SERVICE AGENCIES IN HUMAN RESOURCE DEVELOPMENT.

North Carolina service agencies must understand the economic goals and principles of the society they serve (especially the components of productivity and effective manpower policy) and the contribution the agency can make to attaining these goals. More careful planning and coordination of human resource development programs and services is required. The rise of new agencies may threaten or stimulate existing agencies, but no new structure can be created at once to abolish the old and install the new. Strong state level coordination by and among agencies is a necessity, and agency professionals ought to encourage the strengthening of state government for this reason. Some agency duplication is wasteful, but there is a place for competitive, creative overlap among and within agencies. The future of North Carolina and the nation depends on the efficiency with which agencies develop human resources. (The document includes 11 references) (author/ly)
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in
HUMAN RESOURCE DEVELOPMENT

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SERVICE AGENCIES IN HUMAN RESOURCE DEVELOPMENT

Agencies referred to in this paper include those traditional groups whose purpose is to improve the quality of life in our society. Health, education, welfare, government, old and new special purpose agencies are included in this general definition.

Human resource development refers to the education, physical and environmental change needs for members of our society. Several of the observations are intentionally made in provocative tones to motivate the discussion which is programmed later in this session.

In this age of emphasis on efficiency, it is appropriate that those of us related to service agencies should make a careful, critical self-analysis of our work. Toward that end, the following is presented.

Developed human resources constitute a measurable value in our industrial society and serve as a base for our economic growth. Underdeveloped and unapplied human resources create a basis for problems which multiply unrest and serve as detriments to growth of a democratic society.

We have the agency framework through which to develop our human resources but agency productivity has done only part of the job. If given an efficiency rating, considering our underdeveloped human resources, some of our well-financed agency structures would seem inefficient and ineffective.
If viewed from a measure of the economic attainment or national productivity our agencies would seem to have been highly creative indeed.

As agency representatives we should examine several guidelines and principles used by those in the economic sector so that we may orient our discussion in terms of the other presenters for this forum.

Whether we are inclined toward standards set by special interest groups or not, let us consider selected elements from what the American Economic Foundation has called "pillars of economic wisdom."

Several of the pillars are as follows:

(1) "Nothing in our material world can come from nowhere and go nowhere, nor can it be free; everything in our economic life has a source, a destination and a cost to be paid."

Critics of agencies have said that agencies request and spend money as if there were no end to its source. Related to the service rendered by agencies there must ultimately be a human productive return. When economic resources are used to maintain agencies and agencies use those resources to develop people without multiplying the productive output the economic return to the society is stopped. This may apply to individuals within the society or to groups. Agencies then must necessarily have an understanding of the relationship between their service and
productivity of the total economy."
(2) "Government is never a source of goods. Everything is produced by the people, and everything that government gives to the people, it must first take from the people."
(3) "In a modern exchange economy, all payroll and employment come from customers, and the only worthwhile job security is customer security: if there are no customers there can be no payroll and no jobs."
(4) "The greatest good for the greatest number means, in its material sense, the greatest goods for the greatest number which, in turn, means the greatest productivity per worker."
(5) "All productivity is based on three factors:
   (1) Natural resources (including people) whose form, place and condition are changed by the expenditure of
   (2) Human energy (both muscular and mental) with the aid of
   (3) tools."
(6) "Tools are the only one of three factors that man can increase without limit, the tools come into being in a free society only when there is a reward for the temporary self-denial that people must practice in order to channel part of their earnings away from purchases that produce immediate comfort and pleasure, and into new tools of production."

(In the broad sense, agency research findings and ideas are tools of the agency professional.)
(7) The productivity of the tools -- that is, the efficiency of the human energy applied in connection with their use -- has always been highest in a competitive society in which the economic decisions are made by millions of progress-seeking individuals, rather than in a state-planned society in which those decisions are made by a handful of all-powerful people, regardless of how well-meaning, unselfish, sincere and intelligent those people may be."

