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ANALYSIS OF EMPLOYMENT SERVICE WITH REGARD

TO THE THIOKOL LAYOFF

by

Gerald Pelovsky

A thesis submitted in partial fulfillment
of the requirements for the degree

of

MASTER OF SCIENCE

in

Economics

Approved:

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Gerald Pelovsky

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CHAPTER 1
INTRODUCTION

Statement of Thiokol Chemical Corporation Layoff

In 1963 the Wasatch Division of the Thiokol Chemical Corporation, located twenty miles west of Brigham City, Utah employed approximately 6,000 workers. In December of 1963 the Defense Department phased out major activities in which Thiokol was engaged and during the next three year period about 4,000 workers were laid off. The greatest number of layoffs took place throughout the early months of 1964.

Nature of Problem

As a result of population growth, technological improvements, shifts in defense requirements and plant relocations, there appears to be a need for job-finding assistance in the United States. The mass layoff at the Thiokol Chemical Corporation plant is one example of a major layoff, which has caused economic problems of a very distressing nature for those involved.

In the total structure of programs of aid for the unemployed, the United States Employment Service (USES) and its partners the State Employment Service, perform a central function. Nearly all of the other programs established to counter unemployment make use of the Employment Service in carrying out their separate functions.¹ The local

¹Two programs which work with the Employment Service are the Manpower Development and Training Act (MDTA) and the Area Redevelopment Act (ARA).

employment office operations are the heart of the USES; here is where job-seekers and employers meet and are served, where tools and techniques are put into action and where research findings are put to work.

Purpose of the Study

The purpose of this investigation will be to answer the following questions.

First, what activities have the local employment offices, in cooperation with the Federal-State Employment Service, undertaken to smooth the transition to new employment for former Thiokol employees?

Second, how successfully has the Employment Service carried out its assigned role in working with the Thiokol layoff?

Third, what suggestions can be made which may make the local offices of the Employment Service a better functioning agency?

Method of Investigation

This investigation is based upon three main sources of information; (1) past studies made of mass layoffs, (2) personal interviews with the Directors of the Brigham City, Logan, and Ogden Employment Security offices, and (3) a questionnaire.

The research of the other mass layoffs is designed to enable the author to apply comparative criteria to the activities of the employment offices which were involved in the Thiokol layoff.

The questionnaire has two specific purposes; (1) to indicate characteristics common to the laid off Thiokol employees, such as

mobility, education, skills and age (all of which are considered determinants of employability), and (2) to reveal the impressions which these laid off workers have towards the activities of the Employment Service.

The study will also investigate conditions under which the local offices were compelled to function. Community support, the local labor market, and cooperation of the Thiokol management all have a bearing on the success of the local employment offices in relocating unemployed workers.

Limitations of the Study

Where a worker has received the assistance of the Employment Service, plus some other source (friend, private employment agency, etc.), it is very difficult to confidently state who should be given credit for finding the worker his job. Therefore, the search in this investigation will be for activities which have been undertaken in an effort to relocate workers and not for specific figures, which supposedly indicate how many people were relocated primarily through the efforts of the Employment Service.

Another problem is based upon the observation that no two layoffs are alike, in fact they are usually very different. As a result of this fact, when comparing various Employment Service activities, unique conditions must be closely observed and evaluated.

The questionnaire is limited to those former Thiokol workers, who contacted in one way or another the employment offices located in Brigham City, Logan, or Ogden. Questionnaires were mailed to

approximately four hundred laid off Thiokol employees, about forty per cent were returned. The questionnaires represent responses from about five per cent of the total number of workers laid off.

CHAPTER II

THE ROLE OF THE EMPLOYMENT SERVICE

History of the Employment Service

The passage of the Wagner-Peyser Act on June 6, 1933 established the federal employment service in much the same form as it exists today. This act established the United States Employment Service as a division of the Department of Labor. The new USES was given the task of encouraging the establishment of state-administered employment offices throughout the nation.

With the enactment of the Social Security Act in 1935, the functions of the Employment Service were broadened. All states which sought to participate in the federal-state unemployment insurance program were required to provide that such insurance benefits would be paid only to registered claimants through a state public employment office. By 1938 a state employment service operating in collaboration with the USES had been established in all of the states.

The public employment offices became the agency assigned to administer unemployment benefit claims, which forced a major expansion in both federal and state employment services. "This tended to change the public image of the Employment Service, taking claims and paying benefits tended to overshadow basic work-finding activities."¹

¹Leonard P. Adams, Report of Consultants on Future Policy and Program of the Federal-State Employment Service (Washington, D. C.: U.S. Department of Labor, Bureau of Employment Security, December 14, 1959).

In 1939 the USES merged with the Bureau of Unemployment Compensation in the Social Security Board to form the Bureau of Employment Security. During World War II the Employment Service expanded its program of labor market information by consulting with industrial managers concerning the effect of defense contracts upon industries' future labor needs.

Shortly after the attack on Pearl Harbor, the state employment services were transferred temporarily to the Federal Government under the direction of the Social Security Board. Federalization was believed to be essential if the almost 2,000 local offices throughout the country were to act collectively to the needs of the country.

A reshuffling of the organization took place once more in 1949. Under the appropriations act for fiscal year 1949, the USES was transferred from the Department of Labor to the Bureau of Employment Security of the Federal Security Agency. In August of 1949 the Bureau of Employment Security was transferred to the Department of Labor.

In February 1962, the USES was reorganized and strengthened within the framework of the Federal-State Employment Security system. "The Kennedy administration committed the Federal-State Employment Security system to serve as the major operating instrumentality in the field of manpower development and utilization; and of income maintenance during the periods of unemployment."²

As for future reorganization, there are pressure groups seeking to have the Employment Service and the unemployment insurance program

²News (Washington, D. C.: U. S. Department of Labor, Bureau of Employment Security, January 30, 1962), p. 1.

separated. A special 15-member Task Force was appointed in October 1965 by Secretary of Labor, W. Williard Wirtz, to review the operations of the Federal-State Employment Service. Among its findings were the following observations regarding reorganization.

The Wagner-Peyser Act, under which the Federal-State Employment Service operates was passed in 1933. There has been little or no change since that time as far as the legislation is concerned. It is our view that it is high time that consideration be given to the making of legislative changes in it; and furthermore, that there are things which can and should be done administratively. . . . The Task Force recommends, among other things, a complete separation of the Employment Service and the unemployment insurance functions, separate even to the point of separate financing.³

Activities of the Employment Service in Today's Economy

The nation has found itself increasingly concerned with the problems which accompany unemployment.

The centrality of the job is the distinguishing characteristic of the job economy. Consequently, preparing for a job, getting a job, holding a job, separating from a job, and finding another job to replace it, are crucial matters for large numbers of people. Any institution which assists the individual in the process is, therefore, vital to the welfare of the nation, the efficiency of the economic system, and the maximum utilization of human resources.⁴

The Employment Service is the one agency, more than any other, created to assist the work force in their search for employment. There are a number of basic functions, which the Employment Service has been designated to perform. The development of manpower is

³"Press Conference of the Honorable W. Willard Wirtz," Secretary of Labor, Employment Security Review (February 1966), p. 31.

⁴William Haber and Daniel H. Druger, The Role of the United States Employment Service in a Changing Economy (Kalamazoo, Michigan: The W. E. Upjohn Institute for Employment Research, February 1964), p. 33.

considered one of these functions, this can be accomplished by counseling of potential workers, of all ages and of all degrees of readiness to perform needed work. An equally important area of Employment Service responsibility is the encouragement and stimulation of employment opportunities for those looking for work. A minimal contribution to such a function is made through the visits to employers by Employment Service personnel to encourage employers to use the services available to them.

The Employment Service can also advise the employer on stabilization techniques, on the methods available to secure workers and how to avoid wasteful unemployment turnover.

The Employment Service on the local level especially participates in, and supports, efforts to bring new industry to the community.

The availability of labor force information and service of the local Employment Service office as the community manpower center will help stimulate efforts in community employment development. Knowing that the Employment Service office can provide reliable information and help in negotiations with industry or business firms, the industrial development leadership will move with greater confidence towards effective employment development activities.⁵

An additional function of an active and positive manpower policy and program is to anticipate future layoffs or labor shortages and take appropriate actions to correct the imbalances that occur. Finally, the Employment Service must be willing to share its know-how with other public and private agencies, which are concerned with personal, community and national economic well-being.

⁵U. S. Department of Labor, Community Organization for Employment Development (Washington, D. C.: Bureau of Employment Security, December 1964), p. 17.

Mass-Layoff Activities of the Employment Service

Many of the activities of the Employment Service have always had a preventive element, but in the last few years there has been a greater emphasis on specific preventive efforts.

Such programs as area skill surveys, automation, pilot studies, the selection of courses for manpower training, surveys of job vacancies, and special counseling for school dropouts and technologically displaced workers represent efforts directly related to the anticipation of manpower imbalances.⁶

Early warning program. The purpose of the "early warning" program is to report mass layoffs, with advance notice, and this makes it possible for the Employment Service to take necessary steps to prepare for the layoff. "The mass layoff advance notice activity evolved through the early step of a survey of employer willingness to give advance notice to the public employment service on production changes that would affect employment."⁷ Based on the results of the above survey, a program for reporting mass layoffs was introduced in September of 1962.

