III, another part of the JTPA, attempts to respond to the number of plant closings and to the needs of dislocated workers. The main thrust of Title III is to provide education and training to dislocated workers so they can acquire the skills they need to obtain employment in which they can support themselves and their families without relying on public assistance. JTPA emphasizes this commitment by requiring that 70 percent of

the resources allocated for Title III be applied toward training (Bartholomew, 1987).

The structure of JTPA was built on the belief that flexibility and responsibility are necessary at the state and local levels in order to tailor successful programs (McDonald, 1988). As a result, the responsibility for implementing Title III is left in the hands of state government. The act defines a more active role for the business community in developing assistance programs and concentrates resources on training and job placement services, rather than on income maintenance (Kulik, 1984).

The JTPA legislation contains provisions to build and strengthen partnerships with the private sector, local government, and organized labor. Each of these entities must review programs which involve a significant portion of their jurisdiction. The vehicle used to accomplish this task is the Private Industry Councils (PICs). These councils are authorized to provide technical assistance in identifying dislocated workers and job openings suitable for them.

Evaluation of JTPA: Several important features were added to the JTPA, such as performance standards to assess local program success. The state training agencies rely primarily upon on-the-job (OJT), classroom instruction, and job search assistance. Program success was and still is measured by the number of job placements, participants' earnings, and training costs.

There is some evidence suggesting that JTPA does improve the employability of participants. A recent report released by the National Commission for Employment Policy (McDonald, 1988,) indicated that JTPA has been a major success with over two million persons placed into jobs in its first five years of operation. It states that three out of every four adults who were served by Titles II-A and III programs found jobs. The average wage for participants in these programs is $5.11 and $7.41 an hour respectively (McDonald, 1988). However, Levitan and Gallo (1988) believe that because of reduction in funds available to trainees, there has been pressure for short-term rather than long-term training which has impaired JTPA's effectiveness. These researchers conclude that two-week job search courses, which have become common, are unlikely to drastically improve the employability of participants. Length of classroom training and OJT has in many cases become even shorter than the abbreviated CETA courses. Limitations on stipends and support services have encouraged local administrators to avoid serving the dislocated workers most in need.

Cohen (1988) theorizes that because the federal government has turned the program over to the states and there has been no systematic monitoring or evaluation of the program, it is unclear how effective JPTA really is. Levitan and Gallo(1988) summarize a common practice used by some SDAs:

> Localities commonly retain individuals on the rolls for 90 days after completion of training in a holding

> status in order to maximize the SDA's job placement rate. Until 1986 the SDAs were allowed to count the holding period as part of the training (p. 17).

Because dislocated worker projects have consumed only two-thirds of the appropriated funds, it appears that many dislocated workers who may be in need of training assistance do not apply for it. Two possibilities exist why Title III funds not being utilized are: First, formula allocations often give states without significant displacement problems more money than they need. Second, services are often not available or near the location of the dislocated workers. Somers (1968) reported that only 6 percent of 1,000 dislocated workers in Omaha, Nebraska, elected to enter a training program. Of the 6 percent, four out of ten dropped out before completing the program. If substantial upgrading is to be attempted, it probably cannot be achieved through crash programs.

If the goal of federal training programs is to move the unemployed into the skilled sectors of the labor market, it will most likely be necessary to adapt more demanding qualifications in terms of formal education and aptitude. An alternative is a more intensive program over a longer period of time involving preliminary investments in improving the basic educational level of the trainees (Somers, 1968). Implementing these changes would presumably require additional financial support for the trainees.

Reports and evaluations on the effectiveness of JTPA suggest a need for SDAs to do more longitudinal evaluations.

This researcher believes it is important to know if these short-term training programs do lead to permanent, rather than temporary, self-supporting positions that are related to the training.

State of Michigan Assistance Program

Altogether approximately $800 million a year is spent on 70 government employment and training programs in Michigan (Cohen, 1988). Cohen views these 70 programs as necessary human-investment programs; but to determine their effectiveness on job placements and wage impacts, they need to be evaluated on a regular basis. One state-funded program to aid dislocated workers is the Michigan Job Opportunity Bank (MJOB). This program was established in 1985 and aimed at unemployed and dislocated workers who had worked at a job for at least three years before becoming unemployed.

Only monitoring of the MJOB program has been done since its inception. This may involve no more than calculating the percentage of participants placed or counting the number of days students attend classes. Monitoring does not prove that the program has increased participants' wages. "If the program operators recruited the easiest trainees to place, in order to look good on their placement monitoring, or if a program terminated anyone with special problems so as to maximize the placement rate, the program may look good based on the monitoring results" (Cohen, 1988). Monitoring alone should not be used as a substitute for impact evaluations.

PLANT CLOSING INITIATIVES IN THE U. S.

Plant Closing Legislation

Since 1979, there have been over two dozen plant-closing bills introduced to the legislatures in at least 12 states. The main thrust of these bills has been to provide dislocated workers with increased benefits, severance pay, pension benefits, continued health insurance, job training, job relocation assistance, and specific periods of plant closing notification (O'Connell, 1986; Felsten, 1981).

After many years of debate on Federal legislation for plant closings, a bill was enacted on February 4, 1988, requiring that plants with 50 or more employees give employees at least 60 days' notice before the expected shutdown or cutback. Although this legislation is an effort to ease the pressure on employees and the community, there are many loopholes in the bill. If this legislation is enforced, it may provide workers and communities with the time and resources needed to adjust to the "cultural shock" once a plant closing has been announced. It seems logical that if employees are given sufficient notice of plant closures, they will be in a better position to re-enter the job market faster. However, there are no national statistics to indicate this is true. There are also no data on what the "optimal" notification of a plant closing should be.

A study by Portis and Suys (1970) on the effects of early notification at the Kelvinator plant in London,

Ontario, reported that only 26 percent of the production workers left Kelvinator before closing while about 25 percent of the managerial and office staff remained until the shutdown. Of those who stayed until the shutdown, 82 percent indicated they stayed to receive severance benefits, and 31 percent said they could not find other jobs. These statistics indicate that severance benefits conditional upon remaining on the job until closure may have a negative effect on blue-collar job search. Also, blue-collar workers may not look for a job until closure because they are less able to take time off work to do so when compared to white-collar workers.

Other studies report that the higher percentage of workers receiving good job offers appears to be related to their occupational status. Fewer blue-collar workers as compared to white-collar workers leave their companies before shutdown because they receive fewer offers. Gordus (1981) summarizes her findings of most significant plant studies published in the past two decades by stating:

> High occupational status workers seem not only to engage in a more organized, intense and mobile job search than other groups, but they also have the greatest reemployment potential; other groups, such as older workers, who engage in late starting, low-mobility and low-intensity job searches also seem to have low reemployment potential (page 95).

Occupational status also appears to have impact on job search mobility. Foltman's studies (1968) note that only 22 percent of blue-collar workers sought jobs more than 50 miles from their home plant, while 33 percent of white-

collar workers did so. Mueller (1981) reported that "even those whose financial positions had worsened were unwilling to move" (p. 64). In 1965, a $4 million allocation under MDTA was authorized to test the effectiveness of mobility assistance in reducing unemployment. Out of 6,200 unemployed workers who met the eligibility requirements and expressed an interest in moving, only one-third relocated (Mangum, 1968). Follow-up studies indicated an average of 20 percent returned home and another 20 percent had changed jobs. Nine out of ten relocatees were white males between the ages of 25 and 44. Lipsky's study (1970) on General Foods Corporation plant closings found only 22 percent of the 825 dislocated workers were willing to move. Professional, technical, managerial, and skilled workers were more willing to move than operative, laborer, or clerical workers. Younger workers tended to relocate more than older workers.

Pros of Plant Closing Notification: Supporters of plant closing legislation list several reasons for the need of government policy regulating advanced notification to workers and communities. This notification gives workers time to prepare for new jobs and train for new skills, gives communities a chance to negotiate with plants for staying open, and gives employees an opportunity to buy the companies. In plants where the educational level of the workforce is low, workers will be at a considerable disadvantage in the labor market. Consequently, intensive

retraining is often necessary to prepare these dislocated workers so they can compete in the labor market. Prenotification may allow these workers time to assess the current labor market and to enroll in counseling programs that will assist them in finding the most advantageous training programs for them.

Unions view plant closing legislation as helpful in those situations where workers may not have bargaining leverage to get the protection they want in the union contract. Unions appear to lack the power they had 15 years ago. Because 80 percent of the private sector is nonunion, union members may suffer from the competition of workers elsewhere (O'Connell, 1986).

Cons of Plant Closing Notification: Many employers view advance notice unfavorably. They fear repercussions from disgrunted employees which could result in reduced productivity until permanent closure. They also argue that state plant closure laws would place unconstitutional restraints on interstate commerce. They believe laws would create more, not less, unemployment because large firms would establish or increase operations in other states to avoid penalties. In addition to these arguments, many entrepreneurs believe that workers receive adequate economic protection through state unemployment benefits, job search services, and federal and state training programs. They also believe that because of the generous wages received,

workers should assume the risk of closure (Staudohar and Brown, 1987).

James Stern (1969) reported on a positive effort by Armour management in Omaha when a plant closing was announced. The Armour plan gave workers who found employment elsewhere before the closing or who enrolled in a federal training program the opportunity to start their new venture before the plant closed without the loss of severance pay. This is by no means a typical procedure when a plant closes down, but it certainly illustrates that management can play an important role in cooperative efforts with unions and communities to enhance the effectiveness of assistance programs offered to dislocated workers.

LEGISLATION INITIATIVES IN OTHER COUNTRIES

Plant closings and relocation problems are not unique to the U. S. Many countries in Western Europe and Canada already have strong plant closing legislation that appears to be working well. The idea that workers should have a legal collective right to notification and consultation before a plant closure emerged in Western Europe as a widespread political issue when there was mass labor unrest in 1968-69 (Harrison, 1984). Prenotification periods were negotiated and legislated in nearly every country, ranging from 2 to 12 months, for plants with 100 or more employees.

In Germany, most firms are expected to provide the regional government and the works council within the plant a year's notice prior to making a final decision about closure

or major layoff. Although there are no legal penalties if a firm fails to give notice, those firms that do not comply may be liable for paying some of the retraining costs of employees.

Harrison reported that European countries operate extensive and expensive manpower programs. For example, Sweden spends almost 10 percent ($2 billion) of its national budget annually to train and retrain workers. This would be equivalent to U. S. expenditures of $50 to $60 billion instead of the $8 billion spent through CETA in 1981 (Martin, 1983). Germany spends $1.5 to $2 billion annually for retraining and encourages participation by supplementing normal UIB to bring the earnings of training program participants up to 90 percent of their previous net earnings. Whereas UIB in the U. S. in 1975 replaced an average of only 50 percent of gross earnings (Martin, 1983). Martin summarizes that in European countries dislocated workers have superior protection in three areas:

1. Advance notification and appeal options by employees
2. Generous UIB that includes maintenance of health insurance and pension coverage
3. Eligibility for training and retraining in available government programs with monetary encouragement to participate.

European employers are encouraged to avoid dismissal by putting workers on short work weeks and paying them for 20 to 30 hours, and the government pays the balance of the weekly wage. In contrast, workers in the U. S. receive no supplemental pay when they are not working full time, which

is a financial hardship for many workers. European employers are also encouraged to build up inventories that are carried with low-interest government loans, and they may apply for grants to train and retrain workers in a plant during low productivity. European and Canadian employees appear to have more job protection than employees in the U. S. A commitment to full employment, active trade unions, plant-level workers' councils, and legislation have made programs to assist dislocated workers an integral part of European economic policies.

Pragramatic concepts integrated into the policies of Western European countries include the following: Sweden pays firms to retain workers that might be laid off by granting subsidies to promote production when demand is low. The United Kingdom pays firms to retain workers by giving investment subsidies and low-interest loans to businesses and forces plants to locate in high unemployment areas. France uses payroll taxes to fund in-plant training programs. West Germany pays firms to retain workers, and all Western European countries require advance notice to workers who will be laid off (Barth, 1981).

SUMMARIES OF DISLOCATED WORKER PROJECTS

Since there is no consistency in evaluating human investment programs, very little is known about the effectiveness of programs that assist dislocated workers. JTPA (Title III) programs for dislocated workers have reported that placement rates have been high. Title III

participants have been primarily white (70 percent), male (59 percent), and of prime working age (87 percent), with at least a high school education (Kulik, 1984). Of those who left the Title III program by June 30, 1985, 69 percent were reported as being employed. Those who received on-the-job training had the highest placement rates of over 80 percent. Those who received only job search assistance showed a 66 percent placement rate, while those who participated in classroom training had a 52 percent placement rate.

Two significant evaluations of the Title III portion of JTPA were conducted by Bloom (1987) and Kulik (1984). These evaluations provided an assessment of the design, implementation, and economic impact of dislocated worker programs on dislocated workers reemployment rates and earnings. Program objectives of these pilot programs were to retrain dislocated workers which in turn would increase their earnings through reemployment and to reduce their need for unemployment insurance (UI).

Bloom's Evaluation, 1987

Bloom reported on the pilot program entitled "Retraining Delaware's Dislocated Workers," which was sponsored by the Delaware Department of Labor. The purpose of the program was to assist 65 dislocated workers in increasing their earnings and to reduce their need for UIB through training. Outreach was extended to all UI claimants who had been receiving benefits for 7 to 12 consecutive weeks. Out of 965 eligible claimants, 380 were interviewed

at the local UI office. Of these, 335 attended orientation, and 285 who attended the orientation applied to the program.

To be eligible for the program, the UI claimants had to have completed at least ten years of formal education, have transportation, and would not be called back by previous employer. Based on these criteria for eligibility, 175 applicants were eligible. Because of resource restrictions, 65 applicants were randomly selected to participate in the program. Participants could receive four services: job-search workshops, individual counseling, job development, and retraining. Retraining was provided to only 13 participants and was only provided after it became clear that job search assistance would not be enough for participants to gain reemployment.

The program was in operation from late January to early July, 1983. Of the 65 candidates selected for the program, nine never attended and seven dropped out. Of the remaining 49 who became participants, 39 (80 percent) were placed in a job by the end of the program. Four were still completing the training and six had not found jobs.

To estimate the impact of the program, participants' UI and earning rates were compared to a control group, which was comprised of the remaining applicants who were not selected in the random selection. Impacts were measured at 2, 5, 8, and 11 months after the program began. For the year, participants received $100 more in UIB than they would have in the absence of the program, which was not

statistically significant. Program candidates earned consistently less than the control group during all but the first follow-up quarter, when both groups were unemployed. There was no indication that the program increased participants' earnings in the short run and suggests the program may have reduced earnings.

The program was very successful in terms of placement rates since 80 percent of participants found employment. However, impact analysis indicated that the program was ineffective in meeting the objectives of the program. The program staff suggested that future training programs should include more detailed interviews and further individual assessment. This would procure only participants who are most in need of the service and most likely to benefit from it. This study reinforced the belief that the majority of dislocated workers are unwilling to participate in training.

Crist et al, (1984) indicated that the more prior education a dislocated worker has, the more likely he or she will enroll in additional training. The majority of workers most likely to participate in training programs are between the ages of 24 and 34. Minorities who continue to be disadvantaged in the labor market receive the least training. To determine the long-term success of the program, a follow-up study should be done after the second year to determine how many of the reemployed are still employed.

