The Role of Community Based Organizations in a Changing Workforce Development Environment: Somerville Community Corporation’s Response to New Skill Demands and New Workplace Organizations.

by

Mark A. Norton

B.S., Political Science
Boston University

Submitted to the Department of Urban Studies and Planning in Partial Fulfillment of the Requirements for the Degree of

Master in City Planning

at the

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ABSTRACT

Community Development Corporations have long worked to address the economic and social problems of urban communities. For these community based organizations, rapidly changing labor markets present a significant issue for economic development of the areas they work in. The issue for CDCs and other community based organizations is figuring out how to respond to changing labor markets and what role to play in the arena of workforce development.

Most existing training programs have not addressed the job skills mismatch issue or been able to keep up with the rapid labor market changes in the past ten years. Community Development Corporations offer a possible vehicle for forging the critical linkages between the community and potential employers. This paper looks at how a CDC might play a role in the workforce development arena while responding to changing labor markets.

The study concludes that the best role for a CDC in the arena of workforce development should be that of an agent for job seekers and employers providing information and connecting the two sides of the labor market. CDCs should develop workforce development programming that includes; creation of close employer relationships; networks with other CBOs and training programs engaging in workforce development; and the provision of support services. It is not recommended that CDCs create and engage in their own stand alone training programs. The best value added for CDCs is to act as a facilitator of individuals to existing training programs and of individuals to employers. These relationships should be used to reform the way individuals are prepared for the job market and the way employers hire workers.

Thesis Supervisor: Frank Levy
Title: Daniel Rose Professor of Urban Economics
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Two fellow students who I could not have survived the process without, are Chrystal Kornegay and Liz Schave. These two friends and colleagues were a constant source of help and inspiration throughout the writing of this paper and I am extremely glad to have had their support.

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INTRODUCTION

Community Development Corporations have long worked to address the economic and social problems of urban communities. Through economic development ventures, construction and rehabing of affordable housing, and providing social services, CDCs have made great strides in improving the neighborhoods they serve. For these community based organizations, rapidly changing labor markets present a significant issue for economic development of the areas they work in. Employers demanding higher skills and urban residents increasingly ill prepared for the job market by public school systems and training programs make it very difficult for CBOs to get their clients into good paying jobs.

CDCs are realizing the problem and are looking at ways to address the issue. The problem for many CDCs is that current staff have little or no experience in workforce development issues, having concentrated their efforts on developing housing and commercial properties and providing other services for the past 10 to 15 years. These organizations are getting back into workforce development after a decade and a half hiatus when Federal job training programs dominated the field. The issue now for CDCs and other community based organizations is figuring out how to respond to changing labor markets and what role to play in the arena of workforce development.
The job skills mismatch arises out of a different set and rapidly increasing level of abilities demanded of employees by employers. Greater competition and globalization have spurred employers to become more efficient and productive. Increases in productivity have come largely through the use of new technologies and getting employees to take on more responsibilities. These changes require workers with different skills. Schools, community colleges and traditional training programs have for the most part not kept up with the pace of changing skill demands and have left non-college educated job seekers ill equipped to compete in the job market.

The problems of the disjointed labor markets are greater in the city than in suburban or rural areas. The manufacturing sector which unskilled workers have depended on for employment has declined in greater proportions in urban areas than in other regions. In fact, many businesses that have left the city have relocated to the suburbs increasing manufacturing employment in those areas. The skills mismatch is also exacerbated in large cities because the public schools in those areas are generally worse than in suburban regions. Cities also have greater proportions of immigrants who tend to have lower skill levels and face additional obstacles to employment such as language barriers, legal difficulties and racial discrimination.

Most existing training programs have not addressed the skills mismatch issue or been able to keep up with the rapid labor market changes in the past ten years. Federal job training programs have developed a bad reputation with employers and have failed to significantly raise the earnings of participants and lift them out of poverty. Community colleges are struggling to reorient themselves as job training institutions and establish
links with the community and employers. Public school systems are just beginning the long road to transformation into a post-industrial model of teaching which fuses learning and work. By and large relationships between the community, good job training and employers are scarce.

Community Development Corporations offer a possible vehicle for forging the critical linkages between the community and potential employers. CDCs are intimately and deeply connected to the communities they serve. They know well the range of issues that accompany the difficult experiences of low-skilled and poorly educated individuals in the job market. At the same time, CDCs are familiar with the market mechanisms of the private sector. Most CDCs have experience in real estate or commercial development, property management, lending, and business ownership. Knowledge of both the community service world and the world of profit margins presents the potential for a linkage position to be played by Community Development Corporations.

In this paper I look at how a CDC might play a role in the workforce development arena while responding to changing labor markets. In order to better connect the theory to the practice I chose a client who is hoping to answer the same questions. Somerville Community Corporation (SCC) is a community development corporation founded in 1969 to serve the city of Somerville, Massachusetts. SCC began as a service organization providing a food pantry, daycare and other social services through a CAP agency. It has evolved and expanded its scope of activity in the years since. Today SCC programs include housing and commercial development; property management; small business
counseling; homelessness prevention/housing services, youth mediation, community planning, and a multi-service center. The organization’s mission statement reads in part that the organization is “an agent for change, dedicated to the full development of Somerville as our community and home.”