Under the early warning program, the local public employment offices have the responsibility for identifying mass layoff situations and developing methods to deal with them. Employer relations representatives, who regularly visit employers to find out their manpower needs and to offer the services of the office, are now instructed to enlarge the scope of their activities. Inquiries are now made which

⁶Robert F. Smith, The Impact of Mass Layoffs (Baton Rouge, Louisiana: Louisiana State University, June 1965), p. 2.

⁷E. E. Liebhafsky, "Improving the Operation of Labor Markets Through an Employment Service Advance Notice System," Southern Economic Journal (April 1963), pp. 317-318.

concern information about planned changes in technology, and the probable employment effects. The local offices prepare detailed reports on all actual or impending nonseasonal layoffs of 100 or more workers.

The local office may enlist the cooperation of the employer for a special program to assist in placement efforts. The local office may also provide programs on behalf of laid off workers, to include intensive efforts to assist workers in obtaining new jobs. The unemployed are to be interviewed in-depth to develop all information related to their qualifications. Some, usually those with unmarketable skills, may be given aptitude tests and occupational counseling, and possibly referred to training to review an old skill or develop a new one.

The mobility program. Early in 1964 the Federal-State Employment Service initiated a new program, which appears to be a well chosen step in the right direction. Under the mobility program the government will move an unemployed worker and his family to a new location; thus quickening the labor engagement between available work and the available but unemployed worker. The mobility program appears to be of greatest benefit to young workers, who are in most instances more willing than older workers to move to a new location.

The Long Island Mobility Demonstration Project was completed in October 1965, its aim was to relocate 200 former Long Island defense workers. Dr. Walter E. Langway of the New York State Employment Service expressed the following remarks concerning the project.

We feel this project was successful in relocating skilled workers, over great distances, with very nominal grants of

Federal monies. We relocated 177 workers mostly to California, but also to Pennsylvania, Florida, Georgia, and several other states where airplane manufacturing are located. The cost for this relocation (including movement of household goods as well as transportation and a lump sum allowance) averaged just over \$900.00 per relocation. Half of this amount was a grant and half an interest free loan. The ultimate cost will thus be something less than \$500.00 per relocation.⁸

Additional programs. State Employment Services throughout the country are developing approaches to the problems created by mass layoffs. For example, David Brown of the New Jersey Manpower Services Unit, presented the following comments on what New Jersey is doing.

The New Jersey State Employment Service, through the cooperation of the Bureau of Employment Security, has created a special unit, known as the Manpower Services Unit. Its primary function is to provide an action-research program. It is engaged in remedial response to mass-layoffs and concurrently in analyzing worker characteristics and attitudes and their relationship with the reemployment problems of displaced workers.⁹

While each mass layoff does appear to have unique characteristics, most do have common attributes as far as employment adjustment actions are concerned. These actions are summarized in the following paragraphs.

The communities involved can marshal their resources under such specially established organizations as a Citizens Reemployment Committee, or a Mayor's Committee on Automation. These committees are widely representative of community organizations and facilities and have two main functions, (1) reemployment of unemployed workers and (2) providing new jobs for the community.

⁸Letter from Dr. Walter E. Langway, New York State Employment Service, 147 Newbridge Road, Hicksville, New York, March 25, 1966.

⁹Letter from David Brown, Manpower Services Unit, New Jersey Division of Employment Security, John Fitch Plaza, Trenton, New Jersey, February 14, 1966.

There must be intensive evaluation of the employment potentials, and the training and other needs of the unemployed workers.

Saturation job-finding campaigns, and other interarea recruitment are steps to be taken in locating jobs. Establishment of training programs should also be established, training centers can provide a range of instruction ranging from basic education to specific vocational training.¹⁰

Thus, new methods of meeting the problems of mass layoff are continually evolving and in the years to come the Employment Service can be expected to play an even more important role in curbing employment problems.

¹⁰Robert C. Goodwin, Labor Force Adjustment of Workers Affected by Technological Change (Washington, D. C.: Conference on the Manpower Implications of Automation, December 10, 1964), pp. 19-20.

CHAPTER III
COMPARATIVE MASS LAYOFF STUDIES

The following projects cover a broad range of job-finding programs; from the use of training funds, to development of aptitude tests for new occupations. Not every project includes the whole range of possible actions. Each project is tailored to the manpower problems presented by the particular layoff.

Marchant Moves South

Background. On Friday, June 22, 1962, the management of the Marchant Division of the SCM Corporation--formerly known as Smith-Corona-Marchant announced its intention to close its Oakland, California calculator and adding machine manufacturing facilities. The closing was to come within one year and would affect over 1200 workers.

The 1960 Census of Population revealed that 7.9 percent of the labor force living in Oakland was unemployed. The company's announcement of the closing indicated that jobs were available to all production workers, who wanted to move to the plants new location, which was to be in South Carolina. Few workers were willing to make the move. "No incentives were offered workers to relocate to the new site beyond the promised continuation of their seniority status if re-employed by the firm."¹

¹U.S. Department of Labor, Marchant Moves South (Washington, D.C.: Division of Employment Security, May 1965), p. 6.

"The interest of the California Department of Employment in the pending effects of the Marchant closing, centered upon production workers of the firm; these it was felt, would be the workers who faced the most difficulty in the local labor market."² In January 1963 there were nearly 1,000 production workers at the Marchant plant, all were offered an opportunity to take part in the Department of Employment's special services program, which was set up to specifically assist workers who faced the loss of their jobs. Marchant provided lists of the names of workers as they were laid off, and also allowed workers to complete background information questionnaires on company time.

The employment service program. When it was definite that Marchant would be moving its operation to South Carolina, a series of meetings took place between the Department of Employment, Marchant and the unions involved. These meetings set up the actions to be taken and established a program of mutual benefit for all.

A majority of the workers in the study registered with at least one of the four local offices of the Department of Employment; these offices are located at Oakland, Hayward, Berkeley and Richmond. The final shutdown took place, May 1963, and at that time the above offices initiated a program of special accelerated services to ex-Marchant employees.

This special program included a more intensive version of the normal services offered to all unemployed seeking the Department's assistance. Several offices made use of the Information Report Form

²Ibid., p. 7.

and Work History Form questionnaire, that most of the workers completed in January, before the plant closing. Other offices chose to rely on information gathered at the local office on work application forms and on information developed during the initial interview.

All Marchant workers, who filled out work applications at the local offices, received an initial interview in which the work application is reviewed, the applicant's marketable skills and occupations recorded, and his work objectives established. Following the initial interview there were several courses of action available. The least active method occurred when the registrant and/or department felt that no additional special services were needed. This usually was the case when the registrant had a very marketable skill.

In other cases special attention was needed, this could include an aptitude test, individual or group counseling (where a change of occupational orientation seemed appropriate), or detailed discussions of the registrants' retraining objectives and available opportunities under State or Federal retraining programs for the achievement of goals.

Among all registrants 7 out of 10 received counseling, and about 1 out of 5 were referred to retraining programs. "Over the three month period following the closing of the plant, 8 per cent of the workers who registered for services were placed on jobs; and of these 3 out of 5 were men."³ What jobs the Department of Employment was able to fill consisted of production jobs and service jobs. Job development attempts consisted of a canvass of employers in industries with jobs

³Ibid., p. 23.

appropriate to the experience and skills of even one of the workers on file. Often this canvassing was repeated and the same employer contacted again, whenever any information from the work applications or from the employer's comments indicated a possible advantage in so doing. "For every 10 employer contacts made in the course of this intensive job development program, one referral resulted."⁴

Summary of findings. From the data on registration at local offices, it was determined that women received the bulk of the testing and counseling, while men received most of the job development, referrals and placements. "The data indicates that the Department's personnel are able to identify the applicants with the best potential for successful referral to jobs: but have only limited resources to help the less likely job seeker, for whom testing and counseling may be useful, but insufficient to get him back in the ranks of the employed."⁵

Increased job development attempts were apparently much more effective for these (Marchant) workers than for the regular mainstream applicant. However, as a group the Marchant workers may have been better skilled and more experienced than the mainstream applicant, and therefore might have been expected to fare better as job seekers, regardless of what services were provided. The fact that regular services were intensified for the Marchant workers might have resulted in the identification of jobs that might otherwise have gone unfilled or even undeveloped.⁶

⁵Ibid., p. 33.

⁶Ibid., p. 35.

"Skybolt" Job Layoff

Background. A change in the nation's missile defense system resulted in the decision to drop the Skybolt project. California received the brunt of the labor loss, which eventually found over 5,000 workers laid off. This was a different type of mass layoff in that roughly 50 per cent of those laid off were in the professional, technical and clerical occupations.

Late in 1962 rumors were spreading that Skybolt might be cancelled and at this time the manger of the Santa Monica Employment office contracted the Industrial Relations Department of the Douglas Space and Missile Division. At this time the company indicated its willingness to cooperate in the event of the layoff and tentative plans were initiated.

It was decided that recruitment interviewing of laid off personnel would take place at the Douglas facility. The three offices which were concerned with the approaching layoff, were the Santa Monica, Culver City and Inglewood Employment offices.

"Over the 1963 New Year Holiday, Skybolt began to fold, with the first layoff on January 3."⁷ The layoff occurred in two phases. On January 3, 915 workers were laid off, and it was thought that this would be the total number laid off. However, on February 25, the Defense Department halted not only production on this multibillion dollar project, but also all research and development. This action caused an additional 1,322 layoffs, making a total of 5,237 by February 18, 1963.

