

ATTENTION JATCs: It's Not 2007 Anymore!

by | **John S. Gaal, Ed.D.**

Based on the author's workshop, "Energizing Apprenticeship and Training Programs," at the Construction Industry Benefits Conference in September 2011 in White Sulphur Springs, West Virginia, this article focuses on the importance of running a training fund like a business.



Reproduced with permission from *Benefits Magazine*, Volume 49, No. 1, January 2012, pages 30-36, published by the International Foundation of Employee Benefit Plans (www.ifebp.org), Brookfield, Wis. All rights reserved. Statements or opinions expressed in this article are those of the author and do not necessarily represent the views or positions of the International Foundation, its officers, directors or staff. No further transmission or electronic distribution of this material is permitted.



As both labor and management members of construction-related training and education programs across the United States move into a new year, they have an obligation to ensure that trusted funds are used effectively and efficiently, for the benefit of these funds' participants. To that end, the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) has audited approximately 80 jointly managed trust funds over the past two years.

Trustees and/or committee members cannot make informed decisions about the future direction of their operations without gathering the proper data. In today's fast-paced global economy, when it comes to survival, training trust funds must be willing to adapt at a moment's notice.

Emerging Issues

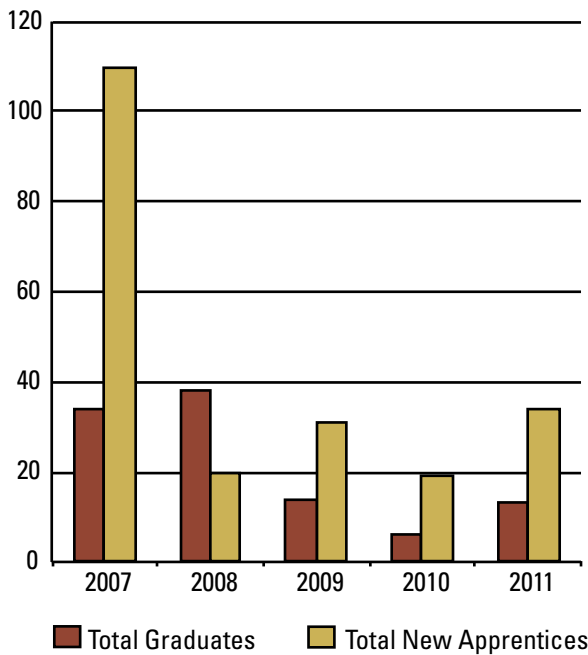
The Great Regression

The past five-plus years have been difficult for contractors and tradespeople. Renowned economists have taken positions on whether the United States is in a Great Recession or mirroring the Great Depression.

The author believes that, more precisely, the nation is in the midst of the Great Regression. A variety of findings in recent reports reinforce that opinion:

- 56% of college graduates do not think that "their generation will do better than the one that came before them."¹
- In 1969, 95% of men between the ages of 25 and 54 had jobs versus 85% during the recession of 1982-83 and only 81% today.²
- A *USA Today* article in February 2010 reported that while the jobless rate hovered around 10%, unemployment in construction jumped to 24.7%, the highest on record since 1976.³
- There is only one job opening for every 16 unemployed construction workers, according to a *Washington Post* article in mid-September 2011.⁴
- ACT projects that in 2014, 45% of the jobs available will fall into the middle-skills category (requiring a postsecondary creden-

FIGURE 1
Trends (April 2007-2011 Apprentice Cycle)



Source: Carpenters' District Council of Greater St. Louis & Vicinity; STL, SEMO and SoIL JACs only—April Snapshot.

