

2007

BUSINESS & COMMUNITIES GRANTS PROGRAM HIGHLIGHTS

“The challenge...is to find ways to harness the long term self-interest of business on behalf of communities across North America.”

— **DR. BRUCE MACLAURY**, President-Emeritus at the Brookings Institution, upon taking the helm as Chairman of the Board, The Hitachi Foundation

SEARCHING FOR UNCOMMON WISDOM ABOUT WORK

The Hitachi Foundation’s Business and Communities Grants Program (BCGP) is about making work *work* for both low-income employees and their employers. What does it look like when work really works for those at the base of the economy? It offers a path to economic security. The workplace cultivates learning and links pay increases to skill advancement. It provides flexible benefits to enable workers to tend to life’s unexpected pressures. Employers manage the business with an understanding that employee development is essential to profitability. By doing so, the enterprise benefits from a productive workforce and lower attrition. And it’s all supported by a workforce development system that is responsive to worker and employer needs and requirements. Trouble is, for the majority of these workers and the employers who rely on them, this is *not* how work works.

For these workers, work leads to neither career advancement nor wealth creation. It’s a paycheck to paycheck equation. For employers, they face the daunting challenge of filling skilled jobs from an unskilled—or under skilled—labor pool. The Hitachi Foundation is committed to discovering the uncommon wisdom that will lead to a transformation of work. We are working with inventive employers and determined workers who are spurring a shift in investments of dollars and time to reinforce learning and advancement. They are restructuring the incentives that drive what happens in the plant, the back office, or the medical clinic.

In response, changes are starting to appear in the network of educational and intermediary organizations that make up America’s workforce development system.

Change can’t come soon enough. Over the next 20 years, the American workforce is expected to grow only half as fast as in previous years. The number of American-born workers in their prime working years will remain flat. And the number of workers with two-year degrees and skill certificates—who can fill many of the jobs that offer real career potential—will not meet the economy’s needs.

In short, America has many good jobs available, especially in sectors such as manufacturing and healthcare. America is filled with people that need those jobs but don’t have the needed skills. As a country, we’re not investing in these workers and jobs. Of the more than \$3 billion that U.S. foundations invest in programs serving the needs of economically disadvantaged, only \$131 million was spent on “employability programs” in 2005. According to the American Society for Training and Development, in 2005 businesses spent \$105 billion on employee development and training. However, the vast majority of that goes to train the best educated and highest paid employees. Tilt just a relatively few percentage points of this spending toward redefining the relationship between the low-income worker and the workforce and work will work better than ever for employees and employers.

DISCOVERING UNCOMMON WISDOM

District 1199C Training & Upgrading Fund in Philadelphia is a joint union-employer workforce intermediary that works with front-line healthcare workers. 1199C, with the support of the Jobs to Careers initiative, is partnering with Temple University Health Systems, Philadelphia University, and the University of Medicine and Dentistry of New Jersey. Together, they are building a career ladder for front-line behavioral health technicians based on the competencies needed to succeed in the mental health field.

Genentech, a leading biotech company, has worked closely with the National Fund for Workforce Solutions' Bay Area funders collaborative to create a biotechnology certificate program. Two local community colleges now offer a training program designed to Genentech's specifications. As a result, low-skill workers are trained in the exact skills they need to build a career at Genentech and other biotech firms.

1199C is one example of the innovation supported by the Jobs to Careers Initiative (<http://www.jobs2careers.org/>). The Hitachi Foundation, the Robert Wood Johnson Foundation, the country's largest and leading foundation devoted exclusively to improving health and healthcare, and the United States Department of Labor launched Jobs to Careers in 2006. The initiative is dedicated to building career paths for low-skilled, front-line healthcare workers. With more than \$15 million committed, 17 projects have been funded that will support partnerships between employers and educational institutions to test new ways to deliver work-based learning and spur enduring changes to employer

policies. The goal is to learn how work-based learning can lead to sustainable career paths for front-line workers and build a productive workforce for employers. Just one year into the project, a number of lessons are emerging:

- Workplace policies must be aligned to support work-based learning. This is not just work-*place* learning, where the place of employment is simply a place for delivering classes. Work-based learning involves syncing the experiences of the workplace with the lessons to be delivered to employees. Learning is tied to skills that lift people up on a career ladder. District 1199C spent nearly a year developing its comprehensive set of competencies required for advancement. Northern Arizona University created a four-step process for identifying educational competencies in the workplace.
- Front-line supervisor support is crucial to the success of work-based learning. The level of such support varies widely in the healthcare sector, from strong to non-existent. It varies even within organizations.
- While many employers in this sector offer tuition assistance for training, it is not easy for front-line workers to use. That's because they cannot afford to pay the tuition upfront—to be later reimbursed by employers when they complete the course—and many programs don't pay for non-degree training. Jobs to Careers programs are experimenting with solutions. For example, Owensboro Community and Technical College in Kentucky allows Owensboro Medical Health Systems to pay after the student has passed the class.