⁷U.S. Department of Labor, The Challenge of the "Skybolt" Job Layoff (Washington, D.C.: Bureau of Employment Security, April 1963), p. 10.

Employment service program (Santa Monica & Culver City). The Santa Monica and Culver City staffs combined forces and worked as a team, the actual recruiting took place in the Santa Monica facility. The plan of action was carried out in the following manner. The Employment Service Section of the Douglas office was staffed to the maximum with fully trained personnel. With sufficient staff, it was felt that prompt and efficient registration, selection and referral could be administered. Job development was undertaken for marketable applicants.

All local employers, who might be interested in hiring the separated workers, were telephoned immediately and job orders were solicited. Clearance activities went into action. The Professional Office Teletype Network spread employment data throughout the State. All clearance job orders related to the skills of the separated workers were obtained. Positive recruitment by all interested employers was solicited. As the need arose, the offices were kept open evenings and weekends.

At each of the Santa Monica and Hawthorne plants, a "Recruitment and Information Desk" was set up at the point of exit called "Badge Control," through which all layoffs were processed. This desk enabled employment service interviewers to issue work applications and claims forms to all workers begin terminated, and to direct them to local offices in their area of residence.⁸

Contact was made with the International Association of Machinists to inform them of employment services which were being provided. Because of the nature of the industry the press gave coverage to the layoff, perhaps in greater magnitude than for any

⁸Ibid., p. 11.

previous layoff. News releases stressed use of the California State Employment Service as one of the important aids available to those who were laid off.

Both the Santa Monica and Culver City offices cooperated with the employer organization, Aerospace Industries Association of America, in its efforts to assist workers in finding new jobs. Employers were encouraged to recruit directly since in a layoff of this size all methods of returning men to jobs must be used to advantage.

"Some 30 employers set up direct recruitment, including Aerojet, Aerospace, Alameda Naval Air Station, Bendix, Chrysler, Hughes, Litton, Lockheed, NASA, North American Aviation, Ryan, Systems Development, and Space General."⁹ The Douglas Company prepared two lists. One, given to separated employees, listed the names of employers interested in their occupations. Another furnished to interested employers was a summary list of the occupations for which employees were being laid off. The Employment Service maintained a current inventory of applicants in the professional and technical groups, in order to inform interested employers of the applicants available.

Employment service program (Inglewood). "The Northrop-Nortronics plant, major subcontractor for Skybolt's guidance system, is located at Hawthorne, in the Inglewood local office area."¹⁰ The supervisor of Personnel Administration for Nortronics informed the local office manager on January 2 that between 1700 and 2300 workers would be laid off immediately. During the January and February period 2,822 workers

⁹Ibid., p. 11.

¹⁰Ibid., p. 12.

were laid off. The company issued work applications, informational booklets and notices directing laid off employees to the nearest Employment Service office. "Nortronics also placed nearly \$7,000 worth of newspaper advertising on behalf of employees being separated."¹¹

Shortly after the layoff, 17 firms leased rooms in a local hotel to interview engineers and technicians; at the same time the Inglewood local office manager obtained permission to set up a "Job Information" office in the hotel lobby. This office took orders and made 150 referrals to 14 other southern California offices.

Four employers conducted recruitment in the Inglewood Employment Service office; U.S. National Laboratories of Pasadena, Douglas Missile Space of Santa Monica, Atlantic Research of Arcadia and the Federal Aviation Agency. As was the case in the Santa Monica and Culver City offices, the Inglewood method of relocating workers depended upon direct clearance, positive recruitment, and close cooperation with the employer.

Summary of findings. From January 4 through January 9, the Inglewood office made 539 clearance referrals to 20 offices for a total of 333 acceptances, 156 verified hires, and 118 hires still pending verification.

The California State Employment Service received constructive and much needed community and employer support. The Employment Service in the course of a very short period was able to bring all of its facilities into action, including LINGS West, and the very

¹¹Ibid.

effective direct clearance system existing among some 20 southern California local offices.

Very few applicants with college degrees remained unemployed for long, although these workers are highly selective and shop a good deal before accepting a position. Subprofessional personnel without degrees had more difficulty finding employment.

Layoff at Boeing's Wichita Division

Background. The mass layoff of workers at the Boeing Company plant in Wichita started December 1, 1964 and ended about the last of May 1965. During this period, there were slightly over 5,000 employees separated from the company; but not all were laid off. There were quits, retirements, and a large number of transfers to other Boeing Divisions that accounted for about 1,000 of the separations.

Wichita has three other aircraft companies; Beech Aircraft, Cessna Aircraft, and Lear-Jet, Inc. These three companies were all active in hiring during this six-month period; and perhaps, absorbed close to 2,000 of the former Boeing employees.

The first 500 or so that were laid off had no seniority and many had little experience in the aircraft occupations. Later on there were both men and women with five to fifteen years of experience that were separated. The largest reductions were in modification mechanic, inspector, sheetmetal assembler, jib builder, and tooling skills.

Employment service program. The local office of the Kansas State Employment Service were very active during this period in job development locally.

We were able to fill all worker requisitions almost immediately if aircraft skills were involved. Beech, Cessna, and Lear found a ready supply of well qualified workers in most all skills and in numbers that they required. Few if any professional workers such as engineers and planners were laid off.¹²

Each state has an Inventory of Job Openings that is prepared every two weeks and mailed to the local offices in nearly every large city in the United States. The Inventory of Job Openings is a useful technique in coordinating activities of employment offices on the national level. The Job Inventory contains a sheet called "Labor, Supply and Demand." In this section of the Inventory the Wichita office listed the number of applicants, who were in excess and the occupational skills they had. Many local offices had employers, who were ready and willing to recruit in many of these occupations. Employers were invited to send their recruiter to the Employment Security office, and the office would call in the applicants for the recruiters to interview.

There were as many as 15 different aircraft companies recruiting in the Employment Service offices during the six-month period, most of them in February, March and April. Some companies, who had exceptionally good luck, came back a second and a third time. Through these recruiting efforts the Employment Service was able to place about 900 workers with companies outside of the Wichita area.

Statement of findings. The majority of workers laid off by Boeing had skills which were in demand, either locally or in another area of the country. This fact made the task of finding reemployment less difficult.

¹²Letter from Paul B. Cougher, Assistant Manager, Kansas State Employment Service, Wichita, Kansas, March 29, 1966.

The coordination between the Employment Services in other areas of the country greatly facilitated the matching of the unemployed with available jobs. This study also brings to light the effective co-operation which existed between employers and the Employment Service in working for the mutual benefit of all.

CHAPTER IV
THIOKOL LAYOFF

Discussion of Layoff

In November of 1963, mass layoffs in the work force at Thiokol Chemical Corporation were initiated and continued until October 1965. During this period the work force was reduced by approximately 4,000 employees. According to Farrell A. Jensen, Manager of Industrial Relations, Thiokol Chemical Corporation, the following reasons provoked the layoff.

Three basic factors made the reductions necessary and influenced the number of employees involved. A decrease in the Division's research and development workload, and lack of Air Force funding for advanced rocket development programs were two of these factors. The third concerned a need for austerity in our operations.¹

The three counties hardest hit by the layoff were Box Elder (home of Thiokol Chemical Corporation, Wasatch Division), Weber and Cache. It is important to note the percentage of laid off Thiokol employees residing in these counties, who actually sought the assistance of the Employment Service. Approximately 1000 of the Thiokol employees lived in Weber County, of which 70 (7 per cent) sought the assistance of the Ogden Employment office. Cache County residents working at Thiokol also numbered about 1000, of this number 83 (8 per cent) sought assistance from the Logan Employment office.

¹Letter from Farrell A. Jensen, Manager of Industrial Relations, Wasatch Division, Thiokol Chemical Corporation, Brigham City, Utah April 22, 1966.

Of approximately 1500 Thiokol employees who made their home in Box Elder County, 500 (33 per cent) sought the assistance of the Brigham City Employment office. The fact that the Brigham City Employment office took a more active role in assisting former Thiokol employees, than the Logan and Ogden Employment offices, appears to explain why a much higher percentage of workers contacted that office.

The Employment Service Program

The United States Employment Service (USES) and the State of Utah Employment Security system were involved in the important task of finding employment and providing assistance for employees laid off by Thiokol. The USES provided funds for the "Mobility Project," a pilot project established to assist workers involved in mass layoffs. The Utah Employment Security system, acting primarily through the efforts of the Brigham City Employment office, took an active part in serving laid off Thiokol employees. The Ogden and Logan Employment offices are included in this investigation, because of their nearness to the Thiokol plant and because of the large number of Thiokol employees who resided in Weber and Cache Counties.

The activities of the USES and the Utah Employment Service are herein summarized.

United States Employment Service (mobility project). The Thiokol Labor Mobility Project was initiated on April 19, 1965 and was financed by the Federal Government. The project was limited to providing moving expenses for 60 workers and their families. In order to administer the project, five additional employees were hired to work in the

employment offices. Remarks by Claire Davis, project director, summarize the project.

Attempts were made to place the workers any place beyond commuting distance, where bona fide employment could be located. The jobs could be obtained through the facilities of the Employment Service or through leads followed by the workers themselves.