Kulik's Evaluation, 1984

This evaluation provided an assessment of the design, implementation, and economic impact of "The Downriver Community Conference Dislocated Worker Project." The project operated between July, 1980, and September, 1983, serving approximately 2,100 laid-off automotive workers in the Detroit metropolitan area. This program was funded by the Department of Labor through a combination of local CETA, Title II-B, Title II-C monies, and a Title III national demonstration grant. The project operated in two phases.

The impact analysis focused on reemployment rates, overall post-layoff employment rates, and average weekly earnings from layoff to interview date. The majority of participants were between the ages of 25-44, married, and had families. Close to 60 percent of the eligible workers had completed high school; however, when the participants were tested, one-fifth scored below a sixth-grade literacy level. The participants had an average of ten years on the their last jobs and earned about $10 an hour. Enrollees were required to attend a two-week assessment and job search training sequence. Program services provided were job search assistance, job development, on-the-job training, relocation assistance, and classroom training. Fifty percent of all participants received some form of training; however, only 8 percent of program enrollees relocated, and 20 percent of those who relocated subsequently returned (Flaim and Sehgal (1985). The training programs emphasized

short-term, technically-oriented courses that met employers' needs.

The conclusions were that the first phase of the project showed significant effects on the employment and earnings of participants. The project increased participants' likelihood of post-layoff reemployment and the percent of time they were employed post-layoff by 20 percentage points. The project also raised participants' average weekly earnings during the post-layoff period by $77 over the amount expected in the absence of the program.

The second phase of the project showed no positive impacts; in fact, the program actually decreased participants' reemployment rates and had no effect on overall employment rates and earnings. Participants were interviewed two years after layoff, and it was found that only 50 percent of participants had secured employment. Participants who became employed earned 30 percent below their previous jobs. Despite increased access to training opportunities, this training did not yield statistically significant improvements in participants' reemployment experiences. In the second phase, the program actually lowered the reemployment rates.

This study clearly indicated what other studies have shown: Younger and better educated workers in all cases participated in training programs at a much higher rate than those age 55 or older. A positive aspect of the Downriver program was that orientation, assessment, and job search

skills workshops were a mandatory part of eligibility. Participants completing the job seeking skills workshops and those who indicated an interest in retraining were evaluated by staff members and employment counselors. Only participants who were deemed capable of succeeding in the classroom retraining program were permitted to enroll. This concept reinforces Levitan and Gallo's theory (1988) that the least educated and most unskilled worker is not being served by the government training programs.

These two studies indicate the possible need for more long-term rather than short-term training. Also, longitudinal studies would provide such information as: Did the jobs offer long-term stability? How many of the dislocated workers returned to similar occupations as the laid-off jobs when the economy improved? Were the new jobs related to the training?

SURVEYS AND STUDIES

The U. S. government does not have data on the prevalence of plant closings or how many facilities shut down each year and for what reasons they close down. The number of workers affected by plant closings and the effects on the communities are in some dispute. Bendick (1982) argues that the number of dislocated workers who are at risk of being unemployed longer than 26 weeks has been greatly overstated. He also points out that the overall magnitude of the dislocated worker population is not strikingly large. They constitute less than one percent of the U. S. labor

force and less than 14 percent of the unemployed. At the same time there is evidence that particular demographic groups, such as older workers, unskilled workers, workers with low levels of education, and workers with high seniority may be adversely affected by structural economic changes (Kulik, 1984; Gordus, 1981; Foltman, 1968).

Richard Wilcock (1963) examined the shutdowns of four meat-packing plants and found a relationship between dislocated workers' ages and adjustment. "Loss of long-term jobs with tenure was a traumatic experience; the age of the older worker was now no longer an advantage (seniority), but suddenly an economic liability" (Palen, Fahey, 1968, p. 72). Cobb and Kasl (1977), Felsten (1981), and Brenner (1973) reported on the consequences of job loss. They revealed that among people who were terminated from a job, two-fifths had experienced deterioration in their physical and emotional well-being, such as chronic headaches, upset stomachs, high blood pressure, high cholesterol, heart disease, ulcers, and depression. They also found that the suicide rate for dislocated workers was 30 times the expected rate for unemployed people.

Several surveys have been conducted to determine the magnitude of dislocated workers in the U. S. In 1986, the Employment and Training Administration sponsored a special supplement to the Current Population Survey (CPS) to gather data about dislocated workers in the U. S. This survey revealed that between January 1981 and January 1986, there

were 10.8 million workers who were 20 years of age and older who replied they had lost jobs permanently because of the closing or moving of a plant or company, slack work, elimination of shifts or positions, or employment cutbacks (Horvath, 1987). Of those, 5.1 million had been on their laid-off jobs at least three years, and data was reported on these 5.1 million. Pertinent information gained from this survey were:

1. About 67 percent or 3.4 million of the 5.1 million dislocated workers were reemployed at the time of the survey. Of this 3.4 million, 82 percent were working full time, 10 percent were working part time, and 8 percent were self-employed.

2. Although 1.4 million (56 percent) of the reemployed full-time workers reported weekly earnings equal to or higher than that on their lost jobs, 730,000 (30 percent) reemployed were at jobs that paid up to 20 percent less than their last jobs.

3. About one-third of the laid-off workers between 55 and 64 years of age and two-thirds of those over 65 years of age had left the labor market after losing their jobs.

4. Approximately one-half (56 percent) of the dislocated workers had lost their jobs in the manufacturing sector; only 10 percent were in the service sector.

5. About one-third of the dislocated workers had worked for ten years or more on the laid-off job.

6. The median period without work for the 5.1 million was 18 weeks. However, dislocated workers 55 years or older were unemployed for an average of 30 weeks.

7. Two-thirds of the dislocated workers were men who were 25-44 years of age.

8. Of those who were reemployed in January, 1986 55 percent were working in a different occupation than the laid-off job.

In addition to these findings, the results of this survey indicated that following displacement, reemployment

was more difficult for older, less educated, and minority workers. Although the data collected from this survey revealed the magnitude of problems dislocated workers encounter, no information was obtained on what, if any, training programs these dislocated workers had taken.

Even though these statistics do not necessarily reflect a dismal outlook for dislocated workers, the fact is that almost one million dislocated workers were making considerably less than they were making at their last jobs. Age appeared to be a negative reemployment factor. The median period without work for the 5.1 million dislocated workers was six months; however workers 55 years of age and older were unemployed for an average of 30 weeks.

Another study conducted by Ashton and Iadicola in 1986 reported by Perrucci and Targ (1988) found that 65.4 percent of reemployed blue-collar workers, who were displaced by the shutdown of the Fort Wayne International Harvester plant, reported a loss of earnings at their current jobs compared to the last job they held at the plant. Also, Barth's (1981) evaluation of RCA's plant shutdowns indicated that the average age of the displaced workers was 44 with a median of 14 years on the job. Seventy-one percent of these dislocated workers were still unemployed eight months after closure.

In 1961, ten months after Mack Truck abandoned its 2,700 workforce assembly plant in Plainfield, New Jersey, 23 percent of its workforce were still without a job. A

similar proportion of workers remained unemployed after Packard shutdown, laying off 4,000 workers. Another one-third who found jobs after the closing lost them within the first 24 months (Staudohr, 1987).

A study on dislocated workers was initiated by the U. S. General Accounting Office (GAO, 1986) to evaluate the effectiveness the TRA, which is part of TAA, and the JTPA programs. These programs were established to address the reemployment problems of dislocated workers. The conclusions were that federal assistance has been declining; and at most, these programs together provided assistance in 1984 to only about 8 percent of the dislocated workers.

In the JTPA training program, 80 percent of participants received only job placement assistance, less than half received skills training, and less than a quarter received support services. Using the Bureau of Labor Statistics data, about 2.3 million workers were dislocated annually between 1979 and 1984. The implication is that because federal assistance to dislocated worker programs is dwindling, services offered tend to be short term rather than long term. For example, in the fiscal year July 1985 through June 1986, JTPA Title III funding was approximately $223 million, while in the fiscal year July 1986 through June 1987, Title III was funded for only $169 million (Levitan 1988).

TAA outlays have shown a similar decline. Since 1981, funding for TAA has gone from $144 million to $53 million.

The possibility exists that many dislocated workers who are in need of extensive education and training are not receiving it. This study confirmed what other researchers have reported. The largest percentage of enrollees in government human-investment programs are white males between 22 and 44 years of age (59 percent) with at least a high school education. However, according to Cohen (1988) by 1995, 85 percent of all new entrants to the U. S. labor force will be either minorities, women, or recent immigrants. The U. S. Department of Education estimates that 27 million Americans (one out of every 5 adults) are functionally illiterate (Countdown 2000, 1988). This suggests that the demographics of future dislocated workers will reflect these populations, and training programs will need to be adjusted to serve these subpopulations.

Bendix (1983), in his nationwide research on dislocated workers, showed that dislocated workers had a disproportionate lack of education. "One-third had not graduated from high school, and another one-third had reading and writing skill levels below the high school graduate level" (p. 5). Bendix urges the federal government to put emphasis on preparing dislocated workers for job training rather than the training itself.

Studies by Ferman (1980), Cook (1987), and Kulik (1984) revealed there was very little interest in training by dislocated workers. A variety of reasons for this have been cited by researchers. Ferman (1980) reported, after

evaluating several plant closings, that participation in retraining ranged from 6 percent at one plant to 16.4 percent at another. Some of these reasons are lack of formal education, lack of sufficient funds, lack of transportation, too old to benefit from training, fear of failure, lack of self-confidence, and discrimination (Long, 1983).

Another study of the TAA program by Corson et al (1979) noted that TAA recipients not recalled to former jobs experienced longer initial spells of unemployment than did otherwise similar recipients of unemployment insurance. Those TAA recipients also had earnings on their new jobs that were 18 percent lower than those of their unemployment insurance counterparts.

Studies suggest that workers' use of such adjustment services has been limited, possibly because of the generous base benefits and limited outreach and recruitment methods. The paucity of research suggests that higher UIB, longer periods of compensation were associated with higher reemployment earnings. It may be that pre-employment earnings, educational attainment, and UIB enable workers to resist financial pressures for reemployment in relatively low-paying or unstable jobs. In fiscal years 1976-80, only about one quarter of all TAA recipients requested employment services. Less than 3 percent were referred to training, and about the same share were placed in jobs (Congressional Resource Service, 1980). The low level of service use has

been ascribed to many factors, including long delays involved in certifying plants and workers as TAA eligible. These delays frequently resulted in retroactive payments to workers who had, in the meantime, found employment. An early study of TAA by Neuman (1978) indicated that TAA recipients did search a long time for jobs and found higher paying ones.

The strongest association established in the literature between a worker's demographics and reemployability has been that of age. Almost all studies (Dorsey, 1967; Aiken, 1968; Kulik, 1984; Barth, 1981) have agreed that age is inversely related to reemployability. In four out of five case studies that Hammerman (1964) undertook, workers over 45 years of age had a significantly higher unemployment rate than did those below that age. The highest unemployment rate is in the 55-59 age group. Lipsky's study (1970) found that workers over 55 displaced from the Baker plant were unemployed for an average of 23.6 weeks, while the average worker remained unemployed for 18.6 weeks.

These studies have demonstrated that one of the most serious problems facing workers dislocated from manufacturing industries is the reality that their jobs are permanently eliminated with little prospect for a new job in the same occupation. Case studies suggest that dislocated workers may experience prolonged unemployment; and if they do become reemployed, it may be because they are forced into jobs offering lower pay, status, and security. Flaim

and Sehgal (1985) reported that of the 5.1 million dislocated workers who had worked at least three years on their laid-off jobs (as reported in the January, 1984, supplement to the CPS) approximately 220,000 had worked largely in the steel industry. Less than one-half (46 percent) of these workers were reemployed, 40 percent were still looking for jobs, and 16 percent had dropped out of the labor force. Of the 46 percent who were reemployed, only 25,000 were working in durable-goods industries, while 20,000 were in service industries, 15,000 in construction, and 15,000 in retail trade. These reemployed dislocated workers reported a 40 percent decrease in earnings at their new jobs as compared to their laid-off jobs.

A study for the Joint Economic Committee of Congress prepared by Bluestone and Harrison reported that over one-half of the eight million new jobs created from 1978 to 1984 in the U. S. paid less than $7,000 a year. Non-transferability of work experiences, seniority-related wages and benefits, lack of information about the labor market, and age discrimination combine to make readjustment difficult for these dislocated workers.

It has been found that allocating funds for retraining dislocated workers does not guarantee that dislocated workers will make a quick and easy adjustment to a new job in a new industry. In a study conducted by the Hudson Institute (1987), it was indicated that the number of jobs in the least-skilled job categories will continue to

disappear, while high skilled professions will continue to grow rapidly at least through the year 2000. If this is the case, training will be essential if dislocated workers are to be competitive in the labor market. However, it is doubtful that short-term training could possibly prepare unskilled and semi-skilled blue-collar workers for these positions.

Major changes in the structure of our economy and a tight job market have combined to make plant closings an increasingly devastating phenomenon. Local labor conditions as well as the quality of the training affect whether completion of a retraining program will lead to a desirable, well-paying job (Bartholomew, 1987).

SUMMARY

Whatever theory is accepted for plant closings, the fact remains that there are about 11 million dislocated workers in the U. S. (DOL, 1986). A large majority of the dislocated workers are without the necessary skills and education to find comparable positions. Today, the scenario that confront many workers is the lack of job security. Their jobs have been eliminated, and they are faced with unemployment after many years of job stability and high wages. Despite expanding employment in energy, high technology, and service sectors, laid-off auto, rubber, and steel workers are not easily absorbed into new occupations. The literature reveals that the majority of dislocated workers are white males who are unskilled or semi-skilled,

between the ages of 25 and 44 years of age, have low levels of education, and have several years of seniority. A number of factors combine to make adjustment difficult for these workers, including non-transferability of work experience, seniority-related wages and benefits, lack of information concerning the labor market, and age discrimination.

Because of the shift in capital investment, research studies on dislocated workers indicate that blue-collar workers often do not live where the new jobs are; and they are reluctant to move. Many jobs in the non-unionized sectors offer considerably lower wages than the highly unionized older industries. Jobs paying comparable salaries often require education or skills the blue-collar workers do not possess. Although most dislocated blue-collar workers eventually return to the workforce, many suffer major economic losses from extended periods of unemployment. Studies to date have documented the numerous deleterious effects on workers involved in plant shutdowns: protracted unemployment after displacement, loss of earnings, failure to gain steady post-termination employment, chronically low geographic mobility, and insurgence of physical and mental difficulties (Mick, 1975).

Over the past 25 years, the U. S. initiated several employment and training efforts to assist disadvantaged subpopulations. The major evaluations and studies on dislocated worker programs indicate that overall the programs have not successfully met the objectives of raising

reemployment rates and earnings for participants. Most researchers agree that there needs to be more longitudinal studies on the dislocated worker programs and the participants. Even though employment and training programs are available to dislocated workers who meet the eligibility requirements, only a small proportion of these workers elect to participate in the programs.

In unionized industries that have negotiated supplementary unemployment benefits, individuals who receive these benefits may attempt to wait until they are convinced that the plant will not recall them or until they run out of benefits. If a project opens its doors immediately after the shutdown, lower enrollment than planned may result. Until it is obvious that the plant will not be reopened or recall notices will not emerge, senior workers may not be willing to participate in the program. Furthermore, when UIB, TAA, and SUB, pay amount to 50 to 70 percent of take home pay, there may be little inclination to participate in a program that promises employment with an expected wage replacement rate of 65 percent and a concomitant loss of fringe benefits (Cook, 1987).