Economic development is a large part of how SCC sees itself as carrying out its mission. Over the past three years SCC has been developing a comprehensive economic development strategy to accomplish its goals. The goals include: “creating and retaining local jobs and entrepreneurial opportunities; restrict leakage of capital from the Somerville economy; influence the local system of education to ensure that Somerville residents have skills sufficient to achieve full and productive employment; and promote economic literacy among Somerville families.”

In the course of developing these goals and the plan for achieving them the staff have come to realize that workforce development must be a big part of the overall economic development strategy. As Bill Shelton, the CEO of Somerville Community Corporation, puts it, “If we do not do workforce development there will be a huge hole in our economic development strategy”. The problem for SCC is figuring out what their workforce development work should be and how to do it. Hopefully this paper will help answer some of these questions.

**Study Design**

In the second chapter I develop projections of what types of jobs might be available to low-skilled, non-college degreed Somerville residents in the coming decade.
First I sketch out the broad sectoral and occupational employment trends for the region and in the Somerville area. I conclude this section with a look at the projected top ten overall growth occupations in Massachusetts that do not require a college education, and summarize the training needed to obtain those positions.

The third chapter begins to examine the skills mismatch by looking at what abilities are being demanded by employers. I start by looking at the causes of increasing skill needs and recent research on the jobs skill mismatch. To get a better sense of local skill demands and find out what employers are looking for in new employees I also conducted a skills survey of Somerville area employers. The survey methodology is outlined below. In addition, I conducted extensive interviews with four employers and talked to workforce development consultants.

Chapter four examines the skill levels of underprivileged Somerville residents. There is very little data on skills to develop a quantitative measure so I relied on the interviews with employers and conversations with agencies heads and clergy who deal with the target population. I also conducted a focus group with nine residents of a Somerville public housing development who are working, and in the market for better paying jobs.

The fifth chapter looks at ways to address the skills mismatch and involve community based organizations in job training. First, I review models of successful programs around the country where CBOs play a leading role. I then compare these models to training programs that are available to Somerville residents.
Chapter six summarizes some of the challenges and opportunities that confront Somerville Community Corporation in their efforts to develop effective programming. Finally, in the seventh chapter I develop some recommendations for how SCC might proceed in their efforts to develop job training and other workforce development initiatives.

**Survey Methodology**

The survey of employers was conducted using a random sample of area firms from a list of employers provided by the Massachusetts Department of Employment and Training. The sample was drawn from the two DET geographic sectors that Somerville residents are most likely to work in, the Boston SDA and the Metro North SDA. The Metro North SDA includes the cities and towns of Arlington, Belmont, Burlington, Cambridge, Chelsea, Everett, Malden, Medford, Melrose, North Reading, Reading, Revere, Somerville, Stoneham, Wakefield, Watertown, Wilmington, Winchester, Winthrop and Woburn.

Industries chosen to survey were those most likely to expand and increase employment in the next ten years, as outlined in Chapter 2. The sample was stratified by small, medium and large firms. The size designations correspond to the DET’s stratification; small being 1 to 49 employees; medium 50 to 249 employees; and large 250 or more employees. The survey was conducted by telephone and fax with 80 employers. Forty-eight surveys were completed for a response rate of 60%. Copies of the survey instrument and the results are included in the appendices.
EMPLOYMENT TRENDS - WHERE THE NEW JOBS WILL COME FROM

The job market that Somerville residents are in today is very different from the one their parents faced a generation ago and even the one they themselves faced just ten years ago. New jobs opportunities are mainly in the service and trade sectors while the manufacturing sector, which traditionally had been a primary source of good jobs in New England, continues to decline. Within all industry sectors the type of occupations that are in demand are changing as well. Positions requiring few or no skills are disappearing, while higher skilled, white collar and professional positions are in growing demand. For low-skilled Somervillians this means that new job opportunities will continue to shift among industries and among occupations.

The job market for Someville residents is not confined to the city itself. The geographic area that they will find work in encompasses Boston and the immediate surrounding northern and western suburbs. Almost 80% of Somerville workers are employed outside of the city. Close to half of the jobs in the city are held by people who live outside of Somerville. The average commute to work for someone living in Somerville is 35 minutes. In short, the area that most Somerville residents will find

\footnote{1990 Census}
employment encompasses roughly the area of the city of Boston, the southern section of
Essex County, and the southern and eastern sections of Middlesex County. ²

**Sectoral Opportunities**

**Service**

Service industries are now the dominant sector in New England and are expected
to create the most new jobs in Massachusetts over the next ten years. This broad sector,
which includes everything from hotels and laundromats to law offices and engineering
firms, produced 679,000 new jobs in the six New England states in the period from 1983
to 1995, increasing employment in this sector by half. ³ In Massachusetts alone the
service sector is expected to produce 300,000 new jobs in the state by the year 2005. ⁴
This represents a projected increase of 31% in service sector employment over the next
decade.

