

Investing in Frontline Workers Increases Bottom Line in Tough Economy

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For Immediate Release

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OAKLAND, CA (August 11, 2010) – In these tough economic times, employers can improve their bottom line by investing in training and career development for their frontline employees, according to a business brief released by the National Network for Sector Partners (NNSP), an initiative of the Insight Center for Community Economic Development. [*From Hidden Costs to High Returns, Unlocking the Potential of the Lower-Wage Workforce*](#) is based on structured interviews with employers around the nation who have achieved significant bottom line benefits by undertaking innovative training and career development efforts targeted at their lower-skilled, lower-wage workers. To download the brief, [click here](#).

Employers profiled in [*From Hidden Costs to High Returns*](#) note that efforts targeted at their lower-wage workers paid off for them and their employees. Some of the returns employers cite include:

- Increased revenue as quality and customer satisfaction rises.
- Decreased costs as errors, customer complaints, and supervisory interventions diminish.
- Improved employee productivity and morale.
- Drop in costs related to vacancies, recruitment, re-training and overall turnover.
- Improved company image among both customers and employees.

Many of the employers profiled in the brief participate in industry-focused partnerships known as sector initiatives. The SECTORS Act, which recently passed the U.S. House of Representatives with a unanimous vote, highlights the growing support for sector initiatives, and for efforts profiled in the brief. “Our partnership with a sector initiative for recruiting and retention, and our own cross-training and coaching, were major contributors to our profitability last year,” said Areli Cazares, human resources manager at Wheatland Tube Company, one of the oldest and largest pipe and tube manufacturers. Cazares added, “In the longer run, investing in our employees will allow us to fill positions in-house, and eliminate additional training costs for anybody coming from the outside.”

In addition to achieving positive outcomes for themselves, the employers profiled in the brief increased their lower-skilled workers’ earnings, countering the recession’s impact on the most vulnerable sector of the nation’s workforce.

“In sixty interviews with business leaders in the healthcare and manufacturing sectors, we found that innovative companies are achieving impressive returns through deliberate, sometimes multifaceted efforts,” said Jack Mills, NNSP’s director. “Companies that grow their lower-wage workers’ skills and careers are reaping advantages over competing businesses and participating workers are reaping significant earnings increases.”

The National Network of Sector Partners (NNSP) is a nation-wide membership organization dedicated to promoting and increasing support for sector initiatives. NNSP is an initiative of the Insight Center for Community Economic Development, a national research, consulting, and legal organization dedicated to building economic health and opportunity in vulnerable communities.

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Addendum: Employer Representatives Available for Interviews:

Several employers profiled in the business brief, [From Hidden Costs to High Returns](#), are available for interviews to share best practices on increasing their bottom line in this tough economy. Contact information is provided in an addendum to this press release.

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Harvard Vanguard Medical Associates is a non-profit, multi-specialty medical group practice providing care to more than 480,000 adult and pediatric patients at more than 21 offices across eastern Massachusetts.

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