European countries and Canada have adopted a variety of approaches with respect to plant closings, which appear to be helpful for the dislocated workers and their communities. The center of these approaches continues to be early notification, which enables workers to make the necessary adjustment more easily and enables the government to provide

compensation, services, and transition assistance effectively. These extensive and expensive manpower programs could be used as guidelines in the U. S. for implementing training programs for dislocated workers and legislating policies regulating plant closings.

The U. S. has not yet made a total commitment to the unemployed and dislocated worker. In the situation of dislocated workers, U. S. tends to operate in crisis situations, and each plant closure is handled differently. Gregory Hooks (1984) made a good point when he stated that U. S. welfare policies, which are expensive, do little or nothing to prevent victimization in the first place and have had minimal success in rehabilitating those in need. William Schweke, (1980, preface) summarized the rational for U. S. Plant closing legislation:

> The problems of capital mobility and major job losses are real and growing. The major victims are the laid-off workers and their families. The massive job cuts often flood the labor market, overwhelming local employment opportunities. State and municipalities also face several fiscal difficulties, as their tax base erodes and public spending rises to pay for the social costs of economic dislocation, which include rapid increases in juvenile delinquency, crime, divorce, mental illness and despair.

This study examined the impact of a government-sponsored training program funded under Title III of JTPA and/ or TRA on participants' reemployment rates, wages, and perceptions of long-term employment and job satisfaction at current jobs compared to nonparticipants' 2 1/2 years after the plant closure.

The next chapter will describe the research design, methods, population and study instrumentation designed to accomplish the objectives of this study.

CHAPTER III

METHODOLOGY

This chapter describes the methodology of the study: the population, sampling techniques, the procedures used to collect data, the interview questionnaire, and data analysis.

THE POPULATION

People interviewed for this study were professional, skilled, semi-skilled, and unskilled workers who had lost their jobs when an iron foundry, located in Muskegon, Michigan, shut down one of its major plants in 1986. The total population of dislocated workers from this closing was 614. One hundred and two of them either retired or went on workman's compensation, leaving a total of 512.

The employees and the community received approximately one year's notice of the impending closure. As a result of this pre-layoff notice, the Michigan Employment Security Commission (MESC) of Muskegon received a $150,000 grant through JTPA to assist the workers slated for the layoff in the areas of counseling, job referrals, and relocation. MESC also aided the workers to enroll in remedial education, classroom training, and/or on-the-job training. The grant was in effect from June 1986 through July, 1987. After

July, 1987, the dislocated workers could still enroll in training assistance under TRA, which was in effect for two years after the plant closure.

MESC set up an office in June, 1986, at the layoff site to begin taking applications from the workers who wanted or needed assistance. The belief that some workers would relate better to another employee who was facing the same predicament resulted in hiring a peer counselor from the union to work with the dislocated workers. All workers were offered reemployment and training assistance on a first come first serve basis through MESC. These dislocated workers qualified for 26 weeks of UIB plus 26 weeks of TRA benefits if they were still unemployed. In addition to these benefits, another 26 weeks of TRA benefits could be obtained if the laid-off workers were enrolled in a training program. Although MESC projected that 215 workers would participate in the program, only 81 signed up for training assistance.

A list of the laid-off workers was received from two sources. Permission from the Governor's office for Job Training and Retraining was granted to the researcher to gain access to JTPA records on the workers who had signed up for assistance. Also, the president of the company supplied a list of all workers whose jobs were terminated. From those two lists, the dislocated workers were categorized as participants or nonparticipants in human-investment programs.

All information available about the population was collected to establish similarities or dissimilarities between participants and nonparticipants. Lengthy conversations with the president of the foundry and the director of the MESC project revealed that the participants seemed to have more advantages in the labor market than nonparticipants. Nineteen (30 percent) of the participants were classified as skilled, while 12 (19 percent) of nonparticipants were in that category. Thirty-six (56 percent) of participants were listed as semi-skilled compared to 46 (76 percent) of nonparticipants. There were three (5 percent) who were either floor supervisors or secretaries (listed as other) in the participant sample compared to none in the nonparticipant group. Thus, participants included more supervisors and skilled tradespeople than did nonparticpants.

THE SAMPLE

The sample included 152 dislocated workers. All 81 participants who had signed up for the MESC TRA or Mona Shores Adult Continuing Education assistance programs were included in the sample, excluding five who were used in the pilot test. The other 76 subjects that made up the sample, called nonparticipants, were randomly selected from the list that contained all the names of the laid-off workers that was provided by the president of the foundry. Five others from the list were selected for the pilot test.

Thirty subjects from the nonparticipant list had either retired or were on disability within five weeks of the closing. These 30 were removed from the sample, and another 30 names were randomly selected from the population. Out of the total sample of 152, 127 questionnaires were successfully completed. This included 105 telephone interviews and 22 (people without telephone service) returned mailed questionnaires. The 25 nonrespondents included one person who had died since the layoff, four who had moved leaving no forwarding address, seven who refused to participate, and 13 who had no telephones. Questionnaires were sent to those 13 people, but they did not return them.

Survey response rates were high and uniform between participants and nonparticipants. The rate of response was 84 percent. Of the 127 respondents who completed the questionnaires, 64 were participants and 63 were nonparticipants. The dislocated workers participated in the survey voluntarily. Their anonymity was assured because no identification information was solicited from individuals, and results were reported in group form.

The 127 respondents included 125 males and 2 females. Chapter IV illustrates the age range, the racial ethnic composition, the education level, and the number of years on the laid-off job of the subjects categorized by participants and nonparticipants.

DATA COLLECTION PROCEDURES

Data were obtained through structured telephone interviews and mailed questionnaires conducted between February 13 and March 14, 1989, approximately 2 1/2 years after the plant closing. A maximum of eight attempts were made to contact each person by telephone. One hundred and five telephone interviews were successfully completed. If the interviewers were unable to make contact after eight attempts, a letter (Appendix A) and the questionnaire (Appendix B) were sent to the subjects. Thirty-seven letters and questionnaires were sent to those who either could not be reached by telephone or who had no listed telephone number. A follow-up letter (Appendix C) was sent ten days after the first letter was mailed to those who had not returned the questionnaires. A total of twenty-two completed questionnaires were returned by mail.

Before the telephone interviews occurred, each person in the sample received two letters. The first letter was sent three weeks prior to the interviews by the director of the MESC program (Appendix D). This letter briefly summarized the purpose of this project and informed the subjects that the researcher had received permission from the Governor's Office for Job Training to access confidential information. One week after this letter was mailed, a letter explaining the project in more detail, encouraging participation, and assuring the respondents of

anonymity was sent by the researcher (Appendix D). The following week the interviews began.

Six interviewers were hired to complete the interviews. The interviewers were trained by the researcher, and a standard script was used by each interviewer (Appendix E). Also, a tape of an interview completed by the researcher was given to each interviewer to maintain a high rate of consistency during the interviews. Each interview lasted approximately 15 minutes.

THE QUESTIONNAIRE

The questionnaire was developed after pertinent literature to the problem under investigation was reviewed. The questionnaire was submitted for recommendations and revisions to a panel of experts in the areas of dislocated workers and questionnaire development.

The questionnaire contained 55 questions. The final version consisted of five parts.

Part I of the survey dealt with demographic information. Questions about sex, age, race, marital status, and educational attainment were asked. It is important for communities to be aware of demographic characteristics of the dislocated worker population, especially regarding age and education, in order to target particular programs to meet their needs.

Section II was designed to examine the types of jobs workers held at the closed plant, how long they had worked in those jobs, and what their skill levels were. This

information can be used to determine what assistance might be needed by dislocated workers enabling them to gain post-closure employment.

Section III contained questions about benefits received by the dislocated workers. This section was used as a reliability check for the answers given in Section IV. Because this survey was completed over two years after the layoff, some of the respondents had difficulty remembering what benefits they received, how long they received benefits, and how much time had lapsed before they became reemployed.

Section IV asked questions about recent employment and the number of jobs that each worker had held since the closure. It also examined compensation factors, working conditions, and advancement factors for the dislocated workers in their present jobs based on responses ranked on a four-point Likert scale ranging from Very Satisfactory to Very Dissatisfactory. These questions were used to test Herzberg's theory (1963) on satisfiers (called motivational factors) and dissatisfiers (called hygiene factors). Herzberg suggests that if the majority of dislocated workers are more concerned with hygiene factors at the expense of motivational factors, low participation may result in human-investment programs. This section also explored the Human Capital theory (Bartholomew, 1987) that people will participate in human-investment programs as long as the benefits of future returns outweigh the costs of investment.

Section V examined what training, if any, the dislocated workers participated and how long after the layoff they were ready and willing to participate. Of the 614 total dislocated population in this study, only 81 or (16 percent) elected to participate in a human-investment program. This percentage is consistent with what other studies on dislocated workers have found (Ferman, 1980; Cook, 1988; Kulik, 1984; Somers, 1968). Other questions focused on each worker's perception of the benefits of the assistance programs and on his/her personal decision whether or not to retrain. These questions were asked to try to understand what motivated these subjects to participate in a human-investment program or deterred them from participation.

PILOT TEST

The interview protocol was pilot-tested on ten randomly selected dislocated workers, five from the participant sample and five from the nonparticipant sample. The dislocated workers interviewed were very polite and willing to participate in the study. They freely talked of their experiences since the layoff and asked questions if they did not understand any of the survey. This helped the researcher make the needed revisions. One question on the questionnaire was changed, one question was added, three questions were revised to include more choices in the response categories, and several "go to" statements were added.

The pilot test helped establish the final order of segments on the questionnaire used to complete the interviews.

DATA ANALYSIS

This study analyzed qualitative and quantitative data collected from a sample of dislocated workers comprised of participants and nonparticipants of a human-investment program. Data collected from telephone interviews and mailed questionnaires were used to determine ranges, means, and standard deviations for length of education, work history, number of weeks of unemployment, number who found new employment in the same occupation, earnings at laid-off job and present job, perceptions of present job security and job satisfaction, number of weeks of training completed, and perceptions of training assistance for each group. Data were calculated in crosstabulation form using the program AB TAB. Standard procedures for hypotheses testing and Chi Square were used in the analysis of data. Alpha level for all hypotheses testing was .05.

SUMMARY

The purpose of this study was to determine if government-sponsored training programs make a difference in facilitating participants' reemployment into full-time jobs that enable the dislocated located workers to become self-supporting. Dislocated workers' perceptions of long-term employment outlook and job satisfaction were also analyzed and compared with nonparticipants'. Five hypotheses were

developed to test these factors by comparing a sample of participants of a human-investment program with nonparticipants.

Chapter IV will discuss the results of the analyses.

Chapter IV

Analysis of Data

Introduction

The purpose of this study was to examine the impact of a short-term government-sponsored human-investment program on participants' reemployment rates, earnings, and perceptions of long-term employment and job satisfaction when compared to those of nonparticipants. This study was guided by five hypotheses. Data were crosstabulated for each question by training and nontraining using the AB TAB statistical program. Both frequencies and percentages were reported. Standard statistical procedures for hypothesis testing and chi-square were used in the analysis of the data. Alpha level for all hypothesis testing was .05.

Background Characteristics of Subjects

Until the plant closure undermined their financial security, the dislocated workers in this study were stable members of the working class, earning wages that supported a comfortable way of life. Their steady work histories and belief in the importance and necessity of work distinguished them from the "hard core" unemployed. They earned over $12 an hour and received fringe benefits, including medical coverage, paid vacations, and retirement pensions. Table 1

on pages 78 and 79 gives a profile of the 127 dislocated workers who were interviewed for this study.

Ninety-eight percent of all the dislocated workers were males, and 80 percent were white. Forty-five percent were 36 to 44 years of age, while 33 percent were 45 to 54. The distribution of ages for participants closely matched that of nonparticipants. Ninety-two percent of all respondents indicated they were married and supported dependents.

This sample is somewhat atypical of other foundry or factory dislocated workers in that 69 (54 percent) of the laid-off workers had at least a high school education, with 19 (15 percent) having education beyond high school. Bendick's nationwide research in 1983 on dislocated workers showed that one-third of them had not graduated from high school.

PAST WORK HISTORY

Thirty-four (27 percent) of the total respondents had worked 16 or more years at the foundry, while 45 (35 percent) had worked over 20 years. Figure 2, page 80, illustrates the seniority of participants and nonparticipants at the laid-off jobs. When interviewed, many of the subjects related that even though collecting unemployment checks for short periods of time was an accepted norm by production workers, being permanently out of a job was devasting. One person said, "You know it's coming, but you are never really prepared for the last day.

TABLE 1

CHARACTERISTICS OF DISLOCATED WORKERS

	Participants		Nonparticipants		Total	
Variable	N	%	N	%	N	%
Sex						
Male	61	95	63	100	124	98
Female	3	5	0	0	3	2
TOTAL	64	100	63	100	127	100
Age						
25 - 35	9	14	11	17	20	16
36 - 44	30	47	27	43	57	45
45 - 54	21	33	21	33	42	33
55 - 59	4	6	3	5	7	6
60 - 64	0	0	1	2	1	1
TOTAL	64	100	63	100	127	*101
Race						
White	52	81	50	79	102	80
Black	9	14	11	17	20	16
Am. Indian	1	2	0	0	1	1
Asian	0	0	0	0	0	0
Hispanic	1	2	2	3	3	2
Mexican	1	2	0	0	1	1
TOTAL	64	100	63	*99	127	100
Marital Status						
Married	58	91	59	94	117	92
Single	2	3	1	2	3	2
Other	4	6	3	5	7	6
TOTAL	64	100	63	*101	127	100

TABLE 1 (CONT.)

	Participants		Nonparticipants		Total	
Variable	N	%	N	%	N	%
Grade Level of Education						
8th or less	2	3	6	10	8	6
9th to 12th	16	25	14	22	30	24
H. S. Grad.	34	53	35	56	69	54
Some College	9	14	6	10	15	12
College Grad.	3	5	1	2	4	3
No Answer	0	0	1	2	1	1
TOTAL	64	100	63	*102	127	100

*Percent totals do not equal 100 due to rounding.