Industries within this sector which are expected to produce most of these new jobs
are business services such as software, data processing, personnel, facility maintenance,
security and equipment leasing. Despite declining employment in hospitals, health
services are expected to also expand as the industry moves toward managed care and

² The Massachusetts Department of Employment and Training divides the state into 16 Regional Employment Board
(REB) Service Delivery Areas (SDA). The REBs are private sector led boards responsible for overseeing the local
workforce development system. The two SDAs that Somerville residents are likely to seek employment are the Boston
SDA and the Metro North SDA. The Metro North SDA includes the cities and towns of Arlington, Belmont,
Burlington, Cambridge, Chelsea, Everett, Malden, Medford, Melrose, North Reading, Reading, Revere, Somerville,
Stoneham, Wakefield, Watertown, Wilmington, Winchester, Winthrop and Woburn
Boston: Massachusetts Institute for a New Commonwealth , pg. 82
Massachusetts Industries”. Boston: Massachusetts Department of Employment and Training.
deals with an aging population. In addition, social service industries are also expected to create 37,000 new jobs in the Commonwealth over the next decade. Engineering, accounting and managerial consulting services round out the top tier of high growth service sub-sectors. For individuals looking for employment in the Metro North SDA this is very promising. Compared to the rest of the Commonwealth this region has a disproportionately high rate of service sector employment, 44% verses the state average of 33%. Service industries therefore should certainly be included in any sectoral targeting of jobs by SCC.

Trade

The trade sector which includes wholesale and retail industries is predicted to generate the second largest number of new jobs in the state through the next ten years. Over the last decade this sector added 258,000 new jobs in New England and in Massachusetts alone is expected to produce 55,000 new jobs by 2005, an increase of nine percent. The greatest number of jobs in this sector will be created in eating and drinking establishments. Though the Metro North SDA has a lower than average proportion of employment in restaurants and bars, 5.2% versus the state average of 6.3% there, are many such establishments in the city as well as a very high proportion of employment in this sub-sector in nearby Boston. Advantages to seeking employment in this sector

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include low barriers to entry and few training requirements. But these jobs tend to be low paying, have few benefits and do not offer good prospects for long term career employment.

**FIRE**

The finance, insurance and real estate (FIRE) sector in Massachusetts is expected to continue its job expansion through the next decade as well. However, most of the 13,500 increase in employment in this sector will be in security and commodity brokerage firms with little potential for hiring low, or semi-skilled individuals. Contributing to the low prospects for low and semi-skilled Somerville job seekers in this sector is the fact that depository institutions are expected to shed 7,400 jobs in Massachusetts as banks merge and consolidate\(^8\). The Metro North SDA, in which Somerville residents will be job searching, has a higher than average proportion of banks than the rest of the state. As the industry consolidates and banks merge job opportunities will decrease.

**Manufacturing**

The manufacturing sector will continue its decline over the next decade but will continue to make up a significant proportion of jobs in the region and in the state. In the period from 1983 to 1995 New England saw a loss of 339,000 manufacturing jobs, representing a 25% decline in employment in that sector\(^9\). This trend is expected to

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\(^8\) Ibid.

continue over the next decade with a predicted loss of 55,400 jobs in Massachusetts by 2005.\textsuperscript{10}

The shrinking of the manufacturing sector should not preclude the exploration of job opportunities for Somervillians in these industries however. Ten years from now this sector will continue to represent 12\% of the state’s jobs, the third largest of the eight major industrial sectors.\textsuperscript{11} In addition, manufacturing jobs tend to be higher paying, longer lasting and have better benefits than service jobs. Many industries in the manufacturing sector have aging employees who will have to be replaced when they retire.\textsuperscript{12} In addition, some industries within this sector including medical instrument manufacturing and chemical production will expand and offer opportunities for semi-skilled individuals. These two manufacturing industries have a high proportion of employment in the Metro North SDA and may offer opportunities for Somerville residents.

The transportation, communication and utilities sector makes up a relatively small proportion of the state’s and region’s jobs and is not expected to hold a lot of promise of significant job growth. Some exceptions include water and sanitation services which are expected to grow by 49\% over the next decade.\textsuperscript{13} For Somervillians though, this may not be a sector to look for since the number of such utilities in the area is quite small.

Government is another sector which has a mixed future in terms of job growth. Local government employment is expected to grow by more than six percent over the


\textsuperscript{11} Ibid.

\textsuperscript{12} Interview with Jerry Rubin of the Greater Boston Manufacturing Partnership - April 4, 1997

next ten years as cities and towns take up the slack from cuts in state and federal
government services.\textsuperscript{14} Local government positions tend to be good paying, union jobs
and usually come with excellent benefits. City of Somerville starting salaries are in the
low twenties for low-skilled positions and come with full health benefits and generous
vacation pay. The city generally likes to hire Somerville residents and is an affirmative
action employer.

Finally, the construction sector is predicted to add 15,700 jobs statewide in the
next ten years, an increase of 18\%.\textsuperscript{15} Though very cyclical, the construction industry and
the building trades provide good paying jobs with decent benefits compared to the service
sector and should be looked at a source of good living wage jobs. Anecdotal evidence
suggests that discouragement of young people from entering the construction industry and
the building trades over the past 10 to 15 years is leading to a shortage of workers in these
industries.\textsuperscript{16} Table 1 summarizes the net changes in employment from 1995 to 2005 in
Massachusetts by industrial sector.