The latter point relates to the strong centralization and autonomy of each agency as it expands and grows. All of our agencies have experienced this growth problem.

But, in North Carolina terms, what are we talking about when we speak of agency sizes? How much do we really invest?

Just what are we talking about when we speak of North Carolina expenditures in the broad field of human resources development? We have budgeted for our five million North Carolinians $1,526,850,000.00 for the 1967-69 budget years from general fund appropriations.

In 1967-68 alone we are spending:
(a) almost $30,000,000 for general government.
(b) a little less than $5,000,000 for public safety and regulation.
(c) over $21,000,000 for correction, including state but not local budgets for correction. Approximately $14,000,000
or 2/3 is for adults and 1/3 for youth.

(d) about $22,300,000 for public welfare.
(3) over $440,000,000 for education.
(f) over 60$ \frac{1}{2} $ million for health and hospitals.
(g) seven million for natural resources and recreation.
(h) twelve and one-half million for agriculture related services.
(i) almost 63 million for retirement and pensions.
(j) 17$ \frac{1}{2} $ million on money we've borrowed (debt service).
(k) in addition, 112 million on capital improvements.

And this does not include all of our local and federal budgets.

This is an impressive budget by anybody's standard and I contend that agencies' expanded fiscal request each time the question of human problems is presented is not an appropriate answer to human resource development. Agencies are being served very well through budgets of government from the state, local and federal levels. I do not believe the answer to additional agency support for improved development of our human resources lies alone in the pat answer, "Give us more money." While additional requests for funds are expected, as there are more people to be served, I would argue that agencies must find ways to be more efficient in the utilization, development and application of the budgets now provided.

Before we move more deeply into specific factors relating
to agencies, let us examine a few principles of human resource development which we may use as a standard for agencies' working with the human component of our society.

In making an analysis of the requirement for manpower needs the purposes for human resources development must be clearly understood. Certain guiding principles in establishing human resource targets become relevant. Consider these principles.¹

Principle I -- Manpower goals must be specified.

With the speed of our economic development and the acceleration for new skills, static program assumptions for education become quickly anachronistic.

Principle II -- In order to establish manpower goals, major reliance should be placed on making reasonable comparisons within the economy and with other countries.

To say that we are in the space age race today due to what Russia was and is doing is not an unfair statement of fact. The national political goals of this country and principal competitive nations, meaning those like Russia, China, Japan, Switzerland, India and even North Vietnam, influence the establishment of our goals for human resource development. Top agency leaders must keep these relationships, together with the shifts of emphasis, constantly before them.

This has been recognized by officials within our government. While the planning concept of goal-setting has not always involved open consideration for what opponent
nations have planned to o, it has actively influenced those actions of nations with whom we have a friendly type relationship.

For example, on November 17, 1961, the United States joined with nineteen other member nations in an organization called Organization for Economic Cooperation and Development (OECD) to set a mutual target for economic growth. The target of that group was a pledge that these 20 nations would strive to attain a 50% increase in their combined national output between 1960 and 1970. This means an average annual growth rate of 4.1%. As good as we have been, the United States entered this decade with a growth rate of 3.5% (compared with the unprecedented growth rate of 10% per year enjoyed by Japan for the last 15 years).

In order to achieve the OECD goal we must exceed an average growth rate of 4.5% annually in the second half of this decade. The capability is within the country's capacity according to economists. Agency productivity, through education and other services, is directly related to the annual total output of goods and services. Some estimates are that education was responsible for between one-fourth and one-half of the U. S. national output between 1929 and 1956 that could not be attributed to the increased utilization of capital and labor.

Principle III -- For the future, in estimating human resource requirements, the human resource planner should concentrate on setting targets rather than making forecasts.
The purpose of target setting is not to predict what may take place; it is to influence the future course of development. Target indicates a direction for action.

In setting these targets, the demand created by the improved human resources is an escalating factor which suggests a need for periodic reassessment of the target and corresponding adjustments of the original goal.

