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Dressed to Skill

At last, New York City shows signs of understanding that workforce development contributes to economic development. That's why the city's newest workforce authority is well suited to its job.

by Aaron Fichtner and K. A. Dixon

This time, it might be more than just a motto.

The slogan on the Workforce One Web page of the city Department of Small Business Services (DSBS) proudly proclaims: "Where job seekers and businesses come together." While this has always been the goal of the city's job-training efforts--and while the government spends millions to this end each year--something crucial has been missing: a system for accurately determining what skills businesses need in their employees. As a result, job seekers have too often lacked both up-to-date career advice and training for the jobs employers needed to fill.

DSBS, which recently took authority over the city's adult workforce-development programs, is in an unusually strong position to change this. The transfer of workforce responsibilities to the department, a business-oriented agency that is overseen by the deputy mayor for economic development, implies an understanding that workforce development is economic development, and suggests an opportunity to bring businesses into the process in a meaningful way.

Under the current administration, the city has also begun to move away from traditional tax breaks, and to restructure economic-development programs so that the city targets key economic sectors for meaningful investment. A similar strategy is not only possible for workforce development, it is necessary if a sectoral approach to economic development is to succeed.

Time is of the essence. The combined pressures of the events of September 11th and the weakened national economy have resulted in major job losses for the city. From December 2000 to June 2003, New York City lost 240,000 jobs. By July 2003, the city's unemployment rate stood at 8.1 percent, nearly 2 full percentage points higher than the national rate.

Particularly hard hit were industries such as finance, manufacturing, securities, computer programming, advertising,

publishing, motion pictures, Internet-related industries, telecommunications and consulting. The federal government declared an end to the recession in November 2001, but hard economic times are still very much a reality for millions of New Yorkers, to whom constructive career advice and effective job training have never been more important. A workforce-development system geared toward the skill needs of key industries would benefit these individuals, businesses and the economy overall.

If DSBS is to succeed in creating a dynamic, relevant workforce strategy, it must follow the lead of other states and cities across the country by engaging employers in the development and design of education and training programs. This means asking employers, early and often, about where the job opportunities lie in key industries, and about what skills potential employees will need to succeed. That information can then serve both as the foundation for partnerships between educational institutions and employers, and as a basis for job seekers to make wise choices about their careers and their training needs.

New York does have some data to build on. For example, New Yorkers currently have access to O*NET (Occupational Network), a federal Department of Labor database that provides information on the skills, knowledge and abilities necessary to perform nearly 1,000 jobs. O*NET, which is accessible online, is a good start, but its information is based on national data; it lacks vital information about local skill shortages or other trends that will affect the demand for particular skills in the city. The New York State Department of Labor publishes 10-year projections, updated every two years, of the expected number of job openings in some 700 occupations for the city and the state. However, the department does not address what skills are required to perform the jobs it tracks.

Other states are doing much more. For the past year, the State of New Jersey has been working with employers, educators and industry stakeholders, through federally mandated local Workforce Investment Boards (WIBs), to determine the skill needs of eight important industries: information technology, finance, transportation, construction, health care, utilities, tourism and manufacturing. The goal of the project is to profile the skill requirements of 80 key occupations in the state, as well as to identify industry trends that will affect the demand for employees, or for particular skills. The information gathered by the Garden State will be disseminated to students, job seekers, educators and job counselors through a searchable Internet site.

In Oregon, the state WIB launched the Health Care Sector Employment Initiative to address the acute shortage of health-care workers. In 2001, the WIB formed three teams focused on employment strategies, workplace issues, and occupational training and education, and held a statewide summit to collect information on the most important needs of the sector. This effort identified and focused on 11 occupations that had a shortage of qualified workers. In 2002, the Oregon WIB issued a "course of treatment"--proposed strategies for addressing the shortage--which is now being implemented.

A new law in Virginia requires each local WIB to develop a plan for future workforce-development activity based on information from employers about local labor demand. Local WIBs will administer surveys and hold focus groups with employers to identify occupations experiencing worker shortages. The Department of Commerce and Trade and the Virginia Employment Commission are leading this effort at the state level--another example of a partnership between economic development and workforce development.