Final count of relocated workers through the mobility project will end at about 59 relocated with financial assistance and one relocated without financial assistance, that is, the job was obtained through the Federal Government, but the worker moved on his own.²

Employment security program (Brigham City). When rumors spread that there was a possibility of layoffs at Thiokol, Dale Madsen, Director of the Brigham City Employment office, sought out clarification of the rumors from officials at Thiokol. Thiokol management confirmed the rumors and indicated that layoffs would begin in the near future.

Steps were then taken by the Brigham City Employment office to prepare for the layoff.

The Brigham City office of Employment Security decided to attack the problem of mass layoff on two fronts. The first and most immediate need was to maintain the family income of the affected workers, since all were faced with a myriad of monthly payments. Plans were implemented to pay unemployment insurance with the least possible delay.³ Secondly, a high-gear job locating program was started.

Steps taken by the Brigham City office to locate jobs for those being laid off included: (1) contacting employment offices in various areas of the country to determine if work was available, (2) constant

²Letter from Claire Davis, Head of Labor Mobility Project, Utah Employment Security System, Salt Lake City, Utah, April 15, 1966.

³Letter from J. Dale Madsen, Director Brigham City Employment Security office, Brigham City, Utah, April 20, 1966.

surveillance of such papers as the Los Angeles Times and Wall Street Journal to keep abreast of job openings and (3) informing firms within the defense industry of available workers and of their various skills.

As a result of these activities an interest was developed in the laid off workers on the part of many companies and several recruitment trips were made to Brigham City. Some of the companies to utilize the Employment office facilities and find success were: Texas-Gulf Sulphur, Lockheed, Hill Air Force Base, Hercules Powder, General Electric, Ford Motor Company, Douglass, Chrysler, Boeing and Westinghouse.⁴

Before workers were laid off, they met in groups of 25 to 35 with the Brigham City Employment staff and personnel people from Thiokol. At this time, explanations were given regarding (1) the method of filing for unemployment insurance, (2) the method of filling out employment applications and (3) procedures to be taken in correctly completing personal resumes.

An additional approach by the Brigham City office to the problems created by the Thiokol layoff was a long-range plan of facilitating the formation of groups, such as the Box Elder Improvement Corporation, whose purpose has been to broaden the industrial base of the community. These activities of the Brigham City office were specifically initiated to assist workers laid off by Thiokol, and in addition the normal services such as counseling, interviewing, testing and referrals were provided.

Employment security program (Logan). Other than the normal services provided by the Logan Employment office to assist unemployed workers, no new activities specifically initiated to assist laid off Thiokol employees were undertaken. Russell Borchert, Director of the

⁴Ibid.

Logan Employment office has clarified the activities of the Logan office in the following paragraphs.

It must be understood that since the Thiokol group was a small segment of our job seekers and we had no purpose in identifying them alone, except for our mobility study, exact statistics would be impossible.

Services would include offering each applicant our nationwide job search assistance, which included search of job inventories of each state, preparation of resumes, and submitting these applicants to local job openings and promoted job openings for outstanding skills. Each employee had the advantage of our testing and counseling facilities for retraining and re-adjustment advice and assistance. These activities were not just one-shot operations. We recall many resumes being prepared and many repeats where our first attempt was not successful.⁵

For the reader who is not familiar with what Mr. Borchert refers to as the "inventory of job openings" an explanation is found on page 22 of this paper.

Employment security program (Ogden). The Ogden Employment office did not initiate any specific activities designed to assist laid off Thiokol employees. According to Mrs. Alice Freeman, a clerk hired by the Federal Government to work exclusively with former Thiokol employees in the Ogden Employment office, the following approach was used to assist laid off Thiokol employees.

There were about 70 former Thiokol employees who came into the office, they were given the initial interview, this is the customary interview given to anyone seeking employment assistance. They were later called back for a second interview, at which time it was determined if they would be willing to leave the area with the financial assistance of the government. If the individual had a unmarketable skill, counseling was given, which usually included an aptitude test.⁶

⁵Letter from Russell Borchert, Director of Logan Employment Security office, Logan, Utah, April 25, 1966.

⁶Interview with Alice Freeman, Intermittent Clerk, Ogden Employment Security office, Ogden, Utah, April 18, 1966.

Thiokol Activities

In attempting to evaluate the effectiveness of the Employment Security system, it is pertinent to consider the cooperation received by the Employment Service from the firm discharging the workers. Interviews with Employment Service personnel and comments from laid off workers indicate that Thiokol was active in attempting to relocate workers who were laid off. The company worked in close cooperation with the State Employment Service and was singly responsible for many laid off workers finding employment (Figure 2).

Thiokol provided two phones for the benefit of laid off workers, these phones could be used to call anywhere in the country at no expense to the worker. An additional service provided by Thiokol was a half hour training session, at which time those being laid off were advised on the following matters.

- A. How to evaluate their experience and desires and prepare a resume accordingly.
- B. How to correspond with companies.
- C. The current status of the employment market.⁷

Each employee was also requested to prepare a resume in his own words following a format that was supplied by Thiokol. Employees returned to the Thiokol office with their rough draft which was, in turn, edited by the Thiokol professional placement personnel. Resumes were then typed, 200 copies produced and 140 given to the employee. The remaining 60 were retained by the company and forwarded out in packages to all companies known to be looking for personnel in

⁷Letter from Farrell A. Jensen, Manager Industrial Relations, Wasatch Division, Thiokol Chemical Corporation, Brigham City, Utah, April 22, 1966.

the disciplines of which Thiokol employees were trained. Thiokol encouraged companies looking for skills in which Thiokol workers were trained to visit Brigham City and interview workers being laid off.

Phone contacts were made by the company personnel to companies known to be actively recruiting the type of people we had available and these companies were invited to visit Brigham City and interview the employees. Each company visiting was supplied a book containing all resumes. The companies, after reviewing the book, advised the Employment personnel of those whom they wished to interview and the Employment Office contacted the laid off employees and arranged an interview schedule for them.⁸

Approximately 50 companies visited the Thiokol plant seeking Thiokol workers during an 18 month period.

Finally, Thiokol subscribed to East and West coast editions of the Wall Street Journal, New York Times Sunday edition and the Los Angeles Times Sunday edition for the purpose of informing laid off workers of job openings in other areas of the country.

Community Activities

The willingness of the citizens of a community to help themselves improve the economic environment of their community is another important item to consider when attempting to evaluate the activities of the Employment Service. A community which is active in its efforts to bring employment to a community is, in fact, improving the economic environment of the area and thus assisting the Employment Service.

The analysis which follows summarizes the activities of the three

⁸Letter from Farrell A. Jensen, Manager Industrial Relations, Thiokol Chemical Corporation, Wasatch Division, Brigham City, Utah, April 12, 1966.

communities hardest hit by the Thiokol layoff, Ogden, Logan and in particular Brigham City.

Ogden. Ogden has not initiated any community activities which were the result of the Thiokol layoff. Fortunately however, Ogden does have a well-established community action program, which consists of civic groups, whose program is designed to improve the community in whatever manner possible.

Logan. The Logan Chamber of Commerce, the Employment office, Union Pacific Railroad officials and other civic minded citizens of Logan have been active in their efforts to induce businesses to settle in Cache County. However, no specific activities were instigated on the community level as a direct result of the Thiokol layoff.

Brigham City. As a result of the Thiokol layoff the Brigham City Council developed an ordinance to allow the city to set aside funds to establish a full time industrial development bureau. This bureau was established and funded by Brigham City, and has attempted to lure industry into the area and expand established businesses. In addition to the creation of the bureau, the community hired Lenn C. Jensen, to serve as Industrial Development Director, at a salary of \$10,000 per year.

A further step to bring industry to the Brigham City area was initiated in July of 1965, at that time the Board of Directors of the Box Elder Chamber of Commerce began the groundwork for a local development company. A corporation was soon established with twenty thousand shares at \$10.00 per share. The corporation was organized and chartered for the purpose of furthering the economic development of Box Elder

County and its environs. The outgrowth of this development company is a corporation which is currently in operation in Brigham City. The corporation is called Brigham Apparel and is eventually expected to employ 300 workers.

The latest development affecting Brigham City is the organization of a county level industrial development group under the direction of the county commissioners. It has been established to improve the economic base of the county and will attempt to coordinate all of the various civic groups in the county which are interested in bringing industry to the area.

Economic Environment by County

Another factor affecting the ability of the Employment Service to function effectively is the economic environment within which the local office must operate. Since the local employment office is not capable of creating jobs, it is dependent upon the economic environment surrounding it to provide jobs. The great diversity in economic conditions which exists between Box Elder, Weber and Cache Counties is pointed out in the following analysis.

Weber County. Weber County has been experiencing a rapid industrial growth during the 1964-66 period, this growth has created many new jobs. The expansion has been due to (1) an increased work force at the Internal Revenue facility, (2) establishment of several apparel plants within the county and (3) the development of Freeport. The May 1966 unemployment rate was 2.4 per cent, which is considerably below the national level of 3.7 for the same year.

Cache County. Cache County was declared an area of "substantial unemployment" in both 1964 and 1965.⁹ In January of 1966 the unemployment rate was 11.8 per cent, although the expected overall unemployment rate for the year is expected to be somewhere between 6 to 8 per cent. The high unemployment rate within Cache County must be considered a serious limitation to the effectiveness of the Logan Employment office.

Box Elder County. Box Elder County has also experienced a high unemployment rate during 1964 and 1965, as of May 1966 the unemployment rate was 7 per cent. When we realize that the national unemployment rate was approximately 4 per cent during May of 1966, it becomes quite obvious that lack of jobs is a serious problem facing the residents of Box Elder County.