Principle IV -- Human Resource development requirements must be comprehensive.

The economy and society for which and into which the product of human resources development feeds is a continuous, extending entity. The needs of society are in part governed by the creativity and progress of that society. Comprehensive, periodic reassessment is a requisite for developing new plans and directions for new human resources.

The agency is the structure through which accomplishment is made or retarded.

I would add a fifth principle which seems relevant to functional attainment. Principle V would state that agency understanding of the needs of society and concomitant desire to adjust its format to help achieve those goals, governs the extent to which human resources will be developed.

Let us turn to review some of the agency criticisms which may relate to or stand in the way of human resource development. In no order of priority a few of these criticisms follow:

(1) Agencies are too static in program -- inflexible.
(2) Agencies are interested in research and past history instead of innovative planning.
(3) Agencies are self-serving -- office oriented instead of being client oriented.
(4) Agency professionals are desk-bound, lazy, and do not meet the clients in the neighborhoods where the problems are.
(5) Agencies are too autonomous and do not maintain a cooperative, coordinating, interacting disposition in working together with related agencies.
(6) Agencies do not know how to efficiently employ new money in large quantities when they get it -- there are too few innovative ideas by agency professionals.
(7) Agency personnel spend half their time in meetings, the other half in offices and have no time left for clients.
(8) Agencies are expected to help solve social problems when this is not a function of agencies.
(9) Agencies always lag behind the needs of society.
(10) Nobody assumes the active administrative role in coordinating the work of agencies on a state or regional or county level -- the Governor is too busy about things political which give emphasis on government getting instead of giving.

One of the major agency weaknesses which I see is the process through which the professional is certified in the first place. That certification relates to academic attainment before reaching an arbitrarily set professional level.
After the professional passes through the magic, mystic phase of certification or licensing -- there is no systemic way in which his relationship to the client is assessed, except, through the subjective opinions of kindly disposed fellow professionals toward whom he may have the opportunity to be similarly kindly disposed. In other words some agency professionals do not continue to develop in their usefulness to the society which employs them beyond the entry level or the early experience level of the agency to which they are attached. Agency heads have not encouraged this continued growth by example. Whether this is due to the web of agency structure, the complexity of understanding changes in human needs as these relate to the agency service, it is difficult to say.

A case in point is the static curriculum of the public schools which has remained essentially the same in many schools for generations. The continued, arbitrary division of the program, format of the child into "academic" versus "vocational" areas is without teacher understanding of how these two areas complement one another.

The agency service is frequently projected in an unchanging direction while the needs of society move to the right or the left of that direction.

People change. They not only grow as they interact with one another; they also move their places of residence with some frequency. This presents another planning dimension for agencies.
No longer can we rely on a public which will stay put or confined to a restricted geographic area. Agency planning must take into account mobility characteristics of the family. This mobility factor seems to be on the increase. Dr. Selz Mayo, in a recent issue of The Carolina Farmer, stated that in 1965 approximately 20% of the national population were movers and that one North Carolina citizen in every five will live in a different house in December from the one he occupied in January. In North Carolina 13.4% moved within the same county and 3.5% changed residence within the state. 4

What implication does a migratory population have for agencies whose plans presume a stable population? It means that population shifts within the geographic area served by the agency will produce shifts in population characteristics so that services planned and budgeted at the beginning of a biennium may conceivably change as much as 40% before the end of that budget period. This situation demands an understanding of this problem so that flexibility is built into agency plans.

As agencies grow big and look to their internal operations it is easy to lose sight of their functional relationship to other agencies and to the group the agency was intended to serve. Management of agencies is a function of strong state government empowered with the authority and charged with the responsibility to insist on that coordinating role. Unfortunately, the people of North Carolina did not
give its governor that kind of authority.

