THE CHANGING LABOR FORCE**

1. LABOR FORCE OUTLOOK


The multi-dimensional nature of the nation’s labor force diversity is examined in a labor market context with particular attention to groups that will grow the fastest between now and the next century. The diversity existing among and within these groups and the economic dimensions of this diversity (e.g., labor force participation rates, unemployment rates, occupational distributions, poverty status and other indicators of income) are closely examined. A discussion of persons most apt to experience difficulty in the labor market and the reasons for those difficulties is organized into four areas: human capital; social psychology; geographic location; and discrimination.


This frequently cited study details five scenarios expected to shape the American workforce and economy over the next thirteen years. 1) The population and workforce will grow more slowly than at any time since the 1930s, resulting in both an increased demand for income-sensitive products and a tighter labor market. 2) The age of the population and workforce will increase, and there will be fewer young workers. 3) Women will continue to enter the workforce in greater numbers, although the rate of this increase may slow as older women opt for earlier retirement and mothers faced with insufficient flexible working opportunities choose to stay home during their child-rearing years. 4) Minorities will constitute a large share of the labor force expansion, but their job prospects will not be assured as many may live in cities which are not high growth regions, and educational opportunities may not match the demands of job growth in higher technology occupations. 5) Immigrants will represent the largest share of the increase in population and the workforce since World War I. Of related interest are two Hudson Institute reports available from the U.S. Government Printing

* Prepared by Kevin Barry, Librarian, Industrial Relations Library and Linda Oppenheim, Social Science Reference Librarian.

** Items on this list should be ordered directly from the publisher. Addresses are given in connection with each reference.
Office, Civil Service 2000 by William B. Johnston (1988, 52 pp. Stock number 006-000-01337-6. $2.00, paper) and Opportunity 2000: creative affirmative action strategies for a changing workforce (1988, 181 pp. Stock number 029-014-00241-9. $5.00, paper). For very current data on anticipated changes in the composition of the labor force by race, sex, and age to the year 2003, see Ronald Kutscher's summary article "New BLS projections: findings and implications," in the November, 1991 issue of Monthly Labor Review (Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402-9328, pp. 1-12. $5.00.). Kutscher reports that there is a reduced likelihood of a serious shortage of entry level workers as the decade progresses. However, it appears that many young people today may not be adequately equipped for the occupations expected to grow most rapidly in the future.


2. THE IMPACT OF IMMIGRATION


Briggs states unequivocally that for the first time in United States history the national immigration policy is inconsistent with labor force needs and may also be counterproductive to the country's welfare. Legal immigration is based on the concept of family reunification. Refugee admissions are separate from legal immigration and have no annual ceiling. Nonimmigrant workers are admitted with only perfunctory efforts to find a qualified citizen to fill the position. The majority of non-citizen workers are competing with the working poor, primarily African-Americans and citizen Hispanics, for a declining number of low skill jobs and limited training opportunities. Briggs asserts that immigration policy must be guided by its economic consequences and recommends that legal entry be restricted to skilled and educated immigrants, since America already has a substantial reserve of unskilled, poorly prepared potential workers. A consonant point of view is expressed by George Borjas in Friends or strangers: the impact of immigrants on the U.S. economy (HarperCollins, P.O. Box 588, Dunmore, PA 18512. 1990, 274 pp. $32.95). He proposes a point system that would grade immigrant visas on the basis of both observable skills and humanitarian considerations in order to provide a mix of more skilled immigrants.