\textsuperscript{14} Ibid.
\textsuperscript{15} Ibid.
\textsuperscript{16} Tom Bent, of Bent Electrical Contractors, claims that construction and trade workers who suffered in the bust of the
early 80s and late 80s early 90s real estate crash are discouraging their children from entering their field. In addition
schools discourage young people from going into the trades for similar reasons.
### Table 1 - Projected Net Employment Changes in Massachusetts by Industrial Sector, 1995 - 2005

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td>298,000</td>
<td>31%</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>55,000</td>
<td>8%</td>
</tr>
<tr>
<td>Finance, Insurance and Real Estate</td>
<td>14,000</td>
<td>7%</td>
</tr>
<tr>
<td>Transportation, Communication, Utilities</td>
<td>8,000</td>
<td>6%</td>
</tr>
<tr>
<td>Government</td>
<td>9,000</td>
<td>2%</td>
</tr>
<tr>
<td>Construction</td>
<td>16,000</td>
<td>18%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>(55,000)</td>
<td>-12%</td>
</tr>
</tbody>
</table>


In sum, looking at job prospects sectorally, the trends of the last decade and a half are expected to continue but other hidden opportunities exist. Service and trade employment will expand rapidly and all other sectors except manufacturing will grow moderately. Industries in the manufacturing sector as well as construction and building trades will produce new jobs as well as hiring replacements over the next decade. Local government will also have some niche employment opportunities. These latter two sectors offer better wages and benefits than the trade and service sectors and generally present better career opportunities. The key to finding the “hidden” jobs in these two sectors will be close communication with employers to learn of their current and future human resource needs.
Occupational Projections

Occupationally, the trend of the last fifteen years is expected to continue over the next decade. Between 1983 and 1994, 97% of the net increase in employment in New England occurred in professional, managerial and technical jobs.\textsuperscript{17} In general, occupations that require few skills and little training have been in decline for 20 to 30 years. This decline has accelerated in the past ten years with the advent of new technology, new workplace organizations and as the globalization of the economy. In the next decade, overall employment in Massachusetts is expected to increase by 12%.\textsuperscript{18}

Looking at the future job market in terms of occupations, most new employment opportunities will be in white-collar and professional jobs that require more education, higher skill levels and more specialized training than do current positions.

Changes in the occupational mix also are a result of a change in industrial make-up of the area economy outlined above. The growth of the service sector for example, will increase demand for secretaries, medical technicians, computer service technicians, clerical supervisors and personal care employment. Declining manufacturing industries will result in decreased demand for jobs that can be easily automated. Over the next decade most employment opportunities will continue to shift away from low-skilled blue collar jobs toward professional white-collar jobs.


Future job opportunities will be in both new positions that are created and in the replacement of existing workers who will be promoted, change fields, leave the workforce, or retire. New positions are predicted to number approximately 374,000, over the next decade while replacement jobs are expected to number about 760,000 in Massachusetts by the year 2005. In other words, for every new job that is created there will be two new openings due to replacement needs.

Though replacement position opportunities will generally be greatest in occupations with high turnover and relatively low skill demands, many will be in high-skilled occupations. Service and sales sector positions, such as retail and food service jobs, will have the highest proportion of replacement positions. These occupations have a large number of young people and adults working part-time and the turnover is very high. SCC should look to these occupational sectors for short term employment with easy entry but they do not offer good long term prospects.

The largest single group of replacements positions, 165,000, or 22% of all replacements, will be in technical and professional positions. However these positions require the greatest amount of education and training and in the short term offer few prospects for low-skilled individuals. The best place to look for opportunities in replacement positions would be in the clerical and administrative support sectors as well as the precision production and repair sector. Jobs in these two sectors include legal and

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medical secretaries, clerical supervisors, and receptionists as well as machinists and tool, die workers and automotive mechanics. These two occupational sectors combined will offer 182,000 replacement positions, more than the professional and technical sector, over the next decade. Positions in these two sectors are more accessible and have fewer training requirements than the professional occupations and offer better wages and longer career opportunities than the service and sales occupations. Positions in these latter two sectors offer relatively good wages in addition to low barriers to entry and should be looked to for job opportunities by Somerville Community Corporation.

**Professional and Technical**

The greatest number of new job opportunities over the next ten years will also be in professional and technical occupations. Of the seven general categories of occupations this segment is expected generate 337,000 jobs, accounting for 46% of all new jobs and 22% of all replacement jobs. Some of the largest gaining specific occupations in this area will be systems analysts, senior and mid-level managers, and financial managers. These positions for the most part will be out of reach, at least in the short term, for the majority of the target population of low-skilled individuals in Somerville. Educational requirements for most of these occupations are at least a bachelors degree and for many positions a masters degree and/or extensive work experience.

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21 Ibid.
Service

The occupational category of service workers will experience the second highest gain in new job openings in the Commonwealth. Some particularly fast growing jobs in this category will be waiters and waitresses, janitors and cleaners, and home health aides. This occupational group presents the best opportunities for individuals with few or no skills. However these positions generally offer little long term career prospects. Many of the large number of openings in this field will result from the high rate of turnover in these jobs. This broad occupational category is the one exception to the rule of decreasing opportunities for low-skilled workers. Many of the jobs in the service occupational category cannot be automated and therefore are not affected by the increased use of technology. For Somerville residents seeking jobs these positions should be looked at as stepping stones to better long term employment.

