Investing in a Skilled Workforce: Employers Enjoy Real and Lasting Returns, Finds a New Study by Corporate Voices for Working Families

Timely new research demonstrates the positive "return on investment" to employers who support skills and workforce readiness training for their new employees.

Washington, DC (PRWEB) December 06, 2011 -- As business leaders and politicians alike lament the skills gap that has slowed America’s economic recovery, employers who embrace training for their current workers are finding promising results and an impressive return on their investment. That is the main conclusion of a new report by Corporate Voices for Working Families, a nonprofit business membership organization in Washington, D.C., which documents the findings in Why Companies Invest in 'Grow Your Own' Talent Development Models.

Through case studies and concrete metrics, the report carefully details how several respected American employers invest in education, training, and the basic workforce readiness of their employees, with a particular focus on the needs of entry-level and lower-skilled associates. The companies studied—including CVS/Caremark, the Johns Hopkins Hospital, and Pacific Gas and Electric Company—took different approaches to their training programs, but their investments have paid off in a range of valuable dividends.

• The most direct and tangible benefit is a cost saving linked to improved retention of program participants, and avoidance of associated turnover and rehiring costs. Among the programs highlighted in the report, the return on investment (ROI) ranged from a small first-year loss to a net gain of at least 179 percent.

• But employers found other important benefits that, while harder to monetize, were equally important. These include greater workplace diversity, enhanced customer and client loyalty, and an improved reputation in the communities these companies serve.

The paper is accompanied by a user-friendly, online Return-on-Investment tool for any employer eager to calculate the costs and benefits associated with workforce readiness programs. Together, the report and tool are intended as a road map for other companies to guide a similar strategy of “growing talent” from within—with the promise of real and lasting returns over time.

“These forward-looking companies have shown that investing in the workforce of tomorrow is a smart decision for today,” said Stephen M. Wing, managing director of Corporate Voices Consulting, a division of Corporate Voices for Working Families. “By leveraging partnerships with the public Workforce Investment system and other experts in their communities, these employers are improving the odds of success for their valued employees and strengthening their own bottom line.”

“Engaging the business community, nationally and locally, is a key aspect of ensuring that the nation’s young people are prepared for college, work and life,” added Karen Pittman, President and CEO of the Forum for Youth Investment, which oversees the Ready by 21® initiative to get all young people ready for college, work and life. “We are pleased to partner with Corporate Voices on this timely new report to advance that important goal.”

The publication is the latest addition to a unique suite of tools offered by Corporate Voices, based on a decade of experience studying the workforce needs and expectations of employers nationwide. The report was
generously supported by the Ready by 21® National Partnership (which includes Corporate Voices) and the Altria operating companies, as well as by New Options, a project of the W.K. Kellogg Foundation.

The report and Return-on-Investment tool may be accessed on Corporate Voices’ website here.

About Corporate Voices for Working Families
Corporate Voices for Working Families is the leading national business membership organization shaping conversations and collaborations on public and corporate policy issues involving working families. A nonprofit, nonpartisan organization, we create and advance innovative policy solutions that reflect a commonality of interests among the private sector both global and domestic, government and other stakeholders. We are a unique voice, and we provide leading and best-practice employers a forum to improve the lives of working families, while strengthening our nation’s economy and enhancing the vitality of our communities. Publications, research studies and toolkits on a host of workforce readiness, workplace flexibility, family economic stability and work and family balance issues are available online at www.corporatevoices.org.

About Ready by 21®
Ready by 21 is a set of strategies developed by the Forum for Youth Investment that helps communities and states make a measurable difference in the lives of children and youth. Ready by 21 helps leaders to build broader partnerships, set bigger goals, use better data and take bolder actions. The Forum is a nonprofit action tank based in Washington, D.C. http://www.readyby21.org.

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You can read the online version of this press release here.