Summary. The efforts of the Utah Employment Security system were limited primarily to the services provided by the Brigham City Employment office. The Ogden and Logan Employment offices did not become actively involved in the Thiokol layoff other than through the "Mobility Project."

The "Mobility Project" was responsible for relocating 60 former Thiokol employees and their families.

Thiokol was active in assisting laid off workers to find employment, and appears to have cooperated completely with the Employment Service. The community efforts of Brigham City were significant and

⁹When more than 6 per cent of a county's work force are unemployed the county is considered an area of "substantial unemployment" by the Federal Government and therefore, local firms receive preference in bidding for Government contracts.

did result in the establishment of a new firm within the community. Persistent high unemployment in Box Elder and Cache Counties from 1964 to May 1966 have created serious limitations in the ability of the Brigham City and Logan Employment offices to assist workers who were seeking their help.

CHAPTER V
RESULTS OF THE QUESTIONNAIRE

Introduction

The results of the questionnaire have been analyzed with two primary objectives: (1) to determine the characteristics of the affected workers for the purpose of more accurately evaluating Employment Service activities, and (2) to evaluate the assistance received by laid off Thiokol employees from the Employment Service.

More than 40 per cent were completed and returned.¹ The returned questionnaires represented approximately 5 per cent of the total number of workers laid off by Thiokol. Since over 80 per cent of the returned questionnaires were from men, the author does not feel that the investigation would benefit by presenting an analysis of the data by sex. Therefore no distinction has been made between men and women.

Characteristics of the Affected Workers

In order to evaluate the activities of the Employment Service it appears to be imperative that characteristics of the laid off workers be established. Such characteristics as age, education, skill, home ownership, main support of family and willingness to relocate are

¹A sample questionnaire and accompanying letter are included in the Appendix.

important determinants in finding employment. An analysis of former Thiokol employee characteristics will provide a better criterion for evaluating the Employment Service, since the results will indicate whether or not the workers were employable.

Age. The average age of those workers involved in the study was 37, and 40 per cent of the workers were within the age group 25-34. The mean age, 37, and mode group, 25-34, indicate that the Employment Service did not face a situation where age could generally be considered a handicap in finding employment for this particular group of unemployed workers.

Advanced age normally would be considered a barrier to employment, but this was not true for older workers in the Thiokol layoff. Table 1 indicates that almost 90 per cent of those workers 45 or older found employment.

Since Box Elder and Cache Counties suffered from high unemployment during and after the layoffs, the assumption can be made that young workers with limited work experience would have difficulty finding employment. This was exactly what happened as evidenced by the fact that only 60 per cent of those workers 24 years of age or less were employed as of May 1966 (Table 1). This group also contained the highest percentage of workers who dropped out of the labor force, 39 per cent. The data indicates that workers in the age group 24 or less could not find work comparable with what they had at Thiokol; they therefore dropped out of the labor force and in many instances continued their education.

Table 1. Selected Characteristics of Former Thiokol Employees by Age as of May 1966 (Percentage distribution)

	Age			
	24 or less	25-34	35-44	45 or more
<u>Labor Status</u>				
Employed	61	83	75	86
Unemployed	0	12	11	11
Dissatisfied	7	11	4	22
Out of Labor Force	39	7	4	3
No data	0	0	6	0
<u>Years of School Attended</u>				
less than 12	0	2	0	27
12	100	98	100	73
more than 12	66	60	68	38
<u>Mobility</u>				
willing to relocate	71	69	54	49
unwilling to relocate	29	31	46	51
<u>Skill</u>				
skilled	8	20	46	22
semiskilled	74	71	47	56
unskilled	8	9	7	22

Education. On the average, participating laid off Thiokol employees had attended 13.3 years of school, which indicates that they had completed approximately one year of college. Generally, lack of education was not a serious problem in finding employment for the average Thiokol employee. This is substantiated in the subsequent analysis.

Where the worker had at least a high school degree, his chances of finding work was much better than for the worker without a similar level of education (Table 2). Twenty-two per cent of the workers, who did not have a high school degree were unemployed as of May 1966, as compared to 6 per cent unemployed of those with a high school education and 8 per cent unemployed of those with more than a high school education.

Another factor to be considered is job satisfaction and the level of education attained. Workers 45 or older expressed the greatest dissatisfaction with their employment and they also had the least amount of education (Table 1). There appears to be a positive relationship between amount of education attained and the ability of the worker to be selective and therefore satisfied in his choice of occupations.

Skill. As would be expected, skilled and semiskilled workers had less difficulty in finding employment than unskilled workers (Table 2). Since almost 80 per cent of the Thiokol employees were either skilled or semiskilled, lack of skills was not a factor limiting the ability of the Employment Service to be of assistance.

Home ownership. For the purposes of this study, either outright ownership of a home or buying a home is considered ownership. The

Table 2. Selected Characteristics of Former Thiokol Employees by Employment Status as of May 1966 (Percentage distribution)

	Employment Status	
	employed	unemployed
<u>Years of School Attended</u>		
less than 12	71	29
12	94	6
more than 12	92	8
<u>Skill</u>		
skilled	84	16
semiskilled	91	9
unskilled	79	21
<u>Home Ownership</u>		
own or buying home	97	3
rent, lease, other	82	18
<u>Support of Family</u>		
main support of family	95	5
not main support of family	79	21
<u>Mobility</u>		
willing to relocate	93	7
not willing to relocate	88	12
<u>Years lived in Utah</u>		
less than 5 years	100	0
5 or more years	90	10

assumption was made that laid off workers, who owned their home would find employment at a higher percentage than those who were not home owners. This in fact was the case (Table 2). But since an insignificant number of laid off workers were home owners, home ownership as a determinant of employment was not significant.

Table 3 indicates that home ownership was not a significant factor in determining whether or not the unemployed would move to another area of the county. Fifty-five per cent of those who owned homes were willing to leave the Rocky Mountain area if work could not be found locally, whereas 65 per cent of those who did not own homes were willing to relocate (Table 3).

Main support of family. More than 90 per cent of the workers were the main support of their family. Only five per cent of those workers who were the main support of their family were unemployed, as compared to 21 per cent unemployed among workers not the main support of their family (Table 2). This analysis appears to indicate that the worker who is faced with providing the main support for his family will find employment before the worker who does not have a similar family responsibility.

Mobility. Workers who are willing to relocate if work cannot be found locally are more employable than workers who will not leave the immediate area if work does not exist. About 50 per cent of the workers were willing to leave the Rocky Mountain area to find new employment. Since the Employment Service cannot create jobs and work was not available to any extent in Box Elder and Cache Counties, there was little that the Employment Service could do as far as finding

Table 3. Home Ownership and Willingness to Relocate of Former Thiokol Employees as of May 1966 (Percentage distribution)

	Home Ownership	
	Own or Buying Home	Rent, Lease, Other
Willing to relocate	55	65
Unwilling to Relocate	45	35

jobs within the immediate area was concerned.

Another item which needs to be mentioned at this point is that workers, who had lived in Utah less than five years, were more willing to relocate and therefore more employable than workers who had resided in Utah for five or more years (Table 4). More than 90 per cent of the

Table 4. Number of Years Former Thiokol Employees Lived in Utah and Willingness to Relocate as of May 1966 (Percentage distribution)

	Number of Years Lived in State of Utah	
	less than 5 years	more than 5 years
Willing to relocate	75	59
Unwilling to relocate	25	51

workers laid off by Thiokol, who participated in the study, had lived in Utah more than five years. This fact points out that the majority of those highly trained workers, who moved to Thiokol in recent years,

did not seek the assistance of the Employment Service and therefore did not participate in this study.

Services Provided by Employment Service

Several questions were asked in the questionnaire, which were designed to uncover attitudes of laid off Thiokol employees towards the Employment Service, and also to reveal what services the workers actually received. The services referred to are the basic services which every employment office throughout the country is capable of providing. These services are (1) assistance in filling out unemployment insurance claims, (2) interviews, (3) counseling, (4) referrals, (5) testing and (6) assistance in locating work in another area of the country.

All of the laid off Thiokol employees were asked to answer this statement, "Evaluate the assistance which you received from the Employment Service." There were three possible responses; no assistance, average assistance, or excellent assistance. Sixteen per cent evaluated the assistance, which they received, as excellent; 48 per cent indicated they received average assistance and 36 per cent felt they received no assistance. The reader must realize that while 36 per cent of the workers claimed to have received no assistance, the "no assistance" group did, in fact, receive at least an interview, and in many cases additional services. The response of no assistance indicates that the services which the "no assistance" group did receive were considered to be of no value.

Services received by laid-off Thiokol employees. The "excellent assistance" group did receive proportionately more counseling, testing,

and job referral assistance from the Employment Service than the "no and average assistance" groups (Figure 1).

For every worker in the "no assistance" group, who received counseling from the Employment Service, more than five received the identical service in the "excellent" assistance group. Workers who claimed "no assistance" did not receive any assistance through the "Mobility Project," whereas 17 per cent of the "excellent assistance" group were relocated under this program. Only 2 per cent of the "no assistance" group received testing assistance, this is considerably less than the 38 per cent of the "excellent assistance" group who received the service. For every three workers in the "excellent assistance" group who received a job referral, only one received the same service in the "no assistance" group. Clearly all workers did not receive equal services from the Employment Service, later in this chapter two possible reasons will be discussed which help explain the disparity.