Executive and Managerial

Executive and managerial positions are also expected to increase at a rate above the average for all occupations in Massachusetts. Examples of fast growing occupations include administrative managers, financial managers, human resource managers, management analysts and consultants. This category is expected to increase by 16% over the next decade adding 44,000 new and 67,000 replacement positions across the state. Many of these positions do, and will in the future, require a college degree and some work experience, though some mid-level managerial positions require only an associates

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Ibid.
degree. In the short term at least, this occupational category may not present many opportunities for low-skilled Somerville residents.

Marketing and sales occupations are predicted to expand in Massachusetts over the next decade at a rate of 12%. These positions, including sales clerks, cashiers, stock clerks and marketing and sales supervisors, represent one of the best opportunities for low and semi-skilled individuals to enter growing occupations with relatively low barriers to entry. Senior positions such as marketing and sales managers however, require a bachelors degree and some work experience. This occupational sector is expected to add 49,000 new jobs overall by 2005. Table 2 summarizes job growth over the next decade, broken down by occupational sector and divided into replacement openings and new job openings.

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24 Ibid.
25 Ibid.
Table 2 - Projected Job Growth in Massachusetts by Occupational Group, 1995 to 2005, Replacement Openings and New Jobs

<table>
<thead>
<tr>
<th>Occupational Group</th>
<th>Replacement Openings</th>
<th>Replacement Openings as a Percentage of Current Occupational Employment</th>
<th>New Jobs</th>
<th>Growth Rate New Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive and Managerial</td>
<td>67,000</td>
<td>24%</td>
<td>44,000</td>
<td>16%</td>
</tr>
<tr>
<td>Professional and Technical</td>
<td>165,000</td>
<td>21%</td>
<td>172,000</td>
<td>22%</td>
</tr>
<tr>
<td>Marketing and Sales</td>
<td>118,000</td>
<td>30%</td>
<td>49,000</td>
<td>12%</td>
</tr>
<tr>
<td>Clerical and Administrative</td>
<td>122,000</td>
<td>22%</td>
<td>7,000</td>
<td>1%</td>
</tr>
<tr>
<td>Service</td>
<td>144,000</td>
<td>28%</td>
<td>85,000</td>
<td>17%</td>
</tr>
<tr>
<td>Precision Production, Craft and Repair</td>
<td>60,000</td>
<td>23%</td>
<td>14,000</td>
<td>6%</td>
</tr>
<tr>
<td>Operators, Fabricators and Laborers</td>
<td>84,000</td>
<td>25%</td>
<td>2,000</td>
<td>1%</td>
</tr>
</tbody>
</table>


Opportunities by Education and Training

A useful way to look at possible job opportunities for low-skilled Somerville residents is to observe projections for specific occupations and the education and training required for those positions. Table 3 lists the projected top eleven overall growth occupations in Massachusetts over the next ten years, and the education and training required for those positions.

Table 3 - Projected Top Overall Growth Occupations in Massachusetts,
1995 - 2005, With Median Weekly Earnings and Training Requirements

<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>PROJECTED NEW JOBS (% growth)</th>
<th>PROJECTED REPLACEMENT OPENINGS (% of current jobs)</th>
<th>MEDIAN WEEKLY EARNINGS</th>
<th>EDUCATION/TRAINING REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales</td>
<td>12,270 [12%]</td>
<td>33,530 [33%]</td>
<td>(varies)</td>
<td>Short term on the job training</td>
</tr>
<tr>
<td>Cashiers</td>
<td>9,400 [14%]</td>
<td>30,380 [45%]</td>
<td>$237</td>
<td>Usually a high school diploma, on the job training</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>10,750 [21%]</td>
<td>25,500 [49%]</td>
<td>$271</td>
<td>On the job training, previous experience preferred</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>14,360 [22%]</td>
<td>10,740 [16%]</td>
<td>$695</td>
<td>Associates degree</td>
</tr>
<tr>
<td>Secretaries</td>
<td>4,840 [6%]</td>
<td>15,090 [19%]</td>
<td>$396</td>
<td>Office skill training in word processing, spreadsheets and database management</td>
</tr>
<tr>
<td>Janitors and Cleaners</td>
<td>8,040 [15%]</td>
<td>11,080 [21%]</td>
<td>$293</td>
<td>Short term on the job training</td>
</tr>
<tr>
<td>General Office Clerks</td>
<td>3,750 [34%]</td>
<td>1,230 [11%]</td>
<td>N/A</td>
<td>On the job training, good interpersonal and communication skills required</td>
</tr>
<tr>
<td>Home Health Aides Aides</td>
<td>13,220 [78%]</td>
<td>3,160 [19%]</td>
<td>$297</td>
<td>Short term training and certificate</td>
</tr>
<tr>
<td>Nursing Aides and Orderlies</td>
<td>9,340 [25%]</td>
<td>6,110 [17%]</td>
<td>$281</td>
<td>On the job training, Some hospitals require training in basic health</td>
</tr>
<tr>
<td>Receptionists</td>
<td>7,450 [30%]</td>
<td>5,290 [21%]</td>
<td>$328</td>
<td>High school diploma and on the job training</td>
</tr>
<tr>
<td>General Maintenance and Repairers</td>
<td>4,950 [18%]</td>
<td>6,000 [22%]</td>
<td>N/A</td>
<td>High school diploma preferred and some training in mechanical drawing, electricity, woodworking and blueprint reading</td>
</tr>
</tbody>
</table>