Funds to support agency programs come from Raleigh and Washington. Some go directly to communities, some agencies are financed almost 100% by federal sources. Agencies relate directly to the source from which their funds come. The role of our governor and that of other heads of states is weakened by this system which gives central authority to no one position at the state level. Governor Sanford put it very well in his recent book when he stated, "The diffusion of the governor's authority hinders and stymies the states." Suffice it to say that with the continuous, expanding demands for more agency services, for more agencies all of which means more money, we do need a strong central, state level authority which would serve as coordinator of agency services. We do not now have that authority vested in our state executive officer.

Agency professionals, including those in all agencies, cannot longer deceive the non-agency public by saying what they would or could do if they had more money. As I see it, the budget resources were never more adequate nor the comparative lag by agencies more pronounced. Perhaps this is the way it is, always has been and always will be. I do not believe that more money is the answer. Until agencies direct their professionals to work on the achievement of specific goals related to the need of people and society, to be achieved within a set period of time with an expected
efficiency level, all the additional money requested will not do the job. It is not altogether the absence of money but the lack of application of professional staff talents which is detrimental to the attainment of developed human resources. As implied above, some of the problem lies outside the agency, but much lies within.

The creation of OEO can be considered an indictment by Congress of traditional agencies for not serving the needs of agency clients. On the other hand, the refusal of Congress to invest the OEO billions through traditional agencies may be considered an indictment of Congress for not having faith in previously unfunded proposals of agencies. In any event, Congress was disposed in 1964 not to increase its financial flow through traditional pipelines by the extra amount channeled through OEO. Whether OEO survives or fails, agencies must consider that Congress chose a new competitive vehicle. The lack of faith in existing agencies is clear.

We may reasonably speculate whether more efficient application of these funds through traditional agencies might have occurred. That speculation does not result in any assurance that additional funds to traditional agencies would have been employed more efficiently or effectively in the solution for problems of people.

The funding approach by Congress to new community organizations served as a bypass of and a threat to agencies in the same way state government has been bypassed. It caused
agency anger, dismay, resentment and competition. It also created a movement to get some agencies client oriented to a degree which may not have occurred without this new competitive threat.

This leads us to say that there may be a value worth examining in a competitive overlap of agencies. Two examples in the Employment Security Commission include a series of field mobile units and the new Youth Opportunity Centers.

Another type competition is seen by agency personnel in the creation of new supportive, but competitive, subprofessional positions. Paper pushing activities which have grown to be part of the professional's duty but which bear no relationship to professional training nor job description are being assumed by subprofessionals in many agencies. Some of the non-professional duties formerly executed as part of the professional's job are now being more efficiently, less expensively, performed by the subprofessional.

A concentrated threat occurs when the new agency subprofessional is a recent client of that agency. The competitive overlap concept is extended to the individual job position of the agency professional. Some agency personnel have adjusted quickly and some have yet to learn techniques of taking advantage of the new services made available. Desk-bound-itis prevents too many professionals from getting out into the sunshine, streets, highways, hills, alleys, fields and slums where the clients are. One well-known
North Carolina author exaggerates a little when he says it will take helicopters to get some college professors off the campus and exposed to the real world. Subprofessionals who exhibit the effectiveness of outreach to communicate with the client in his environs may cause professionals to redefine their roles. It may result in professionals giving themselves more freedom and latitude in the performance of their job and function.

A study of the agency structure by those professionals in it together with other professionals from related agencies may result in cutting, changing, combining, and reorganization. These approaches are possible and necessary.

Problems of people in our growing, expanding society cannot or will not be solved entirely through new agencies. We see no reasonable prospect that new agencies would do better than old agencies as soon as the novelty period is over. Problems may be solved if agencies are willing to retool, work together and spend time at frequent intervals in close analysis of the client group and agency service to that group. Yesterday's patterns will not fit today's problems nor prepare for tomorrow's needs. The competitive overlap of agency functions may be a concept which we should examine to determine if similar productive efficiencies might result as has happened in American Industry. Agency disposition and attitude would assume new meaning if the clients of agencies were sought with a zeal similar to that employed by industry in seeking to serve its customers.
Allow me to cite two examples of what I refer to as creative overlap; one financed and promoted by the U. S. Department of Labor and the other an idea which I shall contribute.