Sources responsible for finding workers employment. Participating Thiokol employees relied primarily upon their own resourcefulness in finding employment, the one exception was workers who received "excellent assistance." Friends, Thiokol and other sources of job-finding were comparatively insignificant (Figure 2). The reader should realize that it is difficult to pinpoint who is the most responsible for finding a worker employment, when more than just personal efforts are involved. Workers who are dissatisfied with the assistance they have received from the Employment Service are not likely to give much credit to this agency.

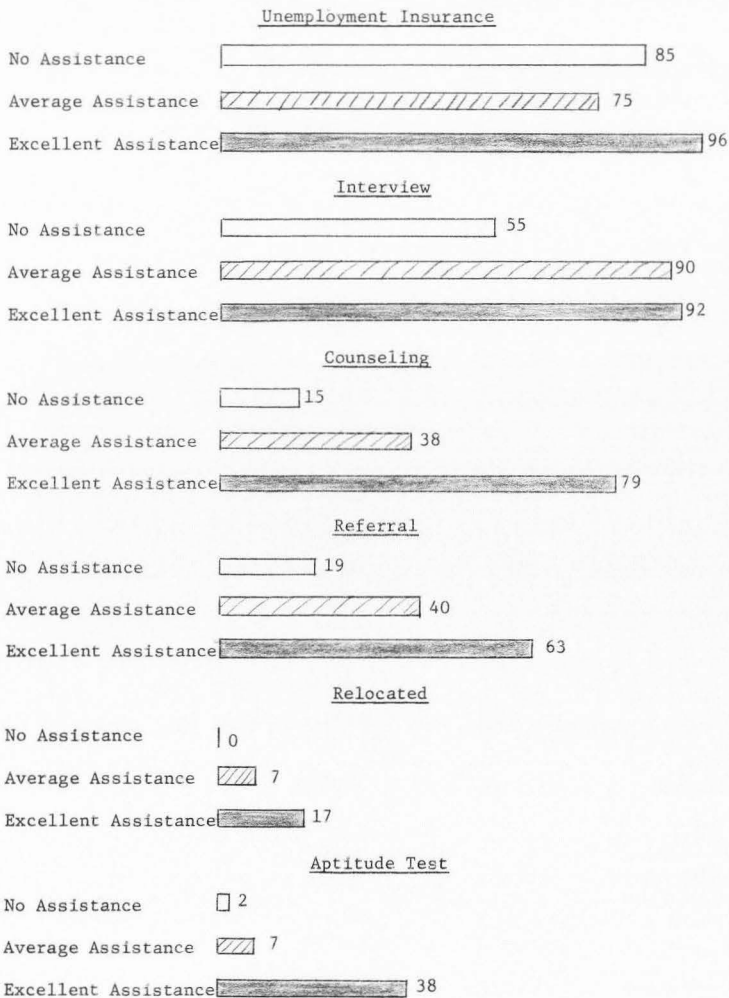


Figure 1. Services received by laid off workers from the State Employment service grouped according to "no, average, or excellent" assistance as of May 1966 (percentage distribution)

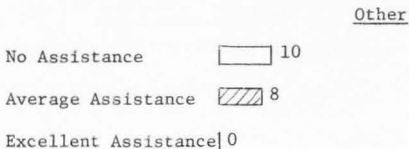
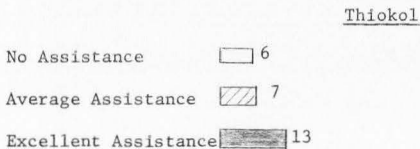
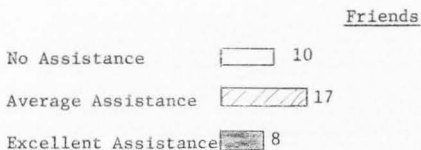
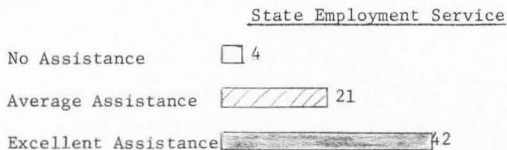
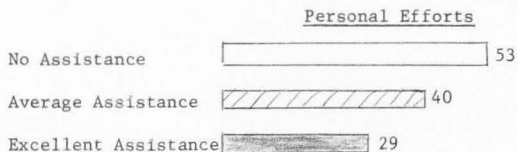


Figure 2. Sources most responsible in locating employment for laid-off workers grouped according to "no, average, or excellent" assistance as of May 1966 (Percentage distribution)

Forty-two per cent of these workers who received excellent assistance credited the Employment Service as being primarily responsible for finding them employment. Those receiving "average assistance" gave exactly half as much credit to the Employment Service, 21 per cent. Only one per cent of the "no assistance" group credited the Employment Service as the source most responsible for finding them employment.

Personal comments of laid-off workers. Figure 4 summarizes favorable and unfavorable comments of the participating Thiokol employees. Eighty-seven per cent of those workers who received "excellent assistance" expressed favorable comments with regard to the service which they received from the Employment Service. Forty per cent of the "average assistance" group expressed favorable comments, while none of the "no assistance" group expressed favorable comments.

Ninety-three per cent of those who received "no assistance" had unfavorable comments. Workers who received "average assistance" expressed unfavorable comments in 52 per cent of the responses and workers who received "excellent assistance" did not have any unfavorable comments.

The reader at this point should turn to the Appendix where verbatim comments of laid off Thiokol employees are presented. The comments are listed under three headings: (1) favorable comments, (2) unfavorable comments and (3) informative comments.

Different characteristics of the three assistance groups. Characteristics of the workers were also analyzed with the "no, average, and excellent assistance" groups. The author felt that

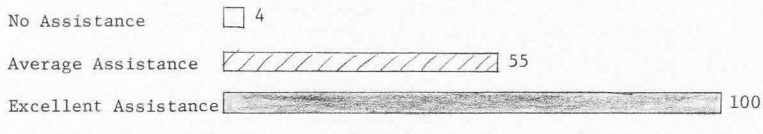
Employment Service Provided Adequate Knowledge

Figure 3. Laid-off workers who felt that the employment service provided them with adequate knowledge of the labor market, grouped according to "no, average or excellent" assistance as of May 1966 (Percentage distribution)

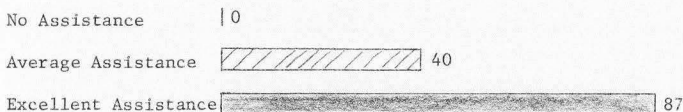
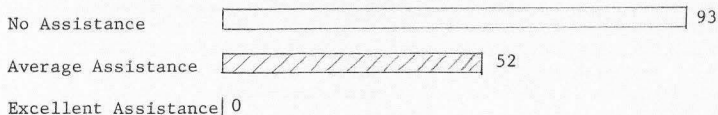
Favorable Personal CommentsUnfavorable Personal Comments

Figure 4. Favorable and unfavorable comments by laid-off workers with regard to employment service, grouped according to "no, average, or excellent" assistance as of May 1966 (Percentage distribution)

difference might appear which would explain why there was a variance in the assistance received by the three groups from the Employment Service. The data appears to indicate that the "excellent assistance" group were more employable and therefore easier for the

Employment Service to assist, than the "no and average assistance" groups.

Workers who received "excellent assistance" were more willing than the other two groups to return to previous employment, this indicates that they were not as limited in the type of work which they would accept. Figure 5 shows that 38 per cent of the "excellent assistance" group returned to previous occupations, as compared to 28 per cent for the "average assistance" group and 13 per cent for the "no assistance" group.

The majority of workers made an effort to find work through their own efforts, but more important than this fact is the data which shows the extent of their efforts (Figure 6). Forty-two per cent of those who received "excellent assistance" contacted 15 or more employers, as compared to 18 per cent for the "average assistance" group and 15 per cent for the "no assistance" group. The author concludes that workers who received "excellent assistance" were willing to put forth a greater effort in their search for employment than those who received "no or average assistance."

Summary. The investigation has revealed that in general the characteristics of the laid off Thiokol employees were conducive to finding employment. The only area where the Employment Service did work under a handicap, with this particular group of workers, was with regard to worker mobility. Only fifty per cent of the workers were willing to relocate, this is particularly distressing when we consider the high rate of unemployment which exists in Box Elder and Cache Counties.