<< bio



John S. Gaal, Ed.D., is director of training and workforce development for the Carpenters' District Council of Greater St. Louis & Vicinity. As a labor representative, he serves on the St. Louis County Workforce Investment Board and the Missouri Workforce Investment Board. Gaal is on the Board of Education at the St. Louis Construction Careers Center Charter High School. After completing a union apprenticeship in carpentry, Gaal earned an associate degree in construction management, a bachelor's degree in architecture, a master's degree in international business and a doctorate in organizational leadership. He recently completed a postdoctoral project on trade union leadership at Harvard University and was a Fulbright scholar in labor and industrial relations. Gaal also is an adjunct professor at Webster University. He can be contacted at jgaal@carpdc.org.

tial: i.e., nurses, plumbers, etc.) while 33% and 22% of the jobs will be classified as requiring high skills (a bachelor's degree or higher: i.e., doctors, lawyers, etc.) or low skills (a high-school diploma or less: waitresses, lawn care, etc.), respectively.⁵

- 74% of the U.S. manufacturers that responded to a recent survey “indicated that workforce shortages or skills deficiencies in skilled production roles (including craft workers) are having a significant impact on their ability to expand operations or improve productivity.”⁶

Emerging Trends

These issues should serve as the impetus for jointly managed apprentice and training committees (JATCs) to perform research within their own systems. Committee members should ask themselves: When was the last time we compared numbers of today's recruits, graduates, etc. to those of one, three or five years ago? (See Figure 1.)

And when was the last time we compared today's cumulative work hours to those from one, three or five years ago? (See Figure 2.)

Figures 1 and 2 from the Carpenters' District Council of Greater St. Louis & Vicinity provide only a narrow slice of the data that should be available to JATC members at a moment's notice. Without these types of data sets, it is difficult to make informed decisions pertaining to the future direction of one's JATC. However, this is only the first step in the data-gathering process.

Running Your Program Like a Business

The Road Map

Like construction workers on a jobsite, at the strategic level the players in a JATC need to have a vision of the end product. For the construction worker, this takes the form of construction documents: drawings and specifications. Similarly, JATC members must identify and map their wants, needs and desires. This process involves multiple steps and takes time . . . and often requires outside assistance.

The first step may involve performing a SWOT analysis, with input from key stakeholders on the JATC program's internal strengths and weaknesses and its external opportunities and threats. (This step may also identify the need to perform a needs analysis before proceeding. See the appendix for additional related information.)

The next step is to use information and data from the analysis to develop a strategic plan. The strategic plan should provide an overall direction for the JATC—at the 50,000-foot level. It must also include an action plan that holds stakeholders responsible and accountable for executing the strategic plan. To this end, the strategic plan must be goal-oriented. If the JATC expects to see results, it will be necessary to make these goals measurable: time-specific and quantifiable.

A JATC might determine, for example, that it wants all of its full-time instructors to obtain college degrees related to career and technical education in an effort to improve the quality of outcomes, apprentice graduates. The JATC must make a commitment to ensure that instructors know what is expected of them—when and which degrees must be earned (time-specific: four years to earn an associate’s degree and ten years for a bachelor’s degree) and how this will financially impact the fund as well as the instructor’s family (quantifiable: The JATC will cover the cost of all tuition and books for classes in which the instructor earns a grade of B or better and will issue raises or annual bonuses upon the granting of the degree).