Earlier this year as one of nine consultants employed by a private consultant firm under contract to the U. S. Department of Labor, I had the opportunity to help evaluate on a nationwide basis a relationship between two agencies and a competitive component within one agency.

Our charge was to evaluate the Selective Service Rehabilitant Program as it operated in a sample of areas spread across the country. We were to start with the draft inductee centers, the point of inductee rejection, and follow him through the related routine of a special effort by the Employment Service Commission to direct this draft rejectee toward retraining, employment or on-the-job training.

In this study we had an opportunity to see how the Department of Labor had formed an internal, creatively competitive structure to which interest in rejectee-training was related.

The new structure was the Youth Opportunity Center, a part of Employment Service operating under the state offices in local communities but also apart from the local ES units. All communities with ES service do not have YOCs, since it is limited to a restricted number of stations in each state.
There is a competitive state YOC unit which also serves the city or area in which it is located.

As we moved across the country we were witness to an internal agency change created by this new component. The traditional orientation to the employer was being countered by the YOC orientation to the employee. The effectiveness of the YOC was causing the local ES offices to do a kind of outreach they had never done before. Some of the older agency professionals swore because of the internal competition but both groups were functioning in the same communities with relatively little duplication of services. There was, however, a competitive, creative overlap.

The Employment Service itself is an example of difficulties in agency coordination. Financed 100% by the Department of Labor, it relates to, but does not operate through, the state government structure. This has created difficulties in states where an increased emphasis has been placed on employment and skill training.

In North Carolina the two year community college concept grew because the four-year colleges and the University on the one end and the secondary school system on the other were not meeting the needs for the education of our people. There was a large input by the state with relatively little output or effective results for many of the state's citizens. There is now the structure through which a kind of competition can begin in service to dropouts or unsuccessful secondary
school students, a kind of creative overlap, if you please.

I would be bold enough to suggest that when the secondary school or the basic education system fails to provide youth with essential training for academic or vocational success, we face one of two options. First we let those secondary school failures and dropouts alone as we have done for too long; or second, we attempt to offer training through a different structure at the adult level. (However you want to view it, when an unsuccessful student drops out of school, in my opinion, he is a failure and an adult.

If then, we take the constructive approach, the secondary school failure, whether at age 14, 15, 16 or 17, becomes a charge of and candidate for adult education. I say, put him there.

Perhaps in this concept of creative overlap, a new adult education entry level should be established and unsuccessful public school youth encouraged to leave secondary school to enter early adult education. Perhaps the entering age for adult education should start at between 14 and 17 years for any youth who is not being successfully instructed in the public school program. If this were done and the committed financial support should follow the student, an earlier beginning could be achieved by the adult education systems with youth whose anti-education dispositions were not quite so rigidly set as they are when exposed to continued failure during the last one to four years in the public secondary
school institutions.

As if to emphasize the theme for this annual meeting of adult educators, James G. Maddox, an economist of N. C. State University completed and published in the last 60 days a volume entitled *The Advancing South.* In it there is an impressive body of data which indicates cause for the economic underdevelopment of the region and North Carolina is part of that region. Maddox makes comparison of the southern region with the underdeveloped countries.

As adult educators you may be aware of the three growth-regenerating criteria he uses:

1. Increases in the supply of natural resources, labor and capital.

2. Changes in the organizational structure of the economy that increase productivity through greater specialization in the utilization of the available supplies of the factors of production.

3. Improvements in technology -- the creation, adaption and introduction of new knowledge that enhances the managerial, engineering and technical efficiency of production.