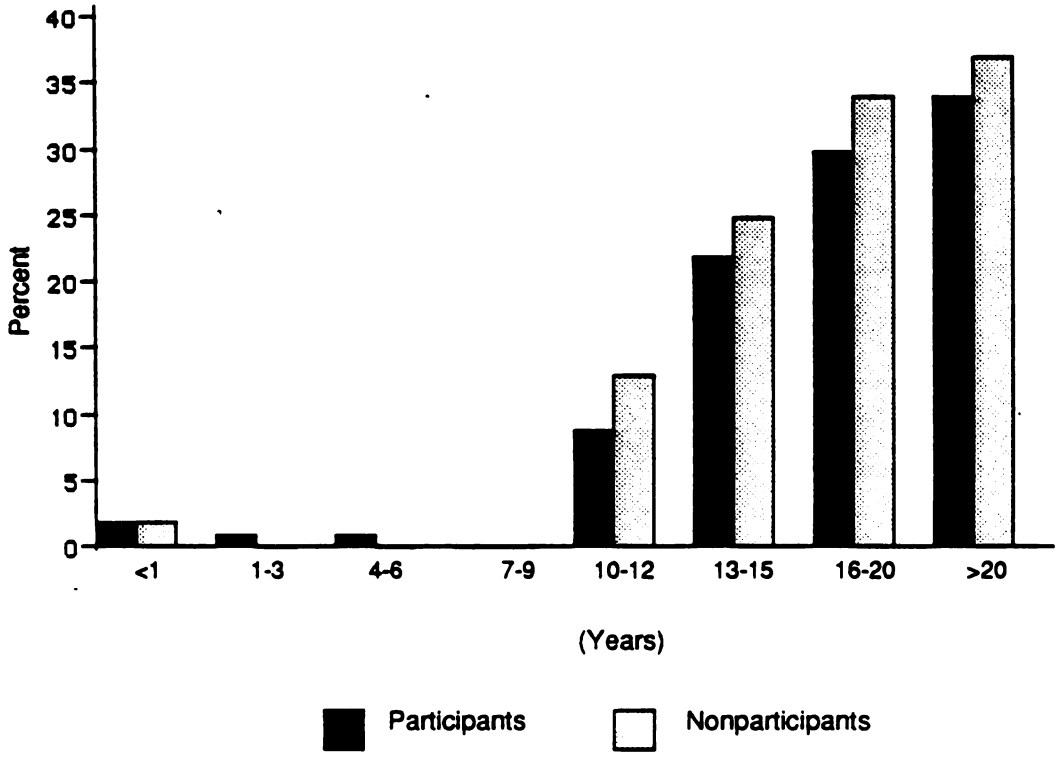

Figure 2: Comparison of participants' and nonparticipants' seniority at the laid-off jobs

You keep thinking something will happen that will cause the foundry to stay open." Another said, "Fifteen years ago, no education, no skills, no experience was necessary--just a strong back and a tolerance for pain." One more comment summarized the feelings of many of the dislocated workers, "I'm 57 years old and all used up. I have no high school education and have only worked at one place. Who would hire me?"

The interviews revealed much information that could not be analyzed as data. For example, although working in the foundry jobs was hard and dirty, many of the respondents said they liked their jobs. After years of working full time at one place, some of the subjects thought of the work place as their second home. These workers lost not only a job, but a family of co-workers. They no longer had the security of knowing what was expected of them each day. Many experienced grief and fear wondering how they would be able to continue paying their bills each month.

Even though the dislocated workers were given a one year notice of the impending shutdown, 63 (98 percent) of the participants and 59 (94 percent) of the nonparticipants stayed until the final closure. The five workers who left before the layoff did so because they had found another job. All five workers indicated they found new employment through friends. The 122 (96 percent) who stayed on the job until the very last day gave a variety of reasons for their staying. Some of the reasons included: staying in hopes of

being retained, being unable to find another job, and depending on the high pay at the foundry.

The nature of the foundry jobs and the fact that the plant was unionized meant that anyone who was a member of the union and was willing to work had a chance at getting a good paying job. However, major shifts in the economy, along with the economic recessions of the '80s, eliminated many semi-skilled and unskilled jobs throughout the country. This economic situation left behind millions of dislocated workers with low levels of skills and education. These low levels of skills and education have diminished the chances of many dislocated workers "selling" themselves to employers in new industries.

Most of the former foundry workers who looked for work after the closure had a difficult time. One man who had worked 22 years at the plant said:

> I never thought I would have to start over in a new career at my age. I don't even know how to begin. I don't know how to even fill out the forms because I can't read too good. Who would hire me?

Another said:

> I feel like I did when I was 18 and was confused on what to do with my life. I have been working hard for 26 years at the same plant. I have felt secure in my job for years, even though there were slowdowns and occasional layoffs. I always knew I would be called back. I made enough money to support my family and even save a little. When the boom fell, it was such a tremendous shock. No one believed it would really happen. I will never feel secure again.

Figure 3, page 83, shows that 31 (24 percent) of the laid-off workers were classified as skilled; 81 (65

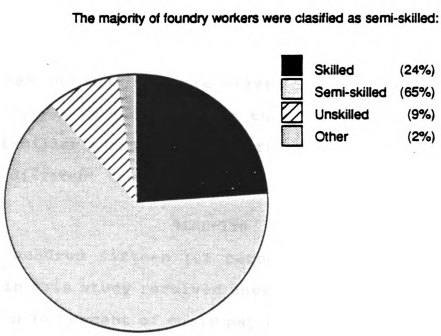

Figure 3: Job status of respondents at the laid-off jobs.

percent), as semi-skilled; 11 (9 percent), as unskilled; and 3 (2 percent), as other (See Chapter I terms). Although relocation funds and assistance were available to the workers, only 26 (20 percent) have moved from the Muskegon area. The primary reasons given by the 26 who moved were: 8 (31 percent) listed job promise, 4 (15 percent) said they had friends there, and 14 (54 percent) replied there were no jobs in Muskegon. The remaining 101 respondents (80 percent) who stayed in Muskegon to look for another job gave the reasons listed in Table 2, page 85. Fifty-seven (56 percent) listed family ties as the predominant factor for staying in Muskegon. Several of the respondents expressed that they had lived in Muskegon all their lives and that their relatives and friends all lived there. It was frightening for them to even think about leaving familiar surroundings and friends to look for a new job in a different town or state.

BENEFITS

One hundred fifteen (91 percent) of the dislocated workers in this study received unemployment checks, which brought in 70 percent of their pay for 26 weeks; and 74 (58 percent) received up to an additional 26 weeks of TRA benefits, which was equal to their unemployment checks. The unemployment and TRA checks covered the barest necessities. House payments, car payments, and the need for medical insurance caused most of the laid-off workers to fear a financially insecure future. For those who enrolled in a

TABLE 2

REASONS FOR STAYING IN MUSKEGON

Variable	Participants	Nonparticipants	N	%
Family Ties	31	26	57	56
No Job Prospects	0	4	4	4
Could Not Afford To Move	6	3	10	9
Retired	1	0	1	1
Disabled	0	1	1	1
Other	10	13	23	23
No Answer	3	3	6	6
TOTAL	51	50	101	100

human-investment program, another 26 weeks of TRA benefits were available, bringing the total number weeks of possible assistance for those who qualified to 78. However, only 81 (13 percent) of 614 laid-off workers took advantage of this benefit. The Human Capital theory was discussed in Chapter I as a possible explanation for low enrollment in training programs. This theory is based on the concept that people will make investments in their lives, such as participating in training programs, as long as the benefits of future returns outweigh the cost of the investment. The results of the data in this study indicated that the majority of these laid-off workers did not believe the investment in training would enhance their future employment and wages. Several of the nonparticipants indicated they would have liked to enroll in a training program, but they could not afford to do so. One respondent said, "Even though TRA benefits would pay for the schooling, I need to get a job first to support my family."

TRAINING

The unemployment and retraining project director from MESC met with the laid-off workers three months before the plant closed. Over half of the 614 scheduled for layoff indicated to the director they would need some type of assistance. After the layoff, only 81 people elected to participate in a human-investment program. Table 3, page 87, shows total enrollment in each category.

TABLE 3

ENROLLMENT BY TYPE OF ASSISTANCE

Variable	*N	*%
MESC TRA PROGRAM		
Job Referrals	18	28
Job Search Assistance	11	17
On-The-Job-Training	7	11
Relocation Assistance	3	5
Classroom Training	37	58
Counseling/Aptitude Testing	9	14
MONA SHORES ADULT CONT. ED.		
Adult Basic Education	3	5
High School Completion	7	11
Classroom Skill Training	0	0

*N and percent totals add up to more than 64 and 100 respectively because of multiple enrollments by some participants.

Training assistance was grouped into two categories: MESC TRA program and Mona Shores Community Education program. MESC TRA program included six basic services: referrals to other jobs, job search assistance, OJT, relocation assistance, classroom training, and counseling/aptitude testing. Mona Shores Community Education program offered assistance to participants in adult basic education, high school completion, and classroom skill training. In addition to these two programs, the foundry hired a transition team and offered resume writing assistance to anyone who wanted it. Fourteen (11 percent) of the 127 respondents participated in these workshops.

The scheduled laid-off workers were offered the opportunity to enroll in the goverment-sponsored human-investment program with the assistance of the MESC office between June 1, 1986 and July 30, 1987, through the assistance of the MESC office. Most case studies on dislocated workers report that workers tend to wait until their unemployment runs out before they seek assistance. Figure 4, page 89, shows that in this case only 21 people (33 percent) waited longer than 26 weeks to enroll in an assistance program, 24 (38 percent) enrolled within the first 12 weeks, 18 (28 percent) enrolled between weeks 13 and 26, and 1 (2 percent) enrolled before the scheduled layoff. Workers 45 years of age and under participated in the assistance programs at a higher rate than workers who were over 45 years of age. The majority of participants (47

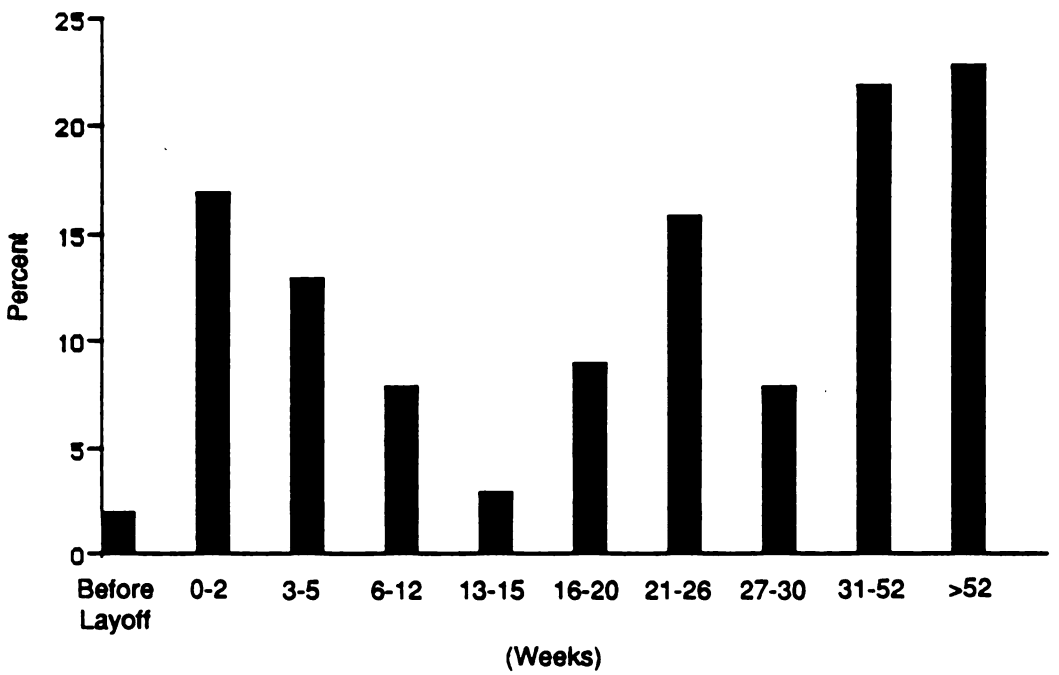

Figure 4: Number of weeks after layoff participants enrolled in training programs.

percent) were between 36 and 44 years of age. Fourteen percent were between 25 and 35; 33 percent, 45-54; and 6 percent, 55-59. Retraining literature suggests a variety of reasons for the hesitation of older adults to participate in retraining. The reasons involve fear of school, lack of self-confidence, financial problems, and transportation difficulties. Also, older workers tend not to enroll in human-investment programs because they believe they are too old to begin a new career and do not have enough working years left to recover the cost of the investment (Bartholomew, 1987). The four primary reason given by dislocated workers in this study for not participting in training were (a) found other employment, (b) lacked confidence, (c) lacked transportation, and (d) felt training not worthwhile.

The number of weeks scheduled for assistance or training varied from 1 to over 30. The length of time that respondents were scheduled for training is listed in Table 4, page 91. Fourty-four (69 percent) of participants completed the assistance program. A variety of reasons were given by participants for not completing the scheduled training. Table 5, page 92, lists those reasons.

When asked if their present jobs were related to the assistance received, 20 (31 percent) participants answered "yes", 36 (56 percent) said "no", and 8 (13 percent) indicated they were not working. Many of the participants said they enrolled in training classes, such as welding or

TABLE 4

NUMBER OF WEEKS SCHEDULED FOR TRAINING

Variable	N	%
No. of Weeks		
0 - 2	3	5
3 - 5	2	3
6 - 12	6	9
13 - 15	3	5
16 - 20	0	0
21 - 26	16	25
27 - 30	8	13
> 30	14	22
No answer	12	19
TOTAL	64	*101

*Percent total does not equal 100 due to rounding.

NOTE: The 12 in category "No Answer" were people who signed up for job referrals with no predetermined number of weeks.

TABLE 5

REASONS GIVEN FOR DROPPING OUT OF PROGRAM

Variable	N	%
Found another job	12	60
Personal problems	3	15
Benefits ran out	5	25
TOTAL	*20	*100

*Total participants was 64; 44 completed training; 20 did not.

auto body repair because positions in the classes were available. However, when they finished the training, they could not find jobs in those areas of training.

Even though 36 (56 percent) of participants did not find jobs in the area of assistance or training received, 42 (66 percent) said they believed the assistance or training was very beneficial, 15 (23 percent) did not believe the assistance was beneficial, and 7 (11 percent) did not respond. Table 6 represents why respondents did not view the assistance or training as beneficial.

TABLE 6

WHY ASSISTANCE WAS NOT BENEFICIAL

Reason	N	%
Too Short	2	3
Could Not Comprehend	2	3
Not Pertinent To Employment	6	9
*Other	5	8
TOTAL	15	23

*NOTE: "Other" category included three different reasons: too noisy in classroom, poor instructor, and did not learn enough to get a job.

PRESENT EMPLOYMENT

Nonparticipants reported more steady employment than participants since the layoff. Thirty-eight (Sixty percent)

of nonparticipants had only one job since the layoff compared to 31 (48 percent) of participants. Eighteen (29 percent) nonparticipants had held two or more jobs since the layoff compared to 28 (44 percent) participants, Table 7, page 95. This difference might be attributed to the training. Participants may have waited longer to look for a new job because they were enrolled in training. Another explanation could be that participants took temporary jobs until the training was over.

EXAMINING THE HYPOTHESES

HYPOTHESIS 1: There is no significant difference in the frequencies per classification for the number of weeks between job termination and reemployment for participants and nonparticipants.

Subjects were asked to indicate how many weeks they were laid-off before they became reemployed at other jobs. Table 8, page 96, shows both the data and results of a chi-square test for homogeneity. The level of significance, which was .1902, DID NOT meet the criteria for statistically significant differences. The null hypothesis was accepted.

The largest difference occurred in the 52 plus category where 39 percent of program participants indicated they were unemployed as compared to 21 percent of nonparticipants. This might reflect that participants were spending time in the human-investment programs that otherwise might have been spent in serious job searches. Another explanation is that participants might have initiated longer job searches during which they held out for better jobs.

TABLE 7

NUMBER OF JOBS SINCE LAYOFF

No. of Jobs	Participants		Nonparticipants		Total	
	N	%	N	%	N	%
0	8	13	10	16	18	14
1	31	48	38	60	69	54
2	18	28	9	14	27	21
> 2	7	11	6	10	13	10
TOTAL	64	100	63	100	127	*99

*Note: Percent total does not equal 100 due to rounding.