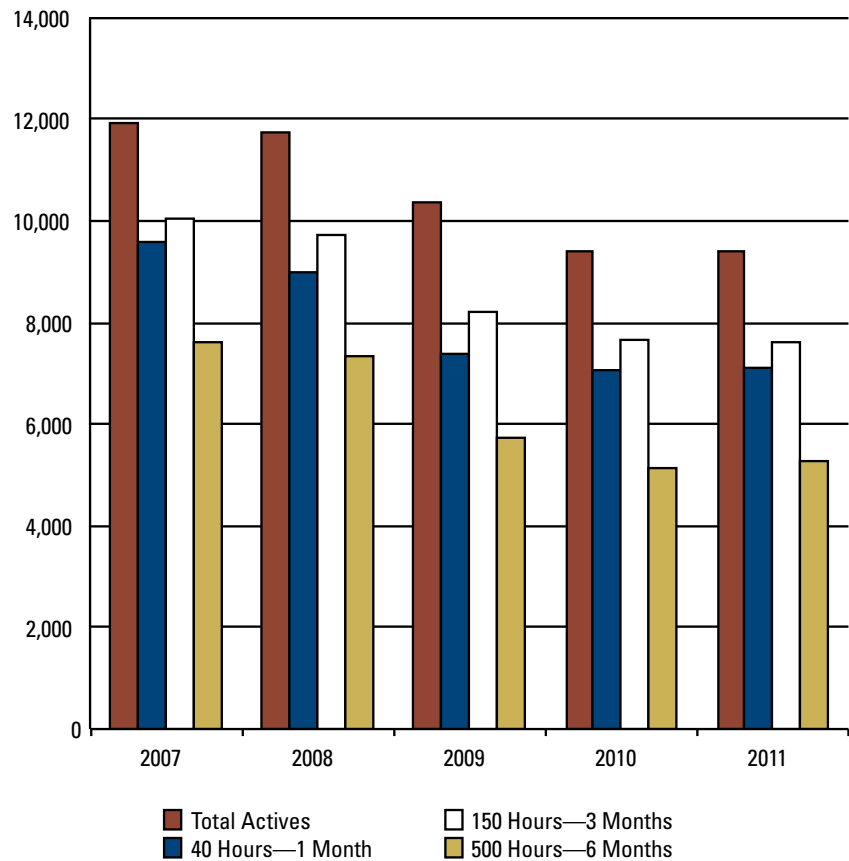
Other internal documents that will assist in making a JATC program run smoothly include written policy manuals (employee handbooks, standard operating procedures, etc.).

The Dashboard

The JATC’s administration and staff must be provided tactical direction at the 5,000-foot level. This direction can come in the form of monthly indicators tracked from various sources. The important aspect to remember is that monthly numbers must be easily accessible and dis-

FIGURE 2

Trends (April 2007-2011 Total Hours)



Source: Carpenters’ District Council of Greater St. Louis & Vicinity; Journeyworker and Apprentice Active Members—April Snapshot.

seminated. At this tactical level, the JATC needs to identify which indicators are key to the success of the JATC’s program and, more importantly, its students (apprentices and journeyworkers).

On an automobile dashboard, indicators would be speed, rpm, mileage and gas/oil levels. For a JATC program, the dashboard indicators might include retention rates, suspension rates, recruits, graduates, diversity, cost per student, etc. Keep in mind, this is a dashboard—if the JATC selects too many indicators, the players can be confused as they attempt to keep the program on track. Members of the JATC

committee need to collectively agree on and select four or five vital indicators that keep the system running.

It is highly recommended that a JATC establish baseline data on its indicators and track these numbers on a monthly basis. Furthermore, JATCs should consider comparing these numbers to the previous month, quarter, year, etc. internally.

If possible, the program should benchmark indicators to national and/or regional data. This is where advanced technology can make life easier. Most of the items identified above are already

DOL Finds Widespread Problems

Editor's note: In investigations of apprenticeship and training funds, the Department of Labor (DOL) has found a lack of written procedures about fees and expenses, a lack of internal expense controls and widespread



misappropriation of plan assets," Phyllis C. Borzi, assistant secretary of labor for DOL's Employee Benefits Security Administration, said at the 57th Annual Employee Benefits Conference last fall.

The kinds of problems DOL has seen with trustee and staff expense are issues "you'd never see in a pension fund or a health and welfare fund," she said. "These are serious violations, and I want to plead with you to police yourselves, to go back and look at your apprenticeship and training programs, and make sure that they are in compliance with ERISA.

"It appears that in some cases the same trustees sit on all these funds, and all the expenses that are disallowed under the pension fund or the health and welfare fund are put through the apprenticeship fund," Borzi said.

"The worst thing that could happen, both for the participants in these plans and for the employers that are such an important part of the governance structure of the plan, is for Congress to decide that these are scams, that these are areas in which the money is just being ripped off," she said.

tracked by other databases used by contractors, unions and JATC programs. It will be necessary to find secure means to link these data sources and, equally important, build a trusting relationship that allows for efficient and effective action. This can be accomplished by establishing an information technology (IT) subcommittee consisting of IT professionals who work for the various labor-management partners within the JATC and including some external partners who may already have similar systems in place (e.g., the local community college).