This report evaluates the effects of immigration on the United States economy and labor market, including individual regions, industries, and occu-
pations, and examines the economic progress and overall integration of the immigrants themselves. Since 1970, immigrants, who make up seven percent of the workforce, have contributed twenty-two percent to the annual labor force growth, a figure which will continue to increase. Immigrant workers have a greater effect on certain parts of the labor market, such as low skill manufacturing jobs and the apparel and footwear industries, than the aggregate econometric data suggest. While in specific metropolitan areas and regional labor markets there has been some displacement, beneficial effects have also been observed. Self-employment, for example, both increases immigrant economic mobility and creates a significant number of jobs for both immigrants and native-born workers. In cities with high immigrant populations, many native workers have been able to transfer from manufacturing and lower skill services to white collar jobs. In the professions, immigrants complement the skills of native workers and function indistinguishably from them. While in the long run U.S. companies must address the issue of restructuring, in the short term, the economy of employing immigrant labor helps some firms stay competitive.

3. Human Resources Issues


Chen delineates the difficulty of acknowledging the increasing diversity of the workforce while not violating anti-discrimination laws. As he states, "Corporations can't manage what they aren't allowed to notice." After the initial hiring decision is made, employers can discriminate among their employees only to accommodate handicaps or to recognize seniority or professional and educational designations. In an earlier Personnel Journal article "women and men being left out?" November, 1991. pp. 88-94.) Charlene Mariner Solomon points out that in their efforts to deal with race and gender companies may have ignored the concerns of white men and overlooked other facets of diversity such as age, tenure with the organization, educational, functional, union or non-union background, or sexual orientation.


Starting from the premise that successful competition in the global marketplace hinges upon accepting, respecting, and appreciating the diversity of people of all cultures, Fernandez observes that ethnocentrism, racism, sexism, and other biased attitudes will ultimately take their toll on both the Japanese and European economies, since both lag behind the United States in addressing equality issues for women and minorities. Turning to the U.S., he discusses the labor force profile and outlook for women, Native Americans, Hispanic-Americans, African-Americans, Asian-Americans, and white Americans (white men in particular). He also addresses the need for businesses to deal effectively with workers of different ages, religions, and sexual preferences and people challenged by disabilities.


Learning how culture impacts communication is critical to managing diversity. The authors explain the concept of high- and low-context cultures and clarify how communication gaps can occur between Anglo-American males (who tend to be medium/low context and constitute a high percentage
of managers) and females and culturally diverse people (who tend to be high-context and represent the majority of new labor force entrants). High-context people tend towards more nonverbal communication and place a heavy emphasis on interaction, group identification, and trusting relationships. Low-context people tend to screen out external surrounding factors when communicating and focus on words alone to express and interpret meaning.

Another article in the same issue of Personnel Journal ("Kinney Shoe steps into diversity," pp. 72-77) describes the Kinney Shoe Corporation's innovative Office of Fair Employment Practice. A primary objective is to ensure that Kinney's workforce ultimately mirrors that of its diverse customer base.


This article addresses conflicts that may arise between foreign businesses operating in the United States and their American employees because of differences between the national and corporate cultures of the owners and the cultures, customs, and practices that govern the American workplace. The authors illustrate the problem by describing several lawsuits based on sex discrimination, discrimination against non-Japanese employees in filling management positions, and racial and sexual bias in hiring.


Reavelin discusses how employers will respond to labor market shortages predicted by such reports as Workforce 2000. Using a database of firm-level human resources policies, she examines how companies are adjusting their compensation and benefits practices in an effort to attract and retain younger workers. Of related interest in the same volume is "Managing a changing labor force: a new look at human resources management" by Jeffrey Zornitzky (pp. 11-22).


Thomas explains why recruitment-oriented affirmative action plans neither deal with the underlying causes of prejudice and inequality nor address directly the new realities and opportunities inherent in managing today's increasingly diverse workforce. "Moving beyond" affirmative action, he explains, means a commitment to both the recognition of potential and the upward mobility of all kinds of persons at every level of the organization. Thomas offers ten guidelines for learning to manage diversity. Thomas expands upon these themes in Beyond race and gender: unleashing the power of your total work force by managing diversity (American Management Association, 1991. 189 pp. $26.70) a comprehensive action plan for transforming the roots of corporate culture to positively reflect diversity. Case studies include Avon Product Inc.'s Multicultural Planning Research Project and five-year implementation plan.