TABLE 8

NUMBER OF WEEKS WITHOUT A JOB

	Participants		Nonparticipants		Total	
Weeks	N	%	N	%	N	%
0	3	5	0	0	3	2
1-5	9	14	17	27	26	20
6-10	1	2	2	3	3	2
11-15	1	2	2	3	3	2
16-20	6	9	2	3	8	6
21-25	2	3	2	3	4	3
26-30	4	6	8	13	12	9
31-35	0	0	2	3	2	2
36-51	5	8	5	8	10	8
52 plus	25	39	13	21	38	30
Still Unemployed	8	13	10	16	18	14
TOTAL	64	*101	63	100	127	*98

*NOTE: Percent does not equal 100 due to rounding.

$\chi^2(9, N = 127) = 12.43$ Significance = .1902
(chi-square statistic does not include the category "Still Unemployed").

HYPOTHESIS 2: There is no significant difference between participants' and nonparticipants' reemployment rates at the time of interviews.

At the time of the interviews 56 (88 percent) participants and 53 (84 percent) nonparticipants were working. Fifty-one (80 percent) participants were working full time compared to 45 (71 percent) nonparticipants. The level of significance was .2762. This DID NOT meet the criteria for statistical significance. The training did not appear to improve participants' reemployment rates. Participants had been at their current jobs less time than nonparticipants. Twenty-four (43 percent) participants had been at their current jobs less than a year, compared to 13 (25 percent) nonparticipants. Twenty-one (33 percent) participants had been at their present job between 1 and 2 years as compared to 24 (38 percent) nonparticipants.

Figure 5, page 98, depicts the types of companies in which respondents found employment. Based on past studies on dislocated workers, it was expected that most workers would not find employment in occupations similar to their laid-off jobs. Another expectation was that those who found jobs in a retail or service industry would in all likelihood earn less money than they earned at the laid-off jobs.

A surprising factor was that the dislocated workers who found employment in similar occupations to the laid-off jobs also experienced much lower wages compared to their laid-off jobs.

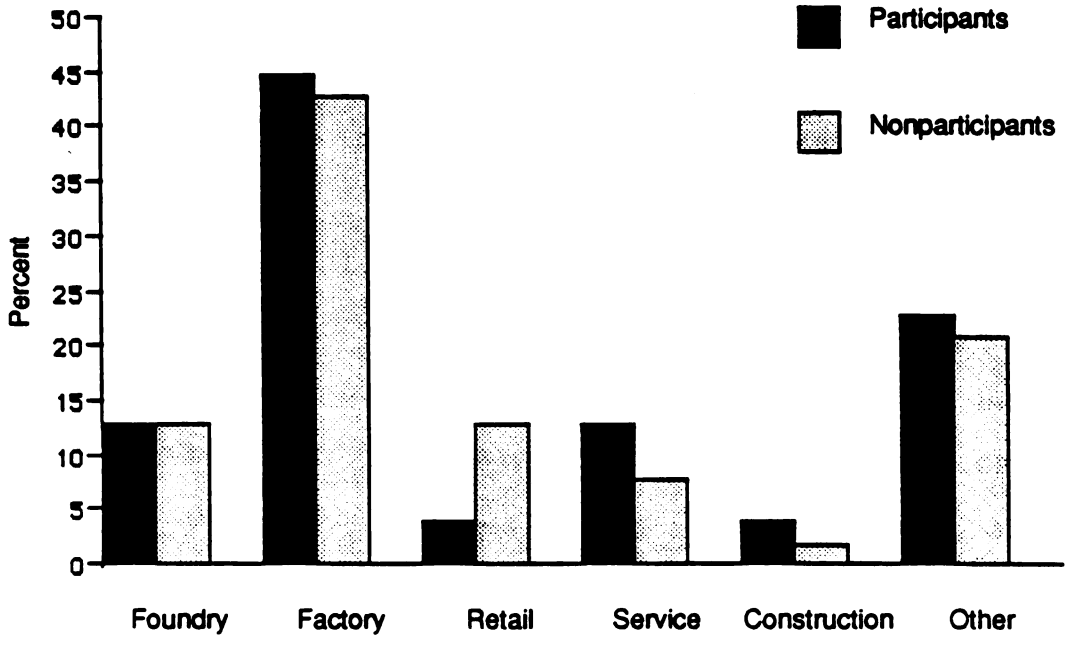

Figure 5: Types of companies respondents found new employment

* NOTE: Due to rounding percent does not equal 100.

"Other Catagory" included those who worked at various jobs for friends or became self-employed.

HYPOTHESIS 3: There is no significant difference in the frequencies per wage classification for participants and nonparticpants.

Figure 6, page 100, shows that of the 109 dislocated workers who were working at the time of the interviews, 41 (73 percent) of the 56 participants were making less than they were at the laid-off job compared to 33 (62 percent) out of 53 nonparticipants. Six (11 percent) of the participants were making the same wages at their current jobs as they were making at their laid-off jobs, while 8 (15 percent) nonparticipants were also making the same wages as their laid-off jobs. Nine (16 percent) participants indicated they were making more money now than before the layoff, and 12 (23 percent) nonparticipants were also earning more wages.

Table 9, page 101, illustrates corresponding earnings for participants and nonparticipants at the time of the interviews. A chi-square test for homogeneity was used to test the hypothesis. The significance level was .6279, which DID NOT meet the criteria for statistically significant differences. The null hypothesis was accepted. Differences were observed in the $501-600 and over $600 categories, but these differences were not significant.

It appears participants earned about the same as nonparticpants in the predetermined wage categories $500 and under, while nonparticipants earned more in the predetermined wage categories $501 and above. There is no indication that the training programs increased

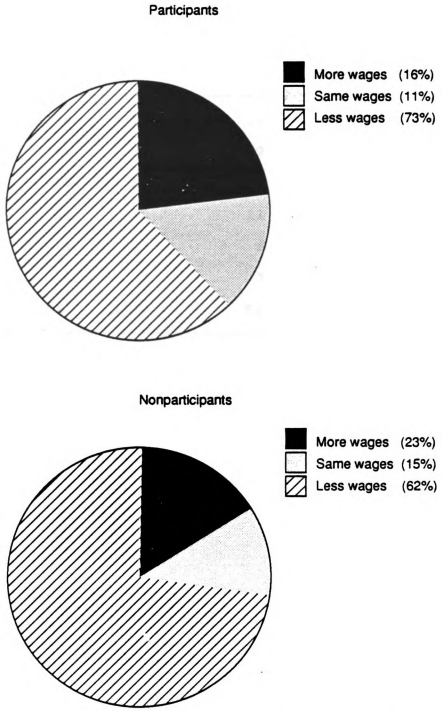

Figure 6: Percentage comparison of present wages compared to wages at the laid-off jobs.

TABLE 9

CURRENT WAGES FOR RESPONDENTS

Wages	Participants N	Participants %	Nonparticipants N	Nonparticipants %	Total N	Total %
Less than $200	8	14	10	19	18	17
$200-300	11	20	9	17	20	18
$301-400	15	27	10	19	25	23
$401-500	14	25	11	21	25	23
$501-600	4	7	6	11	10	9
Over $600	4	7	7	13	11	10
TOTAL	56	100	53	100	109	100

$x^2(5, \underline{N} = 109) = 3.147$ Significance = .6773

participants' earnings. A relevant question to ask is whether the program improved participants' long-term prospects.

HYPOTHESIS 4: There is no significant difference between participants' and nonparticipants' perceptions that their current jobs provide long-term employment.

Perceptions were measured by the percentage of respondents who answered "yes" to the question, "Do you believe you have job security at your present job?" Of the 109 respondents who were working at the time of the interviews, 44 (79 percent) participants responded "yes" compared to 35 (66 percent) nonparticipants. It was surprising to the researcher that such a large percentage of respondents answered "yes" to this question. Seventy-nine percent of all the respondents had worked 16 or more years at their laid-off jobs, and the majority of them had indicated that they thought they had job security and never believed they would become permanently laid-off. Yet, at the new jobs, these workers still had faith in the concept of job security. The .1286 level of significance indicated there was no significant difference between the two groups; the null hypothesis was accepted.

HYPOTHESIS 5: There is no significant difference between participants' and nonparticipants' perceptions of current job satisfaction.

Several questions were asked based on Herzberg's theory on compensation factors, working conditions, and advancement factors relating to job satisfaction. The answers to the

questions were ranked on a four-point Likert scale ranging from very satisfactory to very dissatisfactory.

Hypothesis 5 was tested by examination of the question," How would you overall describe your present job satisfaction?" Table 10, page 104, shows the data and results for a chi-square test. Although 74 (68 percent) of the respondents said they were making consideraby less than the laid-off job, 83 percent of the participants indicated they were either very satisfied or satisfied with their current jobs compared to 75 percent of the nonparticipants. Many of the respondents said that even though they were making less money on the new job, the working conditions and environment were much better than at the foundry. The level of significance was .1911. This DID NOT meet the criteria for statistically significant differences. The null hypothesis was accepted.

It appears from the responses that the respondents are more concerned with Herzberg's motivational factors rather than with the hygiene factors. A positive relationship with the supervisor and opportunities for decision making and advancement play a major role in overall job satisfaction for these workers. One worker said:

> Getting laid-off was the best thing that happened to me. I always wanted to go into business for myself, but I never felt I could quit my job to do it. This layoff gave me the chance to start my own business, and I am making enough to support my family. There is nothing like being your own boss.

TABLE 10

PERCEPTIONS OF JOB SATISFACTION

(Percent of Number)

Key: Very Satisfactory = VS; Satisfactory = S; Dissatisfactory = D; Very Dissatisfactory = VD; Participants = P; Nonparticpants = NP

Variable	VS		S		D		VD		N
	P	NP	P	NP	P	NP	P	NP	
Wages	5	17	61	53	23	19	11	11	109
Fringe Benefits	9	9	52	51	21	26	18	13	109
Vacation Policies	16	13	61	47	16	28	7	11	109
Work Week	14	19	73	53	7	25	3	4	109
Physical Conditions of work place	25	26	71	49	4	21	0	2	109
Opportunities for decision-making	14	21	50	45	29	26	7	8	109
Relationship to Supervisor	38	34	59	47	4	13	0	0	*106
Advancement Opportunities	9	9	57	55	29	25	5	8	*107
Overall Job Satisfaction	13	27	70	48	13	15	5	10	*108

$\chi^2(3, N = 108) = 5.15$ Significance = .1911

*NOTE: Total number equals 109 (56 participants, 53 nonparticipants). Nonresponses were not included.

Many respondents said they liked their jobs because they did not have to work so hard, the work place was cleaner, they had the opportunity to participate in decision making, and there were chances for promotion.

Herzberg's theory that dislocated workers might be more concerned with hygiene factors at the expense of motivational factors was examined as a possibility for low enrollment in training programs. However, this did not appear to be the case based on the responses given to the questions relating to hygiene and motivational factors. When respondents were asked, "What do you view as more important in a job, wages or job satisfaction?", 38 (59 percent) participants answered job satisfaction compared to 34 (54 percent) nonparticipants. Over 50 percent of participants and nonparticipants indicated that job satisfaction was more important to them than wages. However, many of the respondents did indicate that it would be ideal to have both "good wages" and job satisfaction.

SUMMARY

This chapter has presented an analysis of the findings and a statistical examination of the relationships among variables relevant to this study. Five hypotheses were tested using empirical methods. All five null hypotheses were accepted.

Chapter V includes a summary of the study, conclusions, and recommendations based on the research findings.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

SUMMARY

"Nationwide there are approximately 100,000 workers a year who are unemployed, whose old jobs have permanently disappeared, and who have not been readily absorbed by other job openings" (Bendick, 1983).

Researchers and economists are not in agreement on the primary causes of such unemployment or what to do about it. Some claim cyclical factors are to blame. Others cite structural factors, such as new technology or changing patterns of international trade. Bluestone (1982) advocates that deindustrialization has played a major role in a large majority of plant closings, causing millions of workers to become permanently laid-off.

Over the past 25 years, the federal and state governments have been searching for solutions to the reemployment problems of dislocated workers. Several employment and training efforts to assist disadvantaged groups have been initiated. The main focus of these bills has been to provide extended benefits, such as severance pay, pension benefits, continued health insurance, job training, relocation assistance, and plant closing notifications (O'Connell, 1986; Felsten, 1981).

With the increased number of manufacturing plant closings in the last 15 years, attempts to compensate dislocated workers for their job losses have taken two major forms: readjustment services and income replacement. The latest legislation that specifically targets dislocated workers is Title III of JTPA. The goal of the bill is to provide training and employment services to dislocated workers enabling them to acquire job skills needed to obtain reemployment sufficient to support themselves and their families. Title III is unique in that it gives responsibility to state governments for planning and implementing the dislocated worker programs.

A review of the literature indicated that the effectiveness of JTPA is in question. Major evaluations and studies on dislocated worker programs reported that training did not make a significant difference in reemployment rates and earnings for participants (Cohen, 1988; Bloom, 1987; Kulik, (1984). Ferman, 1980; Gordus, 1981; and Cook, 1988, found dislocated workers had very little interest in training. After evaluating several plant closings, Ferman reported that only 6 to 16 percent of dislocated workers participated in training programs.

The dislocated worker population tends to be white males, who are older, less educated, more experienced, accustomed to higher earnings, and less likely to have had recent experience in job search techniques when compared to the "general" unemployed (Barth, 1981; Horvath, 1981;

Bartholomew, 1987; Thor, 1982). The strongest association established in the literature between a worker's demographics and reemployability has been that of age. Studies by Dorsey, 1967; Aiken, 1968; and Barth, 1981, agreed that age was inversely related to reemployability. Workers over 45 years of age had significantly higher unemployment rates than did those below that age.

Nontransferability of work experience, seniority-related wages and benefits, lack of information about the labor market, low levels of education, and age discrimination combine to make readjustment difficult for dislocated workers. Local labor conditions as well as the quality of the training affect whether completion of the training will lead to a desirable, well-paying job.

The purpose of this study was to determine what happened to 614 workers who were displaced from an iron foundry in September, 1986. The company was located in Muskegon, MI, an area that has been hit hard by plant closings the last five years.

A reemployment and training project, federally funded through JTPA and TRA and administered by MESC, offered the laid-off workers free assistance in counseling, job referrals, relocation, remedial education, classroom training, and/or OJT. The goal of the project was to give the dislocated workers the training and assistance needed to find new jobs in the private sector.

Workers who enrolled in the program were eligible to receive 26 weeks of TRA benefits in addition to the benefits already collected. However, only 81 workers elected to participate.

This study was designed to examine the impact of the short-term, human-investment program on participants' reemployment rates, earnings, and perceptions of long-term employment and job satisfaction at their current jobs compared to nonparticipants. Data were collected through telephone interviews or mailed questionnaires from 127 dislocated workers from the foundry. Sixty-four respondents had participated in the human-investment program; 63 had not participated. The sample initially drawn was comprised of 152 laid-off workers. All 81 participants were included in the study, and a random sample of 81 was drawn from the pool of nonparticipants. Five from each group were used for the pilot test. Twenty-five subjects did not respond or refused to participate, which made the response rate 84 percent.

Five hypotheses were developed to guide the study:

1. There is no significant difference in the frequencies per classification for the number of weeks between job termination and reemployment for participants and nonparticipants.

2. There is no significant difference between participants' and nonparticipants' reemployment rates at the time of the interviews.