To be sure, for this concept to work, people at all levels of the organization—contractors, unions and JATC pro-

grams—must be or soon become computer-literate. The author believes that in today's fast-paced global economy, failure to build the structure to ethically access real-time data is a failure to perform one's fiduciary duty.

Conclusion

It is not enough to merely gather data; the most important thing is what the JATC does with that data. The author was once told: "Data remains to be data unless and until one acts upon it. That is the moment when data becomes information!"

JATCs must constantly review and tweak their systems and processes. Details that mattered one year ago may be less significant today due to issues such as recent turmoil in the world economy, a change in federal laws or a local natural disaster. 📍

Endnotes

1. J. Godofsky, C. Zukin and C. Van Horn. *Unfulfilled expectations: Recent college graduates in a troubled economy*. May 2011. New Brunswick, N.J.: Rutgers.
2. M. Dorning. "The slow disappearance of the American working man." *Bloomberg Businessweek*, August 29-September 4, 2011. Retrieved on September 6, 2011 from www.businessweek.com/magazine/the-slow-disappearance-of-the-american-working-man-08242011.html.
3. P. Davidson. "Construction unemployment still on the rise." *USA Today*, February 26, 2010. Retrieved on July 29, 2011 from www.usatoday.com/money/economy/employment/2010-02-25-construction25_ST_N.htm.
4. N. Irwin and T. Lindeman. "Why the job hunt is so hard." *The Washington Post*, September 14, 2011, p. A14.
5. ACT. *Breaking new ground: Building a national workforce skills credentialing system*. 2011. Retrieved on September 10, 2011 from www.act.org/research/policymakers/pdf/BreakingNewGround.pdf.
6. T. Morrison, B. Maciejewski, C. Giffi, E. Stover DeRocco, J. McNeely and G. Carrick. 2011. *Boiling point: The skills gap in US manufacturing*. Retrieved on October 17, 2011 from www.themanufacturinginstitute.org/~media/A07730B2A798437D98501E798C2E13AA.ashx.

References

- J. Gaal. An analysis of contemporary secondary and postsecondary educational issues: Comparing the perceptions of Japanese and U.S. educators. *Online Journal of Workforce Education and Development*, 5, 1-22. 2011, Summer.
- J. Gaal and D. Henry. *Pilot Survey: 2011 St. Louis Construction Industry Needs Analysis*. (Available from the Carpenters' District Council, 1401 Hampton, St. Louis, MO 63139.) February 3, 2011.
- J. Gaal and M. Sanders. Member Retention. Presentation at the CDC's 34-Member Committee Meeting held August 12, 2011 in St. Louis, Missouri.

Appendix: Construction Industry Needs Analysis

The author sought input from the 24 participants at the “Energizing Apprenticeship Training and Education Programs” workshop in White Sulphur Springs, West Virginia, in September 2011 in an attempt to provide the audience an example of a needs analysis and as a means to further an ongoing research project.

The author and a fellow St. Louis, Missouri researcher with a background in the construction industry developed the following survey questions in early 2011 (Gaal and Henry, 2011). They used a version of this survey in their local construction market as a tool to provide empirical evidence to the Missouri Department of Transportation (MoDOT). MoDOT used the results of that needs analysis to assist in writing a request for proposal (RFP) that was published during the first quarter of 2011.

(Background: These questions were formulated from the topics discussed at the MoDOT stakeholders’ meeting in January 2011. After this meeting, both authors were convinced that a survey was in order—one that would offer insights into whether the proposed RFP’s guidelines needed updating. Specifically, MoDOT’s 2007 version of the RFP focused mainly on recruitment strategies while providing little attention to retention strategies, which have become increasingly important—hence, the subtitle of the main article.)