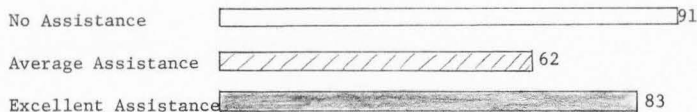
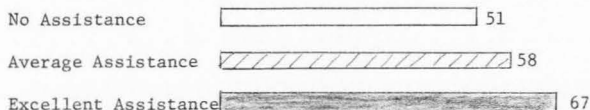
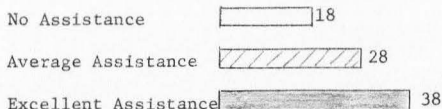
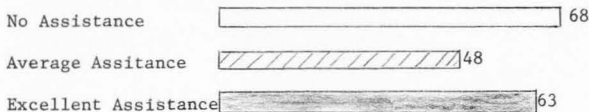
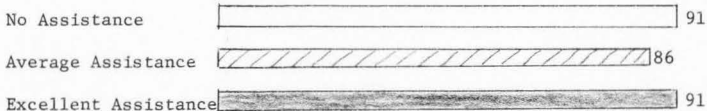
Main Support of FamilyOwn or Buying HomeReturned to Previous OccupationMobilityLived in Utah 5 or More Years

Figure 5. Selected characteristics of laid-off workers, grouped according to "no, average, or excellent" assistance as of May 1966 (Percentage distribution)

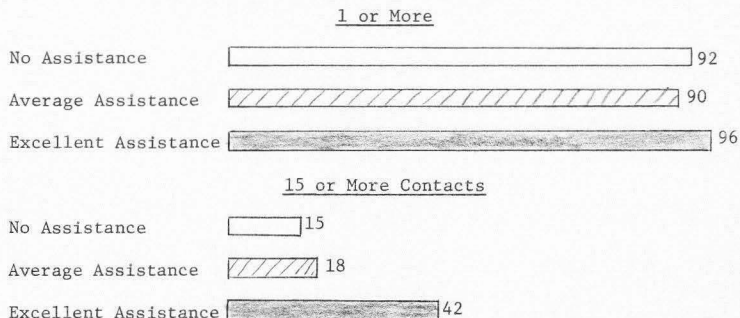


Figure 6. Laid-off workers and the number of employers contacted, grouped according to "no, average, or excellent" assistance as of May 1966 (Percentage distribution)

Laid off workers also were asked to evaluate the assistance which they received from the Employment Service, there were three possible replies; no, average or excellent assistance. The 16 per cent who credited the Employment Service with providing "excellent assistance" did receive proportionately more assistance than those who claimed to receive "average assistance" (48 per cent) or "no assistance" (36 per cent).

The "excellent assistance" group were not as limited in the type of work they would accept and also were willing to work harder in their search for employment, these two factors help explain why they received excellent assistance. Only the "excellent assistance" group gave the Employment Service an appreciable degree of credit for finding them employment. The "average assistance" group also spoke highly of the Employment Service, while the "no assistance" group did not express any favorable comments in behalf of the Employment Service.

CHAPTER VI
CONCLUDING EVALUATION AND RECOMMENDATIONS

Introduction

This study was launched as an effort to determine the role played by the Employment Service in relocating workers laid off by Thiokol Chemical Corporation. The study was concerned with three questions: (1) what activities were undertaken by the Employment Service, (2) how effective was the Employment Service in its efforts, and (3) what recommendations can be made which would be of benefit to the Employment Service.

Chapter four reviewed the activities of the various units of the Employment Service which were involved in the Thiokol layoff. This chapter will evaluate those units of the Employment Service which took part in the Thiokol layoff and will conclude with the author's recommendations.

Review of Factors Which Affect Employment Service

Before evaluating the Employment Service and its role in the Thiokol layoff a brief review of those factors which affect the ability of the employment offices to function affectively will be presented. The factors are (1) cooperation of Thiokol Chemical Corporation, (2) cooperation of communities involved, (3) economic environment of the area within which the employment offices are

located, (4) characteristics of the laid off Thiokol employees and (5) employee attitude toward the Employment Service.

Thiokol Chemical Corporation cooperation. Thiokol cooperated fully with the Employment Service and therefore was of substantial assistance to the local employment offices. Thiokol's actions compare favorably with actions taken by the Douglas and Nortronics plants in the "Skybolt" layoff, a project which is considered an excellent example of management cooperation.

Community cooperation. The communities of Ogden and Logan did not initiate any programs to assist Thiokol workers being laid off, however, both communities do have active civic groups attempting to increase the economic conditions of their respective communities. The author concludes that community cooperation in these two cities did not help or hinder the efforts of their respective employment offices.

The activities of Brigham City have been a significant factor in creating an effective job-finding program in that community. Citizens of Brigham City have been successful in creating Brigham Apparel, a corporation which will eventually employ 300 people. These efforts have been of benefit to the Brigham City Employment office.

Economic environment. Box Elder and Cache Counties were considered areas of "substantial unemployment" in 1964 and 1965 and as of May 1966 were still suffering from high unemployment. This situation has limited the effectiveness of the Brigham City and Logan Employment offices. The Ogden Employment office is in a much more desirable situation, unemployment in Weber County has been considerably below the national average of approximately 4.0 per cent.

Characteristics of laid-off Thiokol employees. In general, Thiokol employees were an employable group; their average age was 37, 80 per cent were either skilled or semiskilled and the average worker had completed one year of college. The major handicap faced by the Employment Service in working with this group was the fact that only fifty per cent were willing to move from the area. This was a serious limitation because of the high rate of unemployment in Box Elder and Cache Counties.

Attitude of laid-off employees towards the Employment Service. Personal comments of laid off workers indicate that the attitude of former Thiokol employees towards the Employment Service made effective assistance more difficult than it otherwise would have been. There was considerable dissatisfaction with the service provided by personnel working in the employment offices. Only 16 per cent expressed complete satisfaction with the assistance they received from the Employment Service, whereas 36 per cent expressed dissatisfaction.

Evaluation of the Employment Service

Based upon an analysis of the activities undertaken by the Employment Service and the conditions within which the various units were compelled to work, an evaluation of the Employment Service can now be presented.

The following analysis is of the United States Employment Service and its involvement in the Thiokol layoff through the "Mobility Project," and of the Utah Employment Security system as it performed

through the Brigham City, Logan and Ogden Employment offices.

United States Employment Service (Mobility Project). Interviews with Employment Service personnel and comments from laid off Thiokol employees indicate that the "Mobility Project" was an effective and beneficial program for those who relocated with its assistance. The fact that the program was limited to relocating 60 workers and their families was the major shortcoming of the program. Employment Service personnel have indicated that more workers would have taken advantage of the program if finances had been available.

Utah Department of Employment Security (Brigham City office). Activities undertaken by the Brigham City Employment office and the services which it provided for laid off Thiokol employees compare favorably with activities of other employment offices in comparative mass layoff situations. The efforts of the Brigham City office and the number of laid off workers actually assisted before, during and after the layoff lead the author to conclude that this office has been an effective agency in serving workers laid off by the Thiokol Chemical Corporation.

Utah Department of Employment Security (Logan office). The Logan Employment office was included in this investigation because of its nearness to the Thiokol plant, and the many residents of Cache County who worked at Thiokol and were subsequently laid off. The author anticipated therefore, that the Logan office would provide more than just the normal services in efforts to assist laid off Thiokol employees, but no such activities were initiated.

Approximately 1000 residents of Cache County were laid off by

Thiokol, but less than 10 per cent of these workers ever contacted the Logan office seeking job finding assistance. Why these workers did not seek the assistance of the Employment Service has not been determined; however, the data has pointed out that these workers did not drop out of the labor force, approximately 90 per cent as of May 1966 were either employed or looking for work.

The author concludes that because of the lack of involvement by the Logan Employment office in the Thiokol layoff, this office was ineffective as a source of job assistance.

Utah Department of Employment Security (Ogden office). The Ogden Employment office was also included within this investigation because of its nearness to the Thiokol plant and the many residents of Weber County who worked at Thiokol. The Ogden office did not play an important role in assisting laid off Thiokol employees, only 70 out of 1000 laid off workers, who lived in Weber County, sought the assistance of the Ogden office. The Ogden office did not initiate any specific activities to assist laid off Thiokol employees, the author is of the opinion that this lack of effort partly explains why so few Thiokol employees sought assistance through the employment office. The author concludes that the Ogden Employment office has not in any significant degree assisted laid off Thiokol employees and therefore this office has been ineffective as a source of job assistance in the Thiokol layoff.

A final analysis of the Thiokol layoff suggests that the following recommendations could be of benefit to the Employment Service.

1. A more comprehensive method of communication should be

established between Employment Service offices.

2. A more thorough advance notice system should be developed which will require the employment offices to take steps to prepare for any large change in employment.

3. A system needs to be developed which will guarantee that every worker laid off by a plant is contacted and interviewed.

4. The Employment Service must sell its program to the public, this study has pointed out that the image of the Employment Service has acted as a detriment to its functioning effectively.

5. There is a general need to upgrade Employment Service personnel.

Suggestions for Future Investigations

Based upon the analysis of the preceding investigation, there appear to be several related areas which warrant further investigation and study. The author feels that a study which pursued answers to the following questions would be of benefit.

Why did so few residents of Weber and Cache Counties who were laid off by Thiokol seek the assistance of the Ogden and Logan Employment offices respectively? What factors can help explain the lack of involvement by the Ogden and Logan Employment offices? Were economic conditions the barrier to involvement?

Are the methods used within the local employment office to assist the unemployed effective? For example, the author is of the opinion that the method used with the Ogden office of administering interviews is not effective, it appears to be impersonal, and generally unprofessional.

What criteria is used for evaluating the employment office on the local level? Within the Employment Service, what determines whether or not the local employment office is successful? Are all of the activities of the Employment office considered, as well as the actual number of placements credited to the office?

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APPENDIX

April 12, 1966

Dear Former Thiokol Worker,

We are conducting a study at Utah State University and are seeking your cooperation in filling out the enclosed questionnaire. The questionnaire is part of a study which is attempting to evaluate the role played by the employment security system in relocating workers laid off by the Thiokol Chemical Corporation. If you did not make use of the employment service or receive any assistance, your filling out the questionnaire is still of equal importance.

