

In the News

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BRINGING JOBS TO THE INNER CITY

"The pressing issue of the day is finding jobs for people—
we start there"

By Michael W. Fedo

Courtesy of THE NEW YORK TIMES



As part of its community effort, Control Data Corporation has led the way in rehabilitating houses, both for employees and to attract new business to depressed areas.

The Control Data Corporation undertakes some of its community-oriented projects because, as chairman William C. Norris puts it, "They are the right thing to do." But, he is quick to add, "We view the major, unmet needs of society as opportunities to pursue profitable business. This is, after all, the basic reason for the existence of business."

And that is the premise from which the giant technology company, based in Minneapolis, Minnesota, has built a broad spectrum of programs that meld the profit motive with social responsibility. Among its projects:

- The renovation of homes and building of plants—the fifth of these assembly facilities is now on the drawing boards—in depressed areas to provide sorely needed jobs, attract small businesses and encourage further renewal efforts in the inner city.

- A program called Fair Break that uses the company's sophisticated computer systems to offer remedial education, counseling and paid work experience to inner-city youths between the ages of 16 and 22. The company now packages the program and plans to sell its methods via training kits and technical assistance to hundreds of other social agencies and companies throughout the country.

- A plan which makes the workplace more accessible to ex-offenders of the law, under which the company provides and finances used cars on liberal credit terms to newly released prisoners.

- Employee Advisory Resource (EAR), a 24-hour hotline that offers counseling and referral services to workers; EAR is another of the company's projects that is sold to other companies.

Control Data officers say

that large corporations ought to help the government deal with social problems because in the long run, solutions benefit everybody. "If what we do reduces costs of welfare or corrections, the business climate improves and taxes go down," Norbert Berg, senior vice president of administration and personnel, says.

Scouting out potential projects for the company is the Social Responsibility Committee, comprised of 15 people from all levels of the company. With a \$3-million budget to fund its work, the committee is charged with developing programs once it has identified areas where the company can use its technology to alleviate problems.

"The pressing issue of the day is finding jobs for people," Mr. Berg adds. "We start there. Before any other rehabilitation can work, we feel people need to have worthwhile employment."

To that end, Control Data, which employs 46,000 people in 34 countries and whose sales in 1978 topped \$2,400 million, has established modern plants in inner-city or depressed areas of Minneapolis and St. Paul, Minnesota, Washington, D.C., and Wolfe County, Kentucky. A fifth is planned for northern Manitoba. When all are completed, total employment at the facilities will exceed 1,500.

The first of the facilities was built in Minneapolis' Northside area in 1968. There were problems at first, but the company stayed with the project, and even had its attorneys wandering through jails on Monday mornings with bail money to obtain releases for those workers who had gotten in trouble over the weekend. Those lawyers also were retained to counsel employees with other legal or financial problems.

Since those early days, the Northside plant—a manufac-

turing facility involved in electronics parts assembly employing 200 to 300 workers—has become one of the most productive and profitable in the company.

Mr. Berg says, "It's a good company. We have an average tenure of five to six years, and vandalism there is nonexistent. We haven't had a broken window."

In response to a community's need for jobs with flexible hours, Control Data set up a bindery in the Selby area of St. Paul that relies almost exclusively on part-time employees for its work force of about 120. A large percentage of the workers are mothers of school-age children, who generally work the five hours from the time their children go to school in the morning until they arrive home, and high-school students who take the remaining three hours of the shift. While St. Paul has a minority population of about seven percent, 90 percent of Selby's workers and all of the managers there are minority group members.

"The business helps the whole community because people living here have money to spend here," one worker there says.

The purchase and renovation of 10 row houses in Baltimore, Maryland, in 1978 was

one of the undertakings chartered by Mr. Norris as the "right thing to do." The company paid \$196,000 including renovation costs for the homes, which had been slated for demolition until Control Data stepped in. The homes were sold back to community residents with long-range payment terms they could afford.

Since then, the city of Baltimore's housing department has begun to renovate 23 more homes for resale in a similarly low-priced, liberal credit package for the disadvantaged.

That's the aim of many of the company's projects, officials say: to stimulate further renewal and renovation efforts and attract businesses to depressed areas. As one executive put it, "If you can't get businessmen to build in the slum, you've got to get the slum out of the slum first. Then business will follow."

That credo underlies all of the company's programs, and explains why the major thrust of its efforts will continue in urban revitalization, which Mr. Berg calls the growth industry of the 1980s. As transportation costs soar, the company believes people will return to live in cities, if suitable housing can be found.