Dr. Maddox is explicit to say that the major explanations of the South's low incomes and general economic backwardness are essentially the same for those applicable to many underdeveloped national economies. He goes on to say that the South is the most underdeveloped region of the country because its social and economic structures have led to
shortages of well educated and skilled manpower, to inadequate supplies of high-quality capital, to lack of up-to-date techniques of production and to the paucity of innovating entrepreneurs.

While the agencies referred to in this paper include all the traditional and special service agencies, these and other indicators point to the low productivity of our educational system. As a state with a proud image, North Carolina has had some shameful statistics in its educational realm. Agencies cannot be expected to assume all the blame for not being able to reverse the tradition of a people but agencies must assume a major share of responsibility for those uneducated, underdeveloped citizens of our adult society.

The Southern Economic System and its route from ruin following the Civil War describes the North Carolina economic route. From the plantation system and King Cotton the low paying jobs for the low skill demanded in textile employment evolved to influence our economy today. The economic lag of our system has a relationship to the archaic tradition of white supremacy, to backwardness in education traceable to a century and a quarter ago, and to the resulting stunted technology for a state which has yet to reach its shining hour. Agencies must understand these backgrounds, current conditions and their roles in the solutions.

The community college seems a hope for a solution if other agencies and industry will plan cooperatively with this system --
supporting the concept of filling the role for which this institutional segment was intended. Neither can agencies which are of the "non-educative" type be exempt from the need to plan, program and execute a continuous in-service educational component. Industry must add to its concern a new inspection of the role it may be able to play extending, where practical, its educational program to pre-vocational or pre-skill training.

The concept that citizens of worth and value are those who can produce and sustain themselves on an independent basis must be considered part of the inculcation through training. The fair wage for the fair share of the product produced or the service performed must work both ways without the employee looking for a reward inconsistent with his productivity and without the employer becoming wealthy at the expense of the employee.

Agencies must show responsible concern for a change of state patterns which contribute to this situation. At the present time North Carolina youth stay in school too few years, as their parents did. And the educative process is inadequate in its efficiency for many who remain enrolled through graduation.

As Dr. Edgar Boone pointed out in a recent paper he delivered, knowledge becomes obsolete, adjustments must be made to a new mode of living based on new knowledge, tensions arise from cultural lag for individuals or groups and anxieties and insecurities of a society and culture increase
during periods of transition. 

Outmigration of many who are well trained without a corresponding volume of immigrants causes us to have a sustained brain drain.

Industry is the major solution sought by every community small and large in our state today. People they have who need the jobs industry can provide, but the people are not adequately prepared to complement the needs of industry. With each passing month, there are fewer unskilled jobs with correspondingly more people searching for these jobs. The challenge for agency roles in human resource development is to reverse the trend of the past, to be rid of the seeds of trouble -- the uneducated. Agencies must plan a more involved approach and satisfy the people needs for the population sector which agencies have failed to do in the past.

In summary let me review a few of the general points which have been made:

(1) Service agencies must understand the principles of the society they serve from the point of the economic goals of that society they serve, from the point of the total economic goals of that society and the related contribution which the agency can make to attainment of those goals.

(2) Service agencies are not carefully planning and coordinating their programs and services. Principles of human resource development must be carefully considered in these plans.

(3) New agencies will come along from time to time and may
serve as a threat or stimulant to existing agencies but no new structure can be created to at once abolish the old and install the new. The problems are too complex and those involved are too many.

(4) Strong state level coordination by and among agencies is a necessity. State government must be strengthened and empowered to serve this coordinating role. Agency professionals have a responsibility to encourage this strengthening of state government.

(5) Some agency duplication is wasteful but there is a role and place for competitive, creative overlap among agencies and within agencies.

(6). Our future as a nation depends on the efficiency with which our agencies develop our human resources. The agencies themselves hold the keys to success or apathy.
FOOTNOTES


OTHER SOURCES

The Ten Pillars of Economic Wisdom. The American Economic Foundation, 51 East 42nd St., New York, N. Y.


Roster: North Carolina's Agencies.