3

THE SKILLS MISMATCH - EMPLOYER DEMANDS

Introduction

Employers in virtually all industries are demanding higher skill levels from the people they hire today than the workers they employed as recently as a decade ago. Good reading, writing and math skills are becoming more and more essential to landing a living wage job in Massachusetts today. Basic computer skills are necessary in an increasing number of occupations and at all levels of every firm. Most industries are also seeking individuals with an additional set of “soft skills” to perform new tasks and in new occupations. Motivation and the ability to interact with other people have also become prerequisites to a job in the 90s.

Increased competition is behind the drive to find workers with greater capacities. A heightened level of competition has forced employers to become more productive and efficient, to continually innovate, and respond to consumer demands more effectively. Globalization of the economy has meant that a manufacturer -- and increasingly a service business -- in Boston now has to compete on quality and price with manufacturers or service providers all over the world. Competing with a larger number of firms with different production techniques has meant that US employers must be more responsive to the market and be able to innovate more quickly than before.
Firms are staying competitive in this new environment through the increased use of technology in the workplace; the introduction of “flatter” workplace organizations; and by developing a wider range of products to meet more demanding consumers and buyers. The increased use of information technology, particularly the computer, in the workplace has meant that a larger proportion of workers have to be familiar with new machines. Flatter structures which reduce the need for middle managers and push decision making down the ladder to frontline workers are becoming more common.

Additionally, consumers and buyers of goods and services are demanding a wider variation and better quality of products. In a globalized economy purchasers have a wider range of sellers to choose from. In order to stay competitive, producers of services and goods have to respond with ever changing product lines and an ever increasing quality of product. Toward this, employers seek frontline workers that are be able to perform a wider range of tasks and able to constantly adapt and learn new skills and develop greater capacities.

**Literature Review**

Recent research has documented the rising skill demands and laid out what capacities the worker of the future needs in order to get and hold a decent wage job. Holzer (1996) demonstrates that hard skill requirements of non-college degree positions are quite high. In his survey of employers in four cities he determines what employers

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want by looking at the frequency of tasks performed by non-college degreed employees. Holzer finds that reading a paragraph, doing arithmetic, dealing with customers (in person or on the phone) and using computers are all performed daily in half or more of the jobs that do not require a college degree. The one task that is performed daily in less than half of the positions surveyed is writing a paragraph, which is necessary in 30% of the jobs.3

Moss and Tilly (1996) find that half of the employers in the four industries they surveyed report an increasing need for soft skills. Soft skills in this study are defined as “skills, abilities and traits that correspond to personality, attitude and behavior rather than to formal or technical knowledge”. The authors break down soft skills into two “clusters”, interaction skills and motivation characteristics. Interaction skills include friendliness, teamwork, ability to fit in, and appropriate affect, grooming and attire. Motivation characteristics include positive work attitude, commitment, dependability and willingness to learn.

In their study Moss and Tilly survey employers in four different industries: manufacturing, service, retail and the public sector. They found that manufacturers express a greater need for workers to be motivated. Retailers claim an increased need for workers who have good interaction skills. And both the service sector and public sector employers express a need for employees with both interaction and motivation skills.

Murnane and Levy (1996) argue that the requisite skills for a living wage job in today’s economy are: the ability to read and do math at a ninth grade level or higher; the

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3 Holzer groups all critical job skills into the ‘cognitive and social/interactive skills most frequently stressed in policy-oriented discussions of the growing skill needs of employers.’ He does not use the hard skill/soft skill distinction. Since all of the tasks but one that he studied are considered requiring hard skills, and communication skills are considered by many employers to be a ‘hard skill’ I used his research to illustrate hard skill demand.
ability to problem solve; the ability to work in groups; the ability to communicate effectively; and the ability to use computers to carry out simple tasks. This combination of hard and soft skills, or ‘New Basic Skills’, are shown to be what every young person coming out of high school and every worker must be equipped with to make it in the job market.

**Somerville Area Employer Skill Demands - Survey Results**

The survey of Somerville area employers largely mirror the findings of the recent skill demand research. The results reveal a skills mismatch which Somerville Community Corporation will have to address in any strategy to get jobs for low-skilled individuals. Opportunities for employment abound in the growing economy but many job seekers do not have the basic proficiencies or job specific skills that the hiring firms want.