3. There is no significant difference in the frequencies per wage classification for participants and nonparticipants.

4. There is no significant difference between participants' and nonparticipants' perceptions that their current jobs provide long-term employment.

5. There is no significant difference between participants' and nonparticipants' perceptions of current job satisfaction.

The first four hypotheses were intended to determine if participation in the training program made a difference in reemployment rates, earnings, and perceptions of long-term employment. The fifth hypothesis, which was based on Herzberg's theory of compensation and motivational factors, related to participants' perceptions of job satisfaction as compared to nonparticipants.

Five assumptions guided the formulation of the hypotheses:

Assumption 1: Dislocated workers are reluctant to enroll in government-sponsored training programs.

The literature has reflected that only a small proportion of dislocated workers participate in training. In this study, only 13 percent of the laid-off workers opted to enroll in the assistance program. Workers 45 years of age and under participated in training at a higher rate than workers over 45. The primary reasons given by respondents for not participating in the assistance program were

(a) found another job, (b) lacked confidence, (c) lacked transportation, and (d) did not believe training was worthwhile.

Assumption 2: Many dislocated workers do not have transferability of skills.

Many of the dislocated workers indicated that they had worked over 20 years at the laid-off jobs and only knew how to do one specialized job. Fifty-seven percent of those who found employment, found it in another occupation, where their skills were not transferable. Most of the new jobs were in entry-level, low-wage categories that required low skill and education levels.

Assumption 3: The investment in training programs for dislocated workers will provide a benefit to society in the forms of increased skills, knowledge, earnings, and taxes.

The research findings indicated that training was not always compatible with labor market demands. While 69 percent of the participants completed the program, 56 percent did not find employment in the area of the training, and 13 percent were still unemployed at the time of the interviews. Sixty-six percent said they believed the training was very beneficial, while 23 percent indicated it was a waste of time; eleven percent did not respond. The primary reasons participants did not think the training was beneficial was because the training was not pertinent to employment, or they did not learn enough to get a job.

Although many of the participants increased their skills and found employment, the training did not increase their earnings compared to nonparticipants. Nevertheless, these new jobs represent a benefit to society in the form of increased taxes which help to offset the program costs.

Assumption 4: Job satisfaction may be as important as wages earned in maintaining long-term employment.

The literature indicated that dislocated workers on the whole are skilled, high-wage workers and would probably not accept entry-level, low-wage positions. The data in this study presented a different picture. The workers did accept entry-level jobs or ones paying lower wages than their previous jobs. Over 59 percent of this sample indicated that job satisfaction was more important to them than wages, and a large proportion believed they had job security at their present place of employment.

Assumption 5: Society has a vested interest to assist dislocated workers in achieving at least functional literacy and/or achieve economic viability.

This population of dislocated workers had a fairly high level of education. Sixty-nine percent had completed high school or had some post high school education, 24 percent had between a ninth and twelfth grade level of education, and 6 percent had eight years or less of education. However, this researcher has no knowledge about participants' levels of comprehension or state of literacy.

Rielley (1983) and Frager (1985) found in their research that the key element of any training program for dislocated workers is to determine their abilities in basic skills such as math and reading and to bring their skill levels up before placing them in retraining programs. Rielley also found that making basic skills remediation concurrent with occupational training appeared to cause a high dropout rate in training programs.

Because the U. S. is shifting from a manufacturing to a service and information society, workers need the ability to adapt to a changing labor market. "Current economic challenges demand that we revitalize our education and training systems to equip the current and future workforce with academic, personal management, and teamwork skills" (Governor's Commission for Jobs and Economic Development, p. 1).

MAJOR FINDINGS

Descriptive data analysis showed that the dislocated workers were predominantly white males between the ages of 25 and 59 who had family responsibilities. Over 65 percent percent of the respondents had completed high school or received additional post-high school training. The majority of these workers were experienced semi-skilled workers with over 16 years at the laid-off jobs and earned approximately $12 an hour.

The remainder of the findings is arranged around the five hypotheses:

Post-Layoff Employment:

The data relating to hypothesis 1 revealed that there was no significant difference (p =>.05) between participants' and nonparticipants' reemployment rates after the layoff. Twenty percent of all respondents found employment within the first five weeks after layoff, while 44 percent found employment by week 30. The largest difference occurred in the 52 weeks plus category where 39 percent of program participants indicated they were unemployed as compared to 21 percent of nonparticipants.

Current Employment Status:

This second hypothesis examined employment rates 2 1/2 years after the layoff. At the time of the interviews, 88 percent of the participants were working (80 percent full time, 8 percent part time). This is compared to 84 percent of the nonparticipants who were working (71 percent full time, 13 percent part time). The remaining respondents were not working. There was no significant difference found (p =>.05).

Current Earnings:

Data analysis for the third hypothesis revealed that 73 percent of participants were making less money at their current jobs than they were making at the laid-off jobs

compared to 62 percent of nonparticipants. Predetermined wage categories were used to test this hypothesis. The results of a chi-square test showed there was no indication that the training program increased participants' earnings compared to nonparticipants' ($p =>.05$). Differences were observed in the $501-600 and over $600 categories, but these differences were not significant. Nonparticipants were earning more in these two categories than participants.

Perceptions of Long Term Employment:

The fourth hypothesis examined whether there was significant difference in participants' and nonparticipants' perceptions of long-term employment at their current jobs. Of the 109 respondents who were working at the time of the interviews, 79 percent of the participants and 66 percent of the nonparticipants responded that they believed they had job security at their present jobs. There was no significant difference between the two groups ($p =>.05$).

Perceptions of Current Job Satisfaction:

The fifth hypothesis was intended to determine if there was a significant difference in perceptions of overall job satisfaction between participants' and nonparticipants'. Eighty-three percent of participants and 75 percent of nonparticipants indicated they were either satisfied or very satisfied with their current jobs. There was no significant difference between the two groups ($p =>.05$).

CONCLUSIONS

The findings from this study support all five null hypotheses. According to the first hypotheses, there was no difference in reemployment rates between participants and nonparticipants. More program participants than nonparticipants were unemployed for over a year; however, the difference was not significant. This difference could be attributed to two factors. First, participants might have waited to do serious job searches because they were spending time in training. Second, participants may have held out for better-paying jobs related to the training. If reemployment rates are the primary method of measuring effectiveness of human-investment programs, this program was successful. Even though Muskegon is an area that has suffered from high unemployment rates for years, the majority of the dislocated workers found full-time employment within the first year after the layoff. In terms of wages and employment related to the training, the program was not as successful.

The second hypothesis disclosed that three-quarters of the respondents were working full-time, and 54 percent were still employed at their first job after the layoff. On the average, participants had been at their current jobs less time than nonparticipants, which could be attributed to the time participants spent in the training program. Age was crosstabulated with the answer to the question "Are you employed now?" The results indicated respondents age 45 and

over had an unemployment rate of 28 percent compared to a 5 percent unemployment rate for those under 45 years of age. Age did appear to have an inverse relationship to reemployment.

The third hypothesis was used to examine current earnings for participants and nonparticipants. There was no significant difference between the two groups; however, nonparticipants did earn more in the $501-600 and over $600 categories than participants. Because there were no differences in skill or educational levels between participants and nonparticipants, these facts are hard to explain. One explanation might be that nonparticipants were working longer at their present jobs compared to participants, and earning differences were due to wage increases. Overall, there was no indication that the training program increased participants' earnings compared to nonparticipants. This fact raises the suspicion that short-term training may result in participants finding jobs in low-paying occupations that would have occurred without the training.

The results of hypothesis four were surprising. Although 72 percent of all respondents had worked 16 or more years at the laid-off jobs, the data showed that when jobs were found, workers still had faith in the concept of long-term employment. There was no significant difference in perceptions that current jobs offered the prospect of long-term employment. A limitation of this research hypothesis

is that workers can only "assume" they have job security. A follow-up study three and five years after reemployment could determine if, in fact, these presumptions were true.

For the last hypothesis, a Likert scale was used to measure levels of satisfaction of participants and nonparticipants for compensation and motivational factors. Three-fourths of the respondents indicated that they were either satisfied or very satisfied with their current jobs. Although two-thirds of the respondents were making less money than at the laid-off jobs, over half reported they were satisfied with their earnings and jobs. It appears that many respondents are more concerned with motivational factors rather than compensation factors. A positive relationship with the supervisor, opportunities for decision making, and possibilities for advancement played a major role in overall job satisfaction. One employee said:

> The wages are about half of what I was making at the foundry, but I like this job much better. People here are nice. My supervisor asks my opinion about things, and I have a chance to move up in the company. Although it's a hard adjustment to make less money.

In summary, the results of this study indicated that the current Title III dislocated worker programs have had only limited success in solving the problems caused by economic dislocation. It is not the intent of this research to suggest that dislocated worker programs should be abolished. In fact, there is a strong need for continued federal policy which supports such programs. The question is not if dislocated programs are needed, but how can they

be modified and strengthened to better serve this subpopulation.

RECOMMENDATIONS

There is clearly a need for federal policy that reduces barriers to reemployment in occupations providing self-supporting wages for dislocated workers. Title III was enacted as a panacea for problems encountered by dislocated workers due to economic dislocation. "As a vehicle to meaningful employment; however, it has fallen short of expectation" (Smith, 1985). The literature confirms that only a small proportion of dislocated workers elect to enroll in human-investment programs.

Two theories are suggested as potential explanations for workers' lack of participation in training programs. The Human Capital theory assessed the workers' reaction to the training opportunities and their decisions to either train or not to train. This theory is based on the belief that workers will only enroll in training if the benefits (jobs and earnings) outweigh the investment of training. Herzberg's theory suggests that workers who are more concerned with compensation factors (e. g. wages and benefits) at the expense of motivational factors (e. g. opportunities for advancement and decisionmaking) will result in low participation rates in training programs.

Research leads one to assume that a large proportion of dislocated workers do not think the benefits outweigh the investment. Those who do enter training programs often find

the rewards disappointing. A common criticism expressed by the dislocated workers was they did not know where to apply for work related to their laid-off jobs. Finding steady jobs that paid well was very difficult. One man interviewed said: "If someone would have give me a list of all factories or foundries in the county, I could have applied for a job. I had no idea where to begin looking."

A more positive picture of the JTPA was reported by McDonald (1988). She indicated that over 2 million people were placed in jobs the first five years JTPA was in operation. Nearly three out of every four adults who were served by Title III programs found jobs. The average starting wage today for participants is $7.41 an hour. Although this report is encouraging, it does not indicate if jobs were related to the training or if they offered long-term employment prospects.

Based on the review of the literature and the results of this research project, the following suggestions are offered.

1. Outreach and recruitment should be intensified to raise the rates of participation.

There are several explanations why recruitment and outreach efforts have solicited little response from dislocated workers. First, a major reason laid-off workers do not participate in training is because they do not believe they can afford to train, even though the training

is free. They need income to support their families while they are in training. Second, many lack the basic skills needed to complete the program. Third, financial commitment is often lacking to hire enough counselors and support staff who can spend time with each laid-off worker to do the testing and evaluation needed and to offer continuing support and motivation throughout the training.

In an attempt to raise the proportion of dislocated workers who participate in training, three recommendations are offered: (1) Adequate support and incentives should be given to trainees. This could be in the form of extended UIB benefits, subsidies, or income earned through employment. Very few workers are able to forego wages to participate in training. (2) A financial commitment from the government is needed to ensure adequate staffing for pre-training evaluations. Continued communications with the dislocated workers, once enrolled, should be established to offer guidance, assistance, and motivation. This would help increase retention rates in training programs. (3) Enrollment into programs should be speeded up. Participants often experience exasperating waits before enrollment. This results in some dislocated workers becoming discouraged and not participating in training. (4) Intensified efforts should be made to assist program participants in finding employment in an occupation for which they were trained.

The implementation of these recommendations could increase the success of Title III participants, which in turn might encourage others to enroll in training programs.

2. Economic development as an employment strategy should receive top priority by local administrators in communities that are plagued with high unemployment rates.

In the absence of new jobs in a community, training and placement programs only serve to reallocate existing jobs between participants of the programs and nonparticipants. In communities, such as Muskegon, which have been plagued with high unemployment rates, it would appear to make sense for those communities to put less effort on training and more effort and funding into attracting new businesses and/or expanding the existing ones. This suggestion may seem to be an unjust solution. However, studies have shown repeatedly that training programs have not made a significant difference in reemployment rates and earnings. When employment is found, it is often in low-paying jobs that are not related to the training. In fact, many researchers argue that participants of training programs would have eventually found the entry-level, low-wage jobs without the training. If one assumes this to be true, utilizing scarce resources to generate jobs would be sound public policy.

This is not a simple task. First, redirecting resources for economic development at the expense of

training programs for dislocated workers would cause severe economic hardships for many dislocated workers. Second, successful economic development linkages among the state regulatory agency, the employment agency, the local private industry council, and the local economic development organization is difficult to establish. Often, to the detriment of the community, these agencies and councils operate in a highly politicized climate. Because of this situation, communities frequently are slow to react when a prospective business indicates a possible desire to locate in the community. This may lead the prospective new company to locate elsewhere. Although a supply of skilled and professional workers are important to a prospective new employer, economic factors like low energy costs, low levels of unionization, low taxes, and low wages greatly influence where a company decides to locate (Grant, 1984).

Muskegon, the site of this study, has been traumatized over the loss of 12,000 manufacturing jobs over the last 30 years (The Muskegon Chronicle, May 23, 1982). In a randomly selected survey, employers attributed the loss of industries to Reagan policies, the state legislation, a tough labor town image, bad union relations, exasperated management, Michigan's workers' compensation, unemployment insurance rates, state taxes, and regulatory laws. All of these reasons have hindered successful economic development. If communities are to overcome such negative images, all government agencies, plus the private sector must unite in a

joint effort to make their communities more appealing to prospective new businesses.

Muskegon could be used as a good example for other communities that have high unemployment rates and a poor labor town image. Muskegon has made tremendous progress in changing this negative image into a positive one through joint cooperation of the public and private agencies. Muskegon is now promoted and marketed as a "great" climate for doing business. In fact, last year it won the Community for Economic Excellence award through the Michigan Department of Commerce.

Combining economic development efforts into one effective, consolidated group is important. "There needs to be a central focus organization that has somebody held accountable for the major efforts . . . and to coordinate it with the local units of government, labor unions, and business" (John Hausman, March 9, 1988, p. 5A). A single agency will result in greater cost-effectiveness, central coordination of development efforts, and joint funding.

One way Title III has attempted to encourage economic development is by offering entrepreneurial training to dislocated workers. This training is unique in that previous Title III programs offered assistance to dislocated workers by matching skills to existing job openings through assessment, job search training, training in high-demand occupations, or providing relocation assistance.

Small business training, which was piloted in Ohio, encouraged dislocated workers who had the aptitude to start their own businesses. Because firms with fewer than 100 workers employ 50 percent of all private nonfarm workers in the U. S., (Mangum, 1988) this new program seems worthy of future consideration. Program effectiveness is measured by the rate of dislocated workers who become self-employed as a result of the training. Another measure of success is the number of new jobs that are created as a result of the new businesses. Follow-up studies 1, 3, and 5 years after the training would be recommended because of the high failure rate inherent in small businesses.