The aforementioned efforts are all admirable, but even they are not enough in and of themselves. Communication between employers and educational institutions cannot be a one-time data gathering exercise. For any workforce system to succeed, the dialogue with employers must be ongoing, and conducted in a language that both sides understand. In places without this kind of dialogue, workforce-development programs, community colleges, technical schools, and colleges and universities can do little more than make their best guess at what their students need to know. Many of these programs offer certificates, certifications and even degrees, leading job seekers to believe that they are earning the qualifications they need for the kind of work they want, as well as credentials that employers will recognize. But all too often neither job seekers nor employers are getting what they need.

For example, in the construction industry in New Jersey, employers cite the need for many of their workers to have

"advanced math skills." But what this means to them is not necessarily what it means to educational institutions. These employers explain that while many high school and college graduates leave school understanding basic and advanced math theory and concepts, these grads frequently are unable to apply the math to work situations.

To address the need for ongoing dialogue with employers, DSBS need look no further for inspiration than the city's own Garment Industry Development Corporation (GIDC), which provides one of the best models for aligning training programs with the skill needs of a particular industry. GIDC, which was created by a labor union to upgrade the skills of its members, works closely with garment companies to design curricula that provide career paths and opportunities for garment workers. North Carolina has taken a similar approach statewide, partnering with its community colleges to create a manufacturing certification program. Individuals who complete the program, which includes courses in subjects as teamwork and communications, measurements and math, earn a certificate that is recognized by manufacturing companies across the state.

In New Jersey, a labor supply-and-demand analysis completed in the fall of 2002 by the Heldrich Center for Workforce Development, a research and policy organization at Rutgers, The State University of New Jersey, concluded that the state was likely to experience a severe shortage of employees in the pharmaceutical industry. To encourage collaboration to combat the problem, the HealthCare Institute of New Jersey, the industry group for the pharmaceutical and medical-device sectors, brought together industry and education leaders at regular "skill summits." These summits produced numerous partnerships between educational institutions and employers, as well as the development of new degree programs.

Once the dialogue has been started and the relevant information is being collected, the final step is to make that information available to those who need it. Job seekers and students often make decisions about careers and occupational training based on anecdotal information and advice from friends or relatives. In addition, individuals rarely know the types of skills or educational requirements that they need for particular careers or occupations, and are unable to keep up with the constantly changing skill requirements of employers. A successful workforce system should provide the tools to allow individuals to make informed choices.

New York state's CareerZone Web site provides a strong foundation for further efforts. The site uses data from O*NET to deliver information on the skill requirements and attributes of occupations to high school students in a straightforward, user-friendly manner.

Silicon Valley's NOVA Workforce Investment Board, which with assistance from the David and Lucille Packard Foundation has launched an ambitious effort to identify the skill needs of key jobs in the region, offers another model. The WIB has developed clear, accessible materials to deliver information on careers to students and job seekers. These include both print and online reference guides that provide everything from labor-market information to advice on preparing for a job interview.

The prescription for New York's workforce system is clear: The city must work to build a bridge between employers and providers of job training and education. The city's leaders should take particular pains to convince employers that this is not a dead-end data-collection exercise, but one that will lead to action. We have found in New Jersey that employers are willing to be a part of the effort as long as it has a clear purpose and relates to tangible improvements in the workforce.

There are concrete steps that the city can take right now. DSBS should inaugurate its management of the city's adult workforce-development programs by working with the WIB to determine the skill needs of employers in important industries, and to identify skill gaps and shortages. Industry advisory groups should be convened for each selected sector, to guide the effort. Members of these groups must be familiar with the needs of the given industry, and might include top executives, human-resources managers or even operations managers from the relevant field. Focus groups, interviews and surveys could be used to obtain input from additional employers.

The city and its advisory groups must then work closely with the educational institutions and community-based organizations that provide workforce-development services, in order to determine how to deliver the skills employers seek. Foundations or

industry associations can also play important leadership roles, working with the city to help support educational institutions, community-based organizations, and workforce-development providers that develop creative ways to address skill shortages and gaps. Both North Carolina's manufacturing certification program and GIDC can serve as useful models as well.

Skill summits, such as those convened in New Jersey in the pharmaceutical industry, are also a good mechanism for disseminating information, as well as an opportunity for industry and education leaders to discuss areas for collaboration and partnership. These summits can focus participants on a common goal, and can produce the seeds of innovative partnerships, as they have in New Jersey's pharmaceutical industry.

By taking these steps, the city can begin to build a dynamic, demand-driven workforce-development system that both its job seekers and its employers deserve.

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