- | | |
|---|---|
| <p>1. Please identify your country of origin (work-related home base).</p> <p>USA 100% Canada 0% Other 0%</p> | <p>6. In today’s economic environment, scarce resources would be best spent on programs addressing the needs of new preapprenticeship training recruits.</p> <p>Strongly Disagree 0% Disagree 41%</p> <p>Agree 46% Strongly Agree 14%</p> |
| <p>2. Please indicate which construction industry/group you mainly represent.</p> <p>Management 9% Labor 61%</p> <p>Joint Labor-Management 17% Other 13%</p> | <p>7. In today’s economic environment, scarce resources would be best spent on programs addressing the needs of new preapprenticeship program graduates still seeking industry-related placement/employment.</p> <p>Strongly Disagree 4% Disagree 48%</p> <p>Agree 39% Strongly Agree 9%</p> |
| <p>3. Over the past two-plus years, the construction industry has experienced a sharp decline partially due to an economic recession.</p> <p>Strongly Disagree 5% Disagree 0%</p> <p>Agree 38% Strongly Agree 57%</p> | <p>8. In today’s economic environment, scarce resources would be best spent on programs addressing the needs of new preapprenticeship program graduates who are currently in registered apprenticeship programs and seeking hours to graduate to journeyworker status.</p> <p>Strongly Disagree 8% Disagree 21%</p> <p>Agree 58% Strongly Agree 13%</p> |
| <p>4. When it comes to preapprenticeship training providers, emphasis should be placed on recruiting strategies.</p> <p>Strongly Disagree 13% Disagree 4%</p> <p>Agree 61% Strongly Agree 22%</p> | <p>9. In today’s economic environment, scarce resources would be best spent on programs addressing the needs of new preapprenticeship program graduates who have completed registered apprenticeship programs but are currently unemployed.</p> <p>Strongly Disagree 9% Disagree 39%</p> <p>Agree 35% Strongly Agree 17%</p> |
| <p>5. When it comes to preapprenticeship training providers, emphasis should be placed on retention strategies.</p> <p>Strongly Disagree 0% Disagree 14%</p> <p>Agree 41% Strongly Agree 46%</p> | |

10. In an effort to build relationships, it should be a mandatory requirement that all preapprenticeship program providers include an industry-related joint labor-management mentoring experience for its participants.

Strongly Disagree 13% Disagree 17%
 Agree 52% Strongly Agree 17%

11. In an effort to build career pathways, it should be a mandatory requirement that all preapprenticeship program providers deliver ongoing career guidance (i.e., job search skills, supervisory training, etc.) to its participants.

Strongly Disagree 9% Disagree 9%
 Agree 41% Strongly Agree 41%

12. In an effort to ensure that all preapprenticeship program providers' curricula meet the demands of today's industry, a shift from general/basic skills training must occur toward specialized training (i.e., scaffold certifications, welding certifications, etc.).

Strongly Disagree 9% Disagree 18%
 Agree 50% Strongly Agree 23%

To analyze the data in questions 3-12, this author uses the FIG Model (Gaal, 2011). This analytical model utilizes the raw counts derived from a survey—based on the Likert Scale*—and converts them to weighted scores.

Raw Counts:

Strongly Disagree = SD = -2 Disagree = D = -1
 Agree = A = +1 Strongly Agree = SA = +2

$$\frac{\sum SD_{Raw}}{\text{Total Participants Group}} * -2 = SD_{Weighted}$$

$$\frac{\sum D_{Raw}}{\text{Total Participants Group}} * -1 = D_{Weighted}$$

$$\frac{\sum A_{Raw}}{\text{Total Participants Group}} * +1 = A_{Weighted}$$

$$+ \frac{\sum SA_{Raw}}{\text{Total Participants Group}} * +2 = SA_{Weighted}$$

Total Group . . . =

Score_{Weighted}

For example (Needs Analysis Question #6 above):

	Raw Counts	Weighted Scores
SD	2	-0.1667
D	5	-0.2083
A	14	0.5833
SA	3	0.2500
Total	24	0.4583

*Many readers have participated in surveys in which they are asked to rate a topic, etc. on a scale of 1 (Dislike) to 4 (Like). This type of scale is referred to as the *Likert Scale*. The raw data counts refer to the actual number of participants who provided a specific response to a given question. The weighted score refers to calculating the mean average of the raw counts and then applying a weighting system to account for the number (i.e., 24 for this purpose) and levels (i.e., Disagree = -1; Agree = +1, etc.) of responses.

Note: It is recommended that one compiles and charts the raw counts and weighted scores for each survey question above for means of comparison between questions and/or other groups surveyed.