A majority, 57%, of the responding employers expressed having trouble filling non-managerial, non-college degree positions. Large employers have a much harder time than small employers filling positions. Eighty-six percent of large employers had difficulty filling non-college degree positions against 36% of smaller employers who have difficulty. Of all employers that said they have trouble, over a third, 39%, said they cannot find individuals with the job specific skills that they are looking for, and another 39% cannot find workers with experience in their field. Almost a third of the employers, 32%, claimed that there were simply too few applicants for their open positions. A quarter of the employers indicated that they had trouble finding applicants with basic reading, writing and math skills. Basic education and English-speaking skills were
hampering their efforts to fill open positions for 21% of the respondents. These results are indicative of a tight job market, but they also confirm that a skills mismatch exists. Table 4 summarizes the reasons employers had difficulty filling open positions.

Table 4 - Reasons Employers Having Difficulty Filling Non-College Degree Positions

<table>
<thead>
<tr>
<th>REASON POSITION DIFFICULT TO FILL</th>
<th>PERCENT RESPONDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicants lack job specific skills</td>
<td>39%</td>
</tr>
<tr>
<td>Applicants lack work experience</td>
<td>39%</td>
</tr>
<tr>
<td>Too few applicants</td>
<td>32%</td>
</tr>
<tr>
<td>Applicants lack education, basic reading, writing, math skills</td>
<td>25%</td>
</tr>
<tr>
<td>Wages are not high enough to attract workers</td>
<td>25%</td>
</tr>
<tr>
<td>Applicants lack English speaking skills</td>
<td>21%</td>
</tr>
<tr>
<td>Applicants lack high school diploma or GED</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>18%</td>
</tr>
</tbody>
</table>

Though a quarter of the employers indicated that wages were not high enough to attract and keep worker many of the employers have raised wages in an effort to fill their open positions. Some employers have increased wages up to 40% in the past four years in an attempt to lure applicants and keep them on the job. Base salaries for the vacant positions are also quite attractive. Machine operators can start at $10 to $12 an hour, yet
many employers expressed frustration at not being able to find any. Apprentice electricians start at $10 to $15 an hour and the positions go begging.

**Hard Skills**

Looking at specific employer skill demands, the results show that employers in a range of industries look for employees who have job specific skills, a strong set of hard skills and an additional set of soft skills necessary for learning new competencies and taking on a range of responsibilities. Job specific skills were viewed as an important hard skill in almost half of the respondents, or 47%. Small employers in particular looked for individuals with job related skills and computer skills. Fifty-nine percent of small employees, versus 33% of large employers wanted workers with job specific skills. Thirty-two percent of small employers versus 29% of large employers sought employees with computer skills. These differences probably reflect the larger firms’ greater capacity to train employees in computer and job specific tasks after they are hired.

Employers sought a wide range of job specific skills that they could not find. A Cambridge beauty salon owner could not find qualified hairdressers. Applicants that a local training schools sent to her had to be retrained on the job to do basic hair cutting and styling that should already have been mastered. The manager of a Boston Copy Cop store said he had a hard time finding people who had good “conceptualization skills.” Customers often came in with vague ideas or sketches of the documents they wanted or documents on disk. His employees had to have the ability to think abstractly about the customers needs and fulfill them. Office mangers complained of a lack of applicants who
knew the latest word-processing and spreadsheet software. Many service and retail firms expressed frustration at not being able to find individuals who could operate a cash register or understand simple math principles in a spreadsheet. Data processing firms said they have difficulty finding skilled key entry people. And manufacturers all complained of a lack of skilled machine operators.

Rudimentary reading, writing and math skills were expected by virtually all of the employers and about a third of the respondents said these basics were important in new hires. Of the three R’s asked about, math skills were cited most frequently, 33%, as important. Reading and writing skills were cited 29% and 30% of the time respectively as important in new hires. Large employers were more likely to seek applicants with reading, writing, math and English speaking skills. One theory may be that large employers, who have the resources to train, are looking for people with the basic cognitive skills that will enable them to be trained. Small employers, who generally do not have the resources to train, are looking for people who already have the skills needed for the job. Table 5 breaks down the hard skill demands of employers.
Table 5 - Hard Skills Demanded by Employers

<table>
<thead>
<tr>
<th>HARD SKILLS</th>
<th>PERCENTAGE RESPONDING</th>
<th>PERCENT RESPONDING BY FIRM SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Small</td>
</tr>
<tr>
<td>Job specific skills</td>
<td>47%</td>
<td>59%</td>
</tr>
<tr>
<td>Math skills</td>
<td>33%</td>
<td>18%</td>
</tr>
<tr>
<td>Reading skills</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Writing skills</td>
<td>30%</td>
<td>23%</td>
</tr>
<tr>
<td>English speaking skills</td>
<td>27%</td>
<td>18%</td>
</tr>
<tr>
<td>Computer skills</td>
<td>27%</td>
<td>32%</td>
</tr>
<tr>
<td>Other</td>
<td>37%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Manufacturers commonly cited the need for good reading and writing skills as necessary to comply with ISO 9000 standards. This new set of international quality standards are becoming increasingly necessary to adhere to in order to sell abroad. One principle of these standards requires that workers on the production line document each operation they perform on the product they work on. This assures a purchaser that everything that the manufacturer claims about a product has in fact been done. To comply with this, manufacturers must have workers who can read quality assurance forms and fill them out as they work.\(^4\) The manufacturers who use ISO 9000 generally said that they have had to expand into international markets in order to survive in today’s economy and workers with reading and writing skills are key to their survival.