3. Local government should develop closer ties with the private sector.

While JTPA depends entirely upon the private sector to provide jobs for dislocated workers, many employers resist hiring program participants (Smith, 1985). This suggests that the links between JTPA and the private sector are weak. Training programs that are isolated from the labor market cannot assure jobs for graduates. Developing such ties is a complicated matter. Smith, who studied private sector employees' lack of interest in public employment and training programs, found that employers were wary of the quality of those workers. Although JTPA offers financial subsidies to employers who provide program participants with OJT, employers have responded with less enthusiasm than

expected. Smith found that most employers did not find the OJT subsidy appealing. His research indicated that employers appear to have little experience with public manpower programs and rely heavily on informal sources to fill their job openings. Over half the employers said their experience with CETA was unsatisfactory because candidates had not been adequately screened by program administrators.

Developing closer links with the private sector will involve long-range planning. First, if the private sector is reluctant to hire program participants because of negative past experiences, local governments must work to change the image of this program and to reduce the financial risk factor for the employer. One solution would be to screen and test program candidates more carefully and critique the candidates' skills and education background. This profile could be sent to all interested area businesses and industries.

If businesses were willing to hire and train candidates, 100 percent reimbursement for wages could be made for the time it takes to complete the training. Another alternative is to offer private employers tax deductions for training and hiring dislocated workers. These monetary incentives would serve two purposes: First, it would help offset any financial risk by the employer; second, dislocated workers would receive the training they need to move quickly into new jobs. A disadvantage of this plan is that some employers may take advantage of these

options by releasing OJT participants as soon as the subsidies expire. In the long run, the cost of such subsidies may be less than the cost of providing income to the person during unemployment. Also, if applicants were screened properly to insure proper levels of education, skills, and motivation, employers might be more willing to hire, train, and retain these workers in the future.

Another approach to developing closer links with the private sector is to integrate all job training and adult education services creating a unified, more efficient human investment system. Michigan is in the process of doing this through the Michigan Opportunity Card (MOC). The goal of this project is that each community will survey the area for all possible training sites. This information will be used in conjunction with the MOC. The long-range plan is that each person in the community could receive a card, which has a computer chip with his or her credentials on it. This person will be able to go to a MESC office and insert the card to access information on what training is available and where. Jackson, MI, has taken this process one step further. Cardholders will be able to identify by job classification where local job opportunities exist. Not only will this help dislocated workers to be more knowledgeable about training and job possibilities, it could be an advantage to employers. If they listed all job openings when they occurred with the local employment office, they could receive in one day a list of people with

the required skills and education. The concept is a good one; however, money has not been allocated for the hardware to complete the process.

To make this program a success, there must be support and direction from the private sector and financial support from the federal and state governments. Even though cardholders can access information on their own, administrators, social workers, and counselors will be required to help determine what type of training or education each person might need to enhance reemployment opportunities. This central training clearinghouse can act as an interface between the needs of the business community and the educational institutions.

4. Training should be tied more closely to employment

Although 31 percent of the dislocated foundry workers did find jobs in the area of training, 69 percent did not. Wilms (1986) suggests that the public sector provision of training is often driven by the needs of the training institutions themselves, rather than the demands of the labor market. Several foundry workers in this study said that the training was not related to the job market. They finished the training, but there were no jobs available. They felt frustrated and cheated. This finding is supported by other studies which have shown that job training is often not matched to labor market demand, making its economic payoff questionable (Cohen, 1988; Wilms, 1985). The success

of a training program should depend on placement in jobs related to the training. Training programs must be tied specially to the private sector employers. This is often a difficult task because of the unpredictability of employers' hiring patterns. However, "Training workers because positions are available in particular established training programs is irresponsible and wasteful" (Bartholomew, 1987).

For most people, the job search process is a hit or miss affair of either asking friends or randomly sending out resumes. Although the state employment agencies offer assistance in job referrals, they only corner a small fraction of the placement market and tend to concentrate on low-skilled or entry-level jobs. Part of the problem may be that employers rarely plan their future hiring needs far in advance (Wilms, 1986). Most firms hire workers based on the firm's economic health. If JTPA administrators and the federal and state employment agencies had a closer link with the labor market, JTPA administrators could guarantee screening and testing of all possible candidates. This in turn might encourage the private sector to list all job openings with these agencies.

Sweden has an elaborate system to keep track of job openings. By law, employers are required to report all vacancies to the employment services. These vacancies are coded and entered into a computer system each day, and the file can be searched by every employment service counselor in the nation through computer terminals in all local

employment service offices. It allows workers' credentials stored in the system to be compared with newly listed vacancies each night. The employment agency is automatically notified of a match the next morning (Bendick, 1983).

In contrast, MESC have spent millions of dollars to computerize job openings around the country. Because employers are not required to report job vacancies, only a small percentage of job openings are reported to MESC. It is not being suggested that the government legislate that all job openings be listed with local MESC offices; however with some modifications to Sweden's system, there may be possible applications for the U. S.

For example, it might be more applicable if each community developed a local-area job bank and/or occupational-specific job bank. This has been attempted at local MESC offices; however there has been low participation from the private sector. To encourage firms to list job openings through such a system, a financial incentive might be offered to the firm. Prospective employers would not have to spend time and money in advertising job openings; and all workers, would have access to job openings in the area. Thus, faster placement of dislocated workers would save the government money in unemployment insurance and welfare benefits.

Even if this process were in place, it would not cure all the problems for dislocated workers. Often job openings

are available, but people with the right education and skills are not. In other cases, workers are being trained for job openings that no longer exist when the training is over.

5. Human-investment programs should be tailored to meet the needs the participants.

Training has historically been prescribed as a remedy for structural unemployment. However, Bendix, 1983; Gordus, 1981; and Kulik, 1984, and believe that job search assistance should form the core of all programs. In Kulik's evaluations of dislocated workers, she concluded that job search assistance may be as effective as a combination of job search and short-term skill training. Because job search assistance is less expensive than the combined effort, focusing more attention on those activities will make it possible to serve more persons with the resources available.

The vast majority of new job openings in the next decade are not in glamorous high-tech occupations. The U. S. Bureau of Labor statistics projected that between 1980-1990 there will be 700,000 new job openings for secretaries, 500,000 openings for truck drivers, and 500,000 for nurses aides (Lusterman, 1977). High-tech occupations may have high growth rates, but the total number of jobs is very small compared to the numbers available in traditional fields. In contrast to the U. S. Bureau of Labor statistics, researchers for Countdown 2000, predict that

over the next 13 years, there will be rising educational and skill requirements for all new jobs. More than half will demand some education beyond high school, and almost one-third will require a college degree. If this becomes a reality, dislocated workers who enroll in short-term training programs will still not have the skills and education to move into these positions. Therefore, it is recommended that skill training be used only when there are job vacancies that require the use of those skills, when the dislocated workers have the aptitude for the training, and when there is adequate local training resources available. It is paramount that participants are carefully screened to assure they have the ability to successfully complete the training. For those who need it, basic levels of education should be raised to the level of entry-level positions, and job search assistance made available to them. For those whose education is already at an acceptable level, short- and long-term education and training with adequate support and incentives should be available to enable dislocated workers to become competitive in the labor market.

6. Bureaucratic federal policies should be eliminated which set up barriers to individual worker's investment in their own retraining.

The Internal Revenue Service stipulates that individuals can deduct educational expenses if they are related to maintaining the skills in their current

occupations but not if they are preparing for new occupations. If a person is unemployed, he or she will probably be upgrading skills or preparing for a new occupation. In most states unemployment compensation is available only to those workers who are available for work. An unemployed person interested in training must wait until his/her unemployment compensation has run out or give up the wage replacement he/she is depending on. Because the cost of education is not cheap, it is difficult for a person who is working full time and supporting a family to invest money in education. Schooling is almost an impossibility if the person is unemployed.

With rapid economic and technological changes, workers are faced with the need to be responsible for their own retraining. Many people are reluctant to make sizable investments when there is no certainly it will pay off in future jobs and increased earning. Gordus, 1981, reported that age and education levels of dislocated workers along with the inadequate financial assistance offered them, limit their willingness to participate in training programs.

A solution would be to allow those individuals who are willing to invest in retraining to deduct the expenditures. Another solution would be to continue UIB if an individual is laid-off, but willing to enter a training program. A third option would be to allow individuals to earn income through supplemental employment without cutting off whatever benefits they already receive.

JTPA has responded to this need of income support while dislocated workers are in training. Title III was amended in 1988 by the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA), which substitutes a complete new Title III program of employment and training assistance for dislocated workers. Services go beyond those authorized by other JTPA programs. In addition to the training, up to 25 percent of the funds may be used for needs-related payments and other supportive services (John Morgan, 1988). Hopefully, this act will encourage more dislocated workers to participate in training programs.

7. Funding of training programs targeted for subpopulations should be combined into one master fund.

The U. S. has been constructing publicly funded protection programs for years. Each program offers a unique combination of benefits and sets its own eligibility standards. In the state of Michigan there are 70 separate human-investment programs, costing the government $800 million a year. This system creates "turf protection" from the agencies that administer the programs and creates confusion for the subpopulations who are in need of assistance. Sensitivity to government action and the turf protection of special interest programs promise to create pressures for their proliferation.

A solution to this problem would be to create one fund that covers all jobless workers. Although dislocated

workers differ in important ways from disadvantaged individuals and the "general unemployed" who participate in human-investment programs, it is possible to provide the same range of services through a common delivery system. This plan would entail a more centralized mode of operation. Duplication of services in the form of testing, screening, and evaluation could be eliminated. Modifications would have to be made to the assessment process used to identify participants' reemployment needs (Kulik, 1984). This plan would not be easy to implement. Any reorganization of public programs causes opposition from different factions within a community. It is difficult to devise an equitable and comprehensive program for all. However, it should still be considered.

Sources for the fund should come from the federal, state, and local governments, as well as from the private sector. The French system for financing worker training should be considered. Each employer of 10 or more workers has a legal obligation to expend 1.6 percent of its total wage bill to maintain and expand the skill level of the French labor force (Bendix,1983). This system could be adapted in the U. S. One possibility would be to redirect some of the payroll taxes already collected through UI to support this fund. Another option would be to collect an education tax from businesses. This fund would benefit employers as well as unemployed workers by providing a trained work force.

There are many questions to be answered before a plan such as this could be implemented. First, who would be in charge of the fund each community? Second, who would be served through the training fund? Third, how could the plan be successfully implemented involving federal, state, local agencies, the private sector, and educational institutions.

FINAL NOTES

The impact of dislocated workers on the national economy should not be underestimated. The Bureau of Economic Analysis of the U. S. Department of Commerce estimated that for every one point increase in the unemployment rate sustained over a year, the nation loses $68 billion in output (gross national product) and $20 billion in tax revenues. An additional $3.3 billion must be spent on unemployment benefits, public assistance, food stamps, and other programs to aid the jobless (Bluestone, 1983). In his analysis of plant closings, Stuadohar (1986) indicated that if plant closings have been responsible for boosting the unemployment rate by just three points (out of the existing 10.1 percent) then closings would account for nearly $200 billion in foregone output and contributed nearly $20 billion to the federal deficit.

As the U. S. moves into the postindustrial era, long-range plans must be made by the federal, state, and local governments to offset the changes that are occurring.

Because low-paying service jobs are replacing many high-paying manufacturing ones, human-investment programs that reduce the hardships faced by dislocated workers and their communities because of plant closings are essential.

The success of any program for the retraining and placement of workers affected by permanent displacement is closely dependent upon the state of the labor market. Therefore, it is essential that the private sector play a fundamental role in the design of the programs. There must be intensive efforts at economic development where new job opportunities are forthcoming. Only then can training and retraining function effectively as a manpower utilization catalyst and help to promote a sound economy.

Many research studies have indicated that basic education and job search assistance should form the core of all programs. Basic education should receive far more attention during times of normal employment than it presently does. To decide whether a potential trainee will be able to meet the demands of a specific course, a broad evaluation is necessary. This evaluation should include such factors as education, test scores, prior experience, attitudes, and motivation. Any program that aims to help the unemployed will be self-defeating if it imposes criteria that exclude those who need help the most.

If short-term training is not sufficient for workers to re-enter the labor market in self-supporting jobs, long-term training should be an option. Occupational retraining

programs should provide adequate support and incentives for potential participants so they can maintain a reasonable standard of living while in training.

To solve the problems of dislocated workers will require the cooperation of industry, labor, government, and education. Community colleges, which already have close linkages with the government agencies, can play a major role in the efforts to deal with massive layoffs and plant closings. Community colleges are currently the major provider of vocational education, general education, and community services. They have the facilities, staff, and experience to provide high-quality, job-oriented training that can be tailored to suit special needs.

Further research is needed to determine if basic skill training and job search assistance promote reemployment into self-supporting positions with the prospect of long-term employment. Longitudinal studies at three and five years after the training need to be conducted to determine if participants of human-investment programs are still employed at the same job and if they have made a complete occupational or annual earnings recovery. Research is needed to determine the best means for motivating dislocated workers to participate in training and for lowering the dropout rates. Results of such research would be of interest to federal, state, and local policymakers and important to the reauthorization of dislocated worker programs.

Because of the structure of the American economy, the issues of plant closings and dislocated worker are likely to continue, it is time to analyze the problem from a long-term economic and social perspective rather than a quick-fix, short-term approach.

APPENDICES

APPENDIX A

LETTER TO SUBJECTS WHO COULD NOT BE REACHED BY TELEPHONE

APPENDIX A

LETTER TO SUBJECTS WHO COULD NOT BE REACHED BY TELEPHONE

Dear (Name):

About two weeks ago, you received a letter explaining a research project I am doing on the workers who were permanently laid off when (Name) closed in September, 1986. Because I have been unable to reach you on the telephone, I have enclosed the questionnaire for you to complete. To measure the effectiveness of government-sponsored training programs and government assistance for dislocated workers, the government is continually seeking to determine the needs and problems of workers resulting from permanent layoff from a job. You are one of a small number of dislocated workers who are being asked to give his or her opinions on these matters.

Filling out the enclosed questionnaire should take about 15 minutes. Your participation is voluntary. However in order that the results will truly represent the thinking of people who have at some point in their lives been permanently laid off from a job, IT IS IMPORTANT THAT EACH QUESTIONNAIRE BE COMPLETED AND RETURNED AS SOON AS POSSIBLE.

There is no risk to you, and you may be assured of COMPLETE CONFIDENTIALITY. You name will never be placed on the questionnaire, nor will it ever appear in the written results of the data collected.

The benefit of this research is that your local, state, and federal government will have a better understanding of the needs and problems of dislocated workers and can make adjustments to serve those needs.

I would be most happy to answer any questions that you may have. If you do have questions about the questionnaire, you may telephone me at (616) 773-1106.

Thank you in advance for your time, effort, and consideration given to this project. Please return the completed questionnaire in the addressed, stamped envelope.

Sincerely,

Mrs. Sharon VandenHeuvel
Instructor, Muskegon Community College

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APPENDIX B

QUESTIONNAIRE

DISLOCATED WORKER SURVEY INSTRUMENT

This study is designed to determine what proportion of dislocated workers from (Name) in Muskegon, MI, are reemployed and to determine what proportion of workers entered a government- sponsored training program. Please answer all of the questions. If you wish to comment on any of the questions, please use the space in the margins or at the end of the survey.

Thank you for participating in this survey.

Mrs. Sharon VandenHeuvel
Doctorate Candidate
Michigan State University

PART I: Demographic Data

Please check one answer for each question.