- Not surprisingly, employer policies regarding release time are crucial to success. A number of Jobs to Careers programs developed innovative approaches. Owensboro Medical Health Systems, for example, gives employees eight hours of paid educational time per two-week pay period. Asante Health System in Oregon allows participants to take part in work-based learning activities two days per week for full pay.

The Jobs to Careers initiative will identify the human resource policies and strategies for developing career ladders that can make work more productive for low-income workers and their employers in the healthcare sector.

The Hitachi Foundation is a partner in a second major initiative launched in 2007—the National Fund for Workforce Solutions (NFWS). Our partners include the Annie E. Casey, Ford, Knight, and Weinberg Foundations, Microsoft, and the United States Department of Labor. The NFWS goal is to improve the quality of work, workers, and the workforce system. We are heading towards an investment pool of \$50 million. NFWS has already provided support to ten regional projects. NFWS (<http://www.nfwsolutions.org/>) is also supporting technical assistance and research.

STATE OF CORPORATE CITIZENSHIP: RHETORIC AND REALITY

In 2007, we joined with the Boston College Center for Corporate Citizenship in releasing *Time to Get Real: Closing the Gap between Rhetoric and Reality*, the report of the third State of Corporate Citizenship Survey. The only such survey to track the attitudes and actions of executives from small, medium, and large businesses, the research found that positive attitudes about corporate citizenship among U.S. business leaders are not yet matched by positive actions.

Sixty percent of surveyed executives say corporate citizenship is part of their business strategy to a large or very great extent. But just 39 percent report it is part of their business planning process. Only 25 percent have an individual or team responsible for citizenship issues. Seventy-six percent of executives say corporate citizenship fits their company's traditions and values. Yet only 36 percent report talking to their employees about corporate citizenship. Most business leaders (81 percent) note the importance of valuing employees and treating them well. Yet less than half (46 percent) support work-life balance for all employees including hourly workers and just about a third (31 percent) offer training and career opportunities for their own lower-wage employees.

Even when action could address a pressing business need, such as developing and tapping a skilled workforce, reality trails behind rhetoric. While 41 percent felt that companies should be held responsible for improving the education and skills in the communities where they operate, only 18 percent of businesses are offering job training to people in economically distressed communities.

The entire report can be read at http://www.hitachifoundation.org/pdfs/socc_report_2007.pdf

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2007 GRANTEES LIST

The Aspen Institute Workforce Strategies Group

\$30,000

To support completion of the proposed design phase of the Return on Investment Assessment in Philadelphia of the Jobs to Careers Initiative.

The Aspen Institute Business and Society Program

\$30,000

To support CasePlace.org, an online resource for case studies, syllabi, and teaching materials on business and Corporate Social Responsibility.

Chesapeake Bay Foundation

\$10,000

Contribution to the Port Isobel site for educational programs made in memory of Jim Gillespie, former Chief Financial Officer of The Hitachi Foundation.

Council on Foundations

\$50,000

For serving as Leadership Partner to the National Fund for Workforce Solutions.

Hands on Network

\$10,000

To provide partial support for the development and implementation of corporate track programming for their national meeting.

Hands on Network

\$35,000

To support the merger-related strategic planning effort, including gaining feedback on the strategic plan from key stakeholders, and to explore opportunities for assessing the value and impact of corporate volunteer efforts.

Jobs for the Future

\$272,189

To support the National Program Office activities in the Jobs to Careers Initiative.

Jobs for the Future

\$700,000

Contribution to a funding pool created by collaborating foundations and the U.S. Department of Labor and operating as the National Fund for Workforce Solutions.

New America Foundation

\$30,000

For research on employer-provided financial literacy education including assessing benefits and outcomes.

Net Impact

\$20,000

To support leadership training, membership development, and services to members.

The San Diego Foundation

\$10,000

Contribution to the 2007 After-the-Fires Fund.

University of North Carolina—Institute on Aging

\$35,482

To support an expanded national evaluation of the Jobs to Careers Initiative.