The information in this questionnaire will be kept strictly CONFIDENTIAL and will appear in the study, only as a part of a total summary, along with other information and data. It is felt that your comments will have a bearing upon future activities of the employment service. An addressed envelope, which needs no stamp, is enclosed for the return of the completed questionnaire.

Because it is so important that there be a complete response in this study, I hope that you will fill out and return the form as soon as possible.

Thank you for your cooperation.

Sincerely yours,

Jerry Pelovsky

Date of Birth: _____ Sex: Male Female
 (Month) (Day) (Year)

Are you: Married Single College major or trade: _____

Circle the highest year of education received.

1 2 3 4 5 6 7 8 1 2 3 4 1 2 3 4 5 6
 Grade School High School College or Trade School

How many years have you lived in the state of Utah? Circle one:

1, 2, 3, 4, 5 or more

Check the one statement which describes your housing situation at the time you were laid off?

Owned your home Renting Buying your home Other

If unemployed and work was available, would you be willing to move out of the Rocky Mountain area? Yes No

Was your income from Thiokol your major source of income? Yes

No

Are you usually the main support of your family? Yes No

What type of work are you presently performing? _____

If not presently employed are you seeking employment? Yes No

What type of work did you perform prior to working at Thiokol? _____

How many employers did you personally contact concerning your working for them? _____

Following your layoff from Thiokol, did you receive unemployment insurance? Yes No

Check all of the services that were provided for you by the employment service office.

you received an interview you received an aptitude test

you received individual counseling you received group counseling

you received retraining

you were moved to another area of the country with government assistance

you were referred to available jobs; how many referrals did you receive? _____

other services received _____

you received no assistance

In order of importance, list which of the following rendered the greatest assistance in helping you find work. Note: use the numbers 1, 2, and 3

_____ state employment service: _____ Brigham City _____ Ogden _____ Logan office

_____ private employment agency _____ found job yourself

_____ Thiokol Chemical Corporation _____ advertisement

_____ information supplied by friends _____ directly solicited by employer

_____ other: specify _____

Do you feel that the Employment Service provided you with adequate knowledge of the available work? _____ Yes _____ No

Evaluate the assistance that you received from the Employment Service.
Circle one:

excellent assistance average assistance no assistance

On the reverse side, indicate your personal feelings towards the employment service and its part in helping you find a job; since this is a very important question, any comment would be appreciated.

Quotes from Worker Responses

The following verbatim excerpts illustrate the attitude of laid off Thiokol employees in their replies to the statement, "Indicate your personal feelings towards the Employment Service and its part in helping you find a job." The author has selected those comments which appear to be the most representative of all the remarks presented in the questionnaire. The comments have been listed under three headings, (1) favorable comments, (2) unfavorable comments, and (3) miscellaneous comments.

Favorable comments. "The Employment Service did an excellent job of encouraging me, explaining the Federal aid for moving families and also the job listings from other states helped."

"I did receive an interview to determine if I would be willing to move to another area. I feel this was a fine offer and would be very helpful to someone interested in moving. The Employment Service I feel would have given me more assistance had their been jobs available, I think they are trying."

"These people made several long distance phone calls for me and offered moving assistance if I would move out of the state to take a job."

"The employment office was very helpful when I went in for help."

"I believe the Employment office assisted me as good as possible, as jobs were not available at this time of the year. They seemed very interested in trying to find employment for me when I reported each week for an interview."

"The Employment Service provided the referral for the job I received."

"I found my own job but the Employment Service helped greatly in relocation financially. With that help I wouldn't have been able to get the job."

"I think it was good of course there is not much in engineering around Logan, Utah. I believe the Employment Service did the best they could for me with what they had available. I believe I got pretty good help."

"The Employment Service kept us aware of local employment conditions. The Employment Service was most helpful in helping me obtain government assistance in reimbursement for a portion of my moving expense."

"I feel they did all they could, as it was in the middle of the winter very few jobs were available."

"The MDTA people were most helpful and thorough. The MDTA project head in Salt Lake City helped with several major problems and had a thorough knowledge of the most intricate details of the relocation program."

"The assistance which I received was good. The Employment Service went to a great amount of effort to assist me in locating work."

"The Employment office was most considerate and had there been any available job placement, I feel confident they would have contacted me."

"The Employment Service rendered great services especially to those who could not financially afford to go job hunting on their own."

"The personnel at the Employment office were very helpful and gave me the best of service. I believe perhaps if more information could be made available as to the type of work each job entails instead of just listing the job title and qualifications more would be gained. The personnel should be congratulated."

"I think that with the limited industry in this area, that the assistance supplied by the local employment office was fairly well done. Let's face it, here locally, they have nothing to offer. Cache Valley may be a nice place to live, but unless you're born rich, you may as well get out."

Unfavorable comments. "I feel that very little help was given me, it seemed that they felt they were too busy to talk or explain anything to me. They told me no more than they had to and gave me the feeling that they did not want to be bothered."

"State Employment office is nothing more than an agency to distribute unemployment checks or offer jobs no one wants."

"Generally the people in the employment office were semihostile and acted as if they were doing a favor to talk to you."

"Overall they were very unconcerned and from then on I didn't bother with them."

"The employment counselor is entirely too impersonal. Also, the counselors are too prone to categorize the applicant and figure that he will fit only jobs the counselor has in mind. The counselor should

be more free with information concerning jobs that may only vaguely touch on the applicants training and background."

"The Employment Service was bad because they refused to grant me insurance when I felt that I was making a good effort to obtain a job."

"The local office seemed to be too busy to help one person without college. Not a proper attitude."

"They never once contacted me for any type job. The only time they contacted me was when they wanted to know whether I was working or not."

"To me, the employment office was very unfair. Because I was a mother with two children they continually expressed their doubts about my sincerity towards finding a job. I was forced to wait for hours in Employment offices, when I had an appointment for a certain hour. The money paid out to me as unemployment benefits did not come out of Employment Service personnel pockets, although at the end of the ordeal I was about to believe that it did."

"I get the impression that they are busy just processing claims. They did call another Employment office and find out what building and entrance to use in applying at Hill AFB. They appear extremely concerned with what I am doing to find a job, but they don't offer any leads."

"Every time I have gone to the State Employment office for assistance,

I have been more or less given the run-around. I think the State Employment agency should try a lot harder to place people."

"I found the Employment Service a detriment to seeking work. A negative attitude was presented too because of not having a degree."

"The Employment Service was very unsatisfactory as far as I'm concerned. They said they didn't have any jobs when I contacted them. They said there was no training available."

"I feel that they are too worried about the money that they have to pay, which certainly isn't enough to get by on for any length of time. They didn't have enough information and job listings to really help find a job."

"I felt that the employment office aided in getting my unemployment checks, but made no effort to find me a job. They have definite rules and regulations and I don't feel they are trained or at least they don't attempt to fit a person with specialized training to any other type position for which they may qualify. They have offered no advice as to retraining possibilities, although they have sent out questionnaires every few months about my availability."

"They were very cold and unfriendly. They made me feel like each check was coming out of their pockets. When I would go to the front desk they would send me to the back, when I went to the back they would send me to the front."

"I drove several times to the Employment office from a neighboring

city to see if they had placement and they just told me to check the bulletin board. Some of the listings on the board were 3-4 months old."

"They just give you the run-around or try to send you to a job with little consideration of your experience or qualifications just to stop you from hounding them."

"The Employment Service is over-staffed (with specialists who proficiently display an atmosphere of courtesy and ambitious industry for public benefit) without really doing anything to assist unemployed people. These specialists seem to regard their work as merely a job and the less involved they get in problems of the unemployed, the easier it makes their job. In short, the Employment Service is not sincerely dedicated to helping unemployed people."

"In the area of professional employment and the opportunities available the State Employment Service is in my opinion little or of no value to those seeking employment. Personnel in the office I visited don't seem to be adequately trained or are not familiar with the problems involved in this kind of labor market, which are quite different from the unskilled or skilled labor market."

"I found the people in the unemployment office to be very rude and ignorant. I feel they were of no assistance to me in any way of finding a job. Legally if you go job hunting two or three days you are inelligable for a check that week because you weren't right to the side of your phone in case they called. They encourage a man

to be lazy and wait around until they find you a job which they never do."

"I don't know how all the people working there are, but the man I had to talk to all the time was very ignorant to me, and he thought the money was coming out of his pocket. One time he had me come at 8:00 A.M. and he didn't show up until 8:30 A.M. I don't think he showed very much interest at all."

Miscellaneous comments. "They just had too many that were out of work and too few jobs to go around."

"Large companies utilize their own employment office and bypass the state."

"I feel that the State Employment Service did what they could but they seemed to be rather ineffective. I think the main trouble was that prospective employers of engineering skills just did not work through the state agency."

"The Employment Service would be of more benefit to Utah communities if it used better qualified personnel in helping each person having an unemployment problem."

"The whole service system has buried itself in needless paperwork and recordkeeping, but there is no system of "cross-reference" or employment opportunities existing in the service offices. For example, the Ogden office has no knowledge of employment opportunities existing in Salt Lake offices and vice versa."

"I think that the only service the Employment Service serves is to those looking for seasonal work and farm work. Nearly all construction employees are hired through unions; engineers, geologists, and other professionals are hired through company recruiting. It seems to me that the Employment Service is used only as a last resort."

"A more aggressive type of job solicitation by the Employment Service could and should be used. Job listings can't be catalogued by waiting for business people to call in for new hires."