Efforts like this are necessary, says Mr. Berg, because



CDC chairman William Norris visits employees at a St. Paul bindery. The plant was set up to meet this inner city community's need for jobs with flexible hours.

Faced with high absentee rates among working mothers at Minneapolis plant, CDC set up a preschool day care center which succeeded so well it was opened to the entire community area.



Courtesy CDC

"no company wants to build in a depressed area. You clean up housing and businesses move in."

The Fair Break program of the company utilizes a computer system, called PLATO, developed by Control Data as a basic-skills teaching tool for school districts. At the company's center in St. Paul, 42 students—unemployed school dropouts from 16 to 22 years of age—spend two of their three hours a day there working at a PLATO computer terminal. PLATO has been especially successful in teaching the basics—math, reading, language arts—to so-called "turned-off" or underachieving students, and has also worked well in penal institutions. Individuals can earn their high-school equivalency diplomas after working with PLATO over periods ranging from a few weeks to a few months. The students spend the other hour daily with counselors or in group discussions.

Clifton Collins, operations manager of Fair Break, says that persons who have had negative experiences with traditional education, are enthusiastic about working with computers.

"Here are young people who've never been told they

did something right," said Clifton Collins. "Positive reinforcement is vital, and PLATO gives them this. It immediately recognizes accomplishments, or tells the person what went wrong."

Consequently, the computer is often more effective than humans in teaching these people—a factor borne out by Fair Break enrollees. "I hated school," said one 19-year-old, "but here I'm learning."

The remaining four hours of the students' day are spent at a parts assembly plant that was built especially to accommodate them near the center. Here their work habits are observed during scheduled production, and they are paid standard Control Data wages. The federally funded program created by the Comprehensive Employment and Training Act (CETA), picks up the cost of the computer time and the rent at the Fair Break center.

In marketing Fair Break to other corporations and social agencies, Control Data charges variable fees, depending on the services provided. The company can offer from two to 20 terminals for the remedial education work, and will supply all of the counseling services, or just a portion of them. Participating agen-

cies include CETA, the city of Baltimore, and the social services agency of Dakota County, Minnesota.

The success of the Fair Break program comes from its acceptance of the fact that "you don't give a kid a job and let it go at that," as a vice president for business development says. "You have to learn about that kid—who he is, where he's coming from, then start to deal with him as an individual."

What started as a Fair Break center in Baltimore, is now called the Learning Center, because children with learning problems are involved as well as adults. Thirty-nine adults recently graduated from the center, and the current enrollment numbers 185 students.

Gene Baker, vice president for Human Resource Management Service at Control Data, oversees the cars for the ex-offenders program. He describes it as a natural outgrowth of the company's long interest.

"One of the major hindrances in the ex-felon's attempt to secure and hold a job is his lack of transportation," Mr. Baker said. "Typically you find the man living downtown where he can afford lodging, but the jobs probably aren't there. Public transportation isn't thoroughly developed here yet, so the man has to have a car if he's going to work."

Using Control Data's finance subsidiary, the Commercial Credit Company, newly released felons are able to purchase a good used car. Commercial Credit owns one of the nation's largest auto-leasing companies, which handles about 42,000 cars and trucks each year for resale. These are normally sold at wholesale prices to dealers, but the company now offers cars to ex-offenders at the same terms dealers would get.

Through the end of 1978,

about 150 former convicts had been provided cars in an arrangement that demands no payments for the first three months. The final payments are spread over 33 months—a longer period than most banks and finance agencies might generally offer on a two-year-old used car.

Commercial Credit also helps the buyer obtain insurance, which is often a problem for a person with a criminal record. The company figures the insurance costs, taxes and license fees into the monthly payments, which average less than \$100 a month.

Though corrections officials have offered to screen candidates for safe risks, Control Data refused the offer. The company says it wants the program to be as broad as possible to learn as much as it can about assisting the ex-offender. Mr. Baker says that the company might deal differently with ex-offenders than a usual customer. "We might have to extend payment periods, or have to assist him with problems he has in getting and holding a job."

To deal with some of these problems, participants are given access to Control Data's Employee Advisory Resource. EAR operates in nearly all of the company's locations and aids about 4,000 employees annually.

While company officials say it is difficult to assess the dollar value of EAR, they believe it reduces absenteeism and tardiness and improves job performance. Control Data has sold the EAR concept to other corporations.

"Companies contact us, and we also conduct awareness seminars [about EAR] in other cities," explains John Moe, who coordinates EAR programs. ♦

Michael W. Fedo writes on business topics in the Midwest.