1. GENDER

Male	[ ]	(1)
Female	[ ]	(2)

2. AGE

18-20	[ ]	(1)
21-24	[ ]	(2)
25-35	[ ]	(3)
36-44	[ ]	(4)
45-54	[ ]	(5)
55-59	[ ]	(6)
60-64	[ ]	(7)
65 and older	[ ]	(8)

3. RACE

White	[ ]	(1)
Black	[ ]	(2)
American Indian	[ ]	(3)
Asian	[ ]	(4)
Hispanic	[ ]	(5)
Mexican	[ ]	(6)
Other	[ ]	(7)

4. MARITAL STATUS

Married	[ ]	(1)
Single	[ ]	(2)
Divorced	[ ]	(3)
Separated	[ ]	(4)
Widowed	[ ]	(5)

5. EDUCATION

What is the highest level you completed in school?

Eighth Grade or Less	[ ]	(1)
Ninth Grade to Twelfth	[ ]	(2)
High School Graduate	[ ]	(3)
Some College	[ ]	(4)
College Graduate	[ ]	(5)

PART II: Past-work history

Please select one answer for each question.

6. How many years did you work full time at (Name) before you were laid off?

less than 1	1-3	4-6	7-9	10-12	13-15	16-20	20+
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

7. Did you leave your job at (Name) before you would have been laid off?

Yes	[ ] (If yes, go to question #8)	(1)
No	[ ] (If no, go to question #9)	(2)

8. Why did you leave your job at (Name) before you were laid off?

Found another job	[ ]	(1)	Moved	[ ]	(4)
Illness	[ ]	(2)	Other (specify)		
Retired	[ ]	(3)	_____		(5)

9. JOB STATUS AT (Name)

Skilled (obtained a skill or skills through education and/or apprentice program, e.g. pipefitter)	[ ]	(1)
Semi-skilled (learned skill on the job, e.g. production worker)	[ ]	(2)
Unskilled (laborer)	[ ]	(3)
Other (please be specific)_____		(4)

10. Since you have left (Name), how many weeks were you without work?

0-5	[ ]	(1)	26-30	[ ]			(1)
6-10	[ ]	(2)	31-35	[ ]			(2)
11-15	[ ]	(3)	36-51	[ ]			(3)
16-20	[ ]	(4)	52 plus	[ ]			(4)
21-25	[ ]	(5)	Still Unemployed	[ ]	(go to #14)		(5)

11. How many hours a week did you work at the first job after layoff?

Under 30 hours a week	[ ]	(1)
30 hours or more a week	[ ]	(2)

12. How long did you work at the first job after layoff?

Under 3 months	[ ]	(1)	7 to 12 months	[ ]	(3)
3 to 6 months	[ ]	(2)	Over a year	[ ]	(4)

13. Are you still at the first job after layoff?

Yes	[ ]	(1)
No	[ ]	(2)

14. Since your last job at (Name), have you moved to a different city, county, or state to look for work or take a new job?

Yes	[ ] (If yes, go to question #15)	(1)
No	[ ] (If no, go to question #16)	(2)

15. Why did you look for work or take a new job in a different city, county, or state?

Job promise	[ ]	(1)
Friends there	[ ]	(2)
No jobs in Muskegon	[ ]	(3)
Other (please be specific)_____		(4)

_____

(Continue to question #17)

16. Why did you decide not to look for a job outside of Muskegon?

Family ties	[ ]	(1)
No job prospects	[ ]	(2)
Could not afford to move	[ ]	(3)
Retired	[ ]	(4)
Disabled	[ ]	(5)
Other (please be specific)_____		(6)

_____

PART III: Benefits

Please check one answer for each question.

17. Did you receive unemployment benefits after being laid off from (Name)?

Yes	[ ] (If yes, continue to #18)	(1)
No	[ ] (If no, continue to #19)	(2)

18. How many weeks did you receive unemployment state benefits?

0-5	[ ]	(1)	21-25	[ ]	(5)
6-10	[ ]	(2)	26-36	[ ]	(6)
11-15	[ ]	(3)	36 plus	[ ]	(7)
16-20	[ ]	(4)			

19. Did you receive Trade Readjustment benefits due to lay off caused by foreign competition?

Yes	[ ] (If yes, continue to #20)	(1)
No	[ ] (If no, continue to #21)	(2)

20. How many weeks did you receive Trade Readjustment benefits?

0-5	[ ]	(1)	21-25	[ ]	(5)
6-10	[ ]	(2)	26-30	[ ]	(6)
11-15	[ ]	(3)	30-51	[ ]	(7)
16-20	[ ]	(4)	52	[ ]	(8)

PART IV: Present Work Status

Please check one answer for each question.

21. How many jobs have you had since leaving (Name)?

0	[ ]	(1)
1	[ ]	(2)
2	[ ]	(3)
More than 2	[ ]	(4)

22. Are you employed now?

Yes	[ ] (If yes, continue to #23)	(1)
No	[ ] (If no, continue to #40)	(2)

23. Are you working full-time or part-time?

Full-time	[ ]	(1)
Part-time	[ ]	(2)

24. How long have you been employed at your present job?

Under 1 year	[ ]	(1)
1-2 years	[ ]	(2)
Over 2 years	[ ]	(3)

25. Is your present job in the same type of occupation as your former position at (Name)?

Yes	[ ]	(1)
No	[ ]	(2)

26. What is your present job title?_____(1)

27. What type of company do you work for now?

foundry	[ ]	(1)
factory	[ ]	(2)
retail	[ ]	(3)
service	[ ]	(4)
construction	[ ]	(5)
other (Please be specific) _____		(6)

28. Do you believe you have job security at your present job?

Yes	[ ]	(1)
No	[ ]	(2)

WAGES:

29. At your current job, what are your average weekly earnings before deductions (include any overtime pay, commissions, or tips received).

Less than $200	[ ]	(1)
$200-300	[ ]	(2)
$301-400	[ ]	(3)
$401-500	[ ]	(4)
$501-600	[ ]	(5)
Over $600	[ ]	(6)

30. Your present wages compared to (Name) wages are:

More	[ ]	(1)
Less	[ ]	(2)
Same	[ ]	(3)

Compensation factors: Please select one choice

31. How would you describe your present wage?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

32. How would you describe your fringe benefits?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

33. How would you describe vacation policies?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

Working Conditions: Please select one choice

34. How would you describe the number of hours a week you are required to work?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

35. How would you describe your opportunities to participate in decision making that affects employees.

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

36. How would you describe the physical conditions of your work environment?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

37. How would you describe the relationship you have with your supervisor?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

Advancement factors:

38. How would you describe your opportunities for advancement at your current job?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

39. How would you overall describe your present job satisfaction?

Very satisfactory	[ ]	(1)
Satisfactory	[ ]	(2)
Dissatisfactory	[ ]	(3)
Very dissatisfactory	[ ]	(4)

PART V: Job and Training Assistance. Please indicate all the applicable choices for each question.

40. In which of the following did you participate?

MESC TRA program	[ ]	(Go to #41)	(1)
Mona Shores Comm. Ed. Prog.	[ ]	(Go to #42)	(2)
(Name) transition team prog.	[ ]	(Go to #43)	(3)
None of these	[ ]	(Go to #44)	(4)
Other (please specify)	[ ]	(Go to #43)	(5)

41. In which of the following did you participate through MESC's TRA program:

Referrals to other jobs	[ ]	(1)
Job search assistance	[ ]	(2)
On-the-job training	[ ]	(3)
Relocation assistance	[ ]	(4)
Classroom training	[ ]	(5)
Counseling/aptitude testing	[ ]	(6)
None of these	[ ]	(7)
Other (please be specific)_____		(8)

(Continue to question #43)

42. Which of the following did you participate in at Mona Shores High School?

Adult Basic Educaton	[ ]	(1)
High School completion	[ ]	(2)
Classroom skill training	[ ]	(3)

43. If you participated in any of the assistance programs listed in questions 41, 42, or 43 for what type of job were you training or searching? (e.g. carpenter, computer operator)

Please be specific_____ (1)

(Please continue to question #45)

44. Why did you choose not to participate in an assistance program?

Found another job	[ ]	(1)
Disabled	[ ]	(2)
Personal problems	[ ]	(3)
Retired	[ ]	(4)
No transportation	[ ]	(5)
Lacked confidence	[ ]	(6)
Not worthwhile	[ ]	(7)
Other (please be specific)_____		(8)

(Please go to question #54)

45. How many weeks after layoff did you start in a training program?

0-2	[ ]	(1)	21-26	[ ]	(6)
3-5	[ ]	(2)	27-30	[ ]	(7)
6-12	[ ]	(3)	31-52	[ ]	(8)
13-15	[ ]	(4)	Over 52	[ ]	(9)
16-20	[ ]	(5)	Before layoff	[ ]	(10)

46. How many weeks were scheduled for the training?

0-2	[ ]	(1)	16-20	[ ]	(5)
3-5	[ ]	(2)	21-26	[ ]	(6)
6-12	[ ]	(3)	27-30	[ ]	(7)
13-15	[ ]	(4)	Other (specify)		
			_____		(8)

47. Did you complete the training?

Yes	[ ]	(If yes, go to question #50) (1)
No	[ ]	(If no, go to question #48) (2)

48. How many weeks of the training did you complete?

0-2	[ ]	(1)	21-26	[ ]	(6)
3-5	[ ]	(2)	27-30	[ ]	(7)
6-12	[ ]	(3)	Still attending	[ ]	(8)
13-15	[ ]	(4)	Other (specify)		
16-20	[ ]	(5)	_____		(9)

49. Why didn't you complete the training?

Found another job	[ ]	(1)
Training too difficult	[ ]	(2)
Personal problems	[ ]	(3)
Sickness	[ ]	(4)
Felt ill at ease in program	[ ]	(5)
Other (please specify)_____		(6)

50. Is your present job directly related to the training you received?

Yes	[ ]	(1)
No	[ ]	(2)
Not working	[ ]	(3)

51. What assistance did you receive from the time you were laid off until you found employment?

Counseling	[ ]		(1)
Job Shop	[ ]		(2)
Placement	[ ]		(3)
Assessment	[ ]		(4)
On-The-Job-Training	[ ]		(5)
Classroom Training	[ ]		(6)
None	[ ]	(Go to #54)	(7)
Other (Please be specific)	_____		(8)

52. Do you think the assistance you received was beneficial?

Yes	[ ] (If yes, go to #54)	(1)
No	[ ] (If no, continue to #53)	(2)

53. Why wasn't the assistance beneficial?

Too short	[ ]	(1)
Too long	[ ]	(2)
Could not comprehend	[ ]	(3)
Not pertinent to employment	[ ]	(4)
Other (please specify)_____		(5)

54. What do you view as more important in a job?

Wages (including fringe benefits) [ ] (1)
Job satisfaction [ ] (2)

55. Do you have any personal comments that you would like to add to this interview?_____ (1)

_____

_____

THIS IS THE END OF THE SURVEY

THANK YOU FOR YOUR PARTICIPATION

APPENDIX C

FOLLOW-UP LETTER

APPENDIX C

FOLLOW-UP LETTER

Dear (Name):

About two weeks ago, I sent you a letter asking you if you would be willing to participate in a follow-up study on workers who were permanently laid off when (Name) shut down a plant in September, 1986. As of this date, I have not received the completed questionnaire.

Because you are one of a small number of workers who are being asked to give his or her opinion about the layoff, YOUR PARTICIPATION IS VERY IMPORTANT. If you have not already completed the questionnaire, would you please take about 15 minutes to complete the enclosed questionnaire and mail it TODAY in the addressed, stamped envelope. At the end of the questionnaire, add any comments you would like to make about what you liked or disliked regarding the way the layoff was handled by (Name), MESC, and the community.

If you have any questions, please call me at (616) 773-1106 (collect if you live outside the 616 area code). Thank you very much for your cooperation.

Sincerely,

Mrs. Sharon VandenHeuvel
Instructor, Muskegon Community College

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APPENDIX D

LETTERS SENT TO SUBJECTS PRIOR TO PROJECT SOLICITATION

APPENDIX D

MESC LETTER TO SUBJECTS

Dear (Name):

Sharon VandenHeuvel, an instructor at Muskegon Community College, has received permission from the Governor's Office for Job Training to conduct a follow-up study on (Name) employees who were permanently laid-off when (Name) closed down in 1986. Sharon has discussed her project with me in length, and I believe it is a worthy project for you to become a participant. I have given Sharon your name, address, and telephone number.

The main objective of Sharon's project is to determine the needs and problems of dislocated workers which occur as a result of a permanent layoff. She will also try to determine how many of the laid-off workers are reemployed.

Your participation in this project could make a difference in local, state, and federal policies that pertain to government assistance to dislocated workers.

You will be receiving a letter from Sharon within the next two weeks explaining this research project in more detail. I would like to encourage you to participate in this study because the results could benefit the community.

Sincerely,

John Morgan, Counselor
MESC

APPENDIX D

LETTER SENT TO SUBJECTS BY REACHER PRIOR TO INTERVIEWS

I am an instructor at Muskegon Community College, and I am doing a follow-up study on (Name) workers who were permanently laid off when Plant 3 closed down in 1986 because of changes in the economy.

To determine the effectiveness of government-sponsored training programs and government assistance for dislocated workers, the government is continually seeking to find out what the needs and problems are of workers who have been permanently laid off from a job. You are one of a small number of dislocated workers who are being asked to give his or her opinions on these matters.

Participating in a telephone interview, should take about 15 minutes. Your participation is voluntary. You may choose not to participate at all or not to answer certain questions without penalty. However, in order that the results will truly represent the thinking of people who have at some point in their lives been permanently laid off after putting in many years of service on a job, IT IS IMPORTANT THAT EACH INTERVIEW BE COMPLETED. Your opinions will be of great value to this research project.

There is no risk to you, and you may be assured of COMPLETE CONFIDENTIALITY. Your name will never be placed on the interview form, nor will it ever appear in the written results of the data collected.

The benefit of this research is that your local, state, and federal government will have a better understanding of the needs and problems of dislocated workers and can make adjustments to fit those needs.

One of the trained interviewers listed below will be calling you next week in the evening to set up a time that would be convenient for you to answer a series of questions about your past and present employment status.

Thank you in advance for your time, effort, and consideration given to this project.

Sincerely,

Mrs. Sharon VandenHeuvel

Interviewers: Diana Baran, Barbara Haggert, Sandy Schiller
Brett Huff, Sandy Ellis, Jill VandenHeuvel

APPENDIX E

SCRIPT FOR TELEPHONE INTERVIEWS

APPENDIX E

TELEPHONE SCRIPT

Hello Mr. or Mrs. (Last Name):

I am (Name) one of Sharon VandenHeuvel's interviewers. Sharon is the one who sent you the letter on her follow-up study on (Name) employees who were permanently laid off when plant (Name) shut down in 1986.

Are you willing to participate in this study?

If yes . . ."Do you have about 15 minutes now to complete the questionnaire?" If yes, continue with the script:

I want you to know that all information will be kept in confidence. The questionnaire is set up in several sections. If you have any questions as we go along or do not understand a question, just stop me and I will repeat the question.

At the end of interview: "Thank you very much for your cooperation in participating in this project. If you are interested in reading the results of the survey, a copy will be in John Morgan's office at MESC sometime in December."

Goodbye

If they cannot participate now "When would be a good time to call you back to complete the interview? I look forward to talking with you on (repeat date and time)."

If they do not want to participate, "Thank you for listening, goodbye."

LIST OF REFERENCES

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