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Computer skills in employees were reported as important in 24% of the firms surveyed. Though this seems low because of the seeming universality of computers in all work places, the figure is comparable to the findings of the Holzer study. Some employers stated that they were actually delaying the introduction of computers to their business because of the lack of computer experience in their current employees and in people who seek employment with them. In addition, to the hardware expense, employers complained of the time and expense of having to train employees who had virtually no exposure to computers.

**Soft Skills**

The soft skills that employers most frequently cited as important were the characteristics that would allow employees to develop new abilities and take on new responsibilities in their jobs. These demands appear to reflect their need for employees to be adaptable and be able to continually learn new skills. Eagerness to learn was the most frequently cited soft skill that employers viewed as important in non-college degree employees. Forty-two percent of the respondents viewed this as critical. Following close behind was the need for employees with the ability to take initiative and work without supervision. Forty percent of the employers surveyed viewed this as important. There were no significant differences between large and small employers in their demands for soft skills with the exception of interpersonal skills. These results suggest that employers have a need for individuals who can and want to learn new skills and take on a growing array responsibilities in the workplace.
The ability to communicate well was also very important to employers. Twenty-nine percent of the employers surveyed viewed these skills as important when they hire someone. Many of the employers who expressed this need were in the service industry and communication skills were critical for interacting with customers. However, manufacturers and firms that did not necessarily deal with the public also expressed a great need for good communication skills among employees. Several employers talked about the frustration with not being able to find employees who had a good command of spoken English. Large employers were somewhat more likely to seek applicants with good interpersonal skill, possibly reflecting their need to get along with a larger number of fellow employees.

Other soft skills that employers indicated were important included interpersonal skills, and appearance and grooming. A third of all respondents stated that interpersonal skills were something that they look for in new hires for non-college degree employees. Respondents expressed a need for employees to be able to get along with and work closely with other employees. Service employers in particular needed workers who could interact with the public. Although appearance and grooming was indicated as important in only 16% of the respondents, many human resource managers indicated these were effectively screening criteria. The applicant would not even be allowed to fill out an application or make it to an interview if they did not have what the employer considered to be a minimum level of appearance.

Customer service skills were indicated to be important by 26% of the respondents. This is significant because this category was not one of the choices listed on the survey.
Customer service was added as a response by all of those employers indicating it was an important skill outside of the list of given skills on the survey instrument. Employers, particularly those in the retail and the service sectors, indicated it was difficult to find people who were energetic and had the right mix of hard skills and interpersonal/communication skills that it took to be able to interact with the public and take care of their needs. Table 6 summarizes the soft skill demands of responding employers.

### Table 6 - Soft Skills Demanded by Employers

<table>
<thead>
<tr>
<th>SOFT SKILLS</th>
<th>PERCENTAGE RESPONDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eagerness and ability to learn</td>
<td>42%</td>
</tr>
<tr>
<td>Ability to take initiative and work without supervision</td>
<td>40%</td>
</tr>
<tr>
<td>Interpersonal skills</td>
<td>39%</td>
</tr>
<tr>
<td>Communication skills</td>
<td>29%</td>
</tr>
<tr>
<td>Problem solving abilities</td>
<td>16%</td>
</tr>
<tr>
<td>Appearance and grooming</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>27%</td>
</tr>
</tbody>
</table>

What the results of the skill demand questions suggest for the strategy of SCC is that they need to equip job applicants with a wide range of skills. Any training program that is undertaken must address the lack of basic hard skills; the three R's and skills specific to the job the applicant is looking for; as well as a set of soft skills including “self
starter” skills and the ability to communicate well. Job readiness and interpersonal skills training will also have to be elements of the workforce development programming. Job training for the future will not pay off if it is narrowly focused on a trade and does not give the trainee the well rounded tools she needs to land a job today.

Screening

Employers determine the adequacy of an applicant in basically two ways: personal interview and a written job application. Almost all of the responding employers, 87%, use a personal interview to assess job applicants’ skill levels, and 69% of the employers use a written application. Virtually all employers, 95%, used one or both of these methods to evaluate a potential employee. Many employers also used a check of personal references and some form of job tryout or internship to confirm an applicant’s abilities. Employers who indicated they used reference checks stated that they are using them more extensively now than in the past.

There were some differences between large and small employers in how they evaluated applicants. In addition to a personal interview, almost half, 45%, of small employer use a check of personal references to verify qualifications. Large employers were more likely to use a written application in combination with an interview. There was no significant difference in the use of job tryouts or internships. One reason for the difference may be that small employers, with fewer applicants at any one moment, are more able to spend the time to check out the background of an applicant while it may be prohibitive for large employers to do so with multiple applicants.
The number and type of evaluation methods used obviously depended largely on the job that is being filled. For example a security service firm had to do extensive background checks on its applicants and a day care center observed job applicants interacting with toddlers for two days before they would hire them. An HMO human resource manager explained that they use a “behavioral interview”, in which an applicant is tested on how they would react in various hypothetical situations. This test is meant to evaluate an individual’s problem solving and motivation capabilities. Many of the employers who used multiple screening methods expressed a need to carefully evaluate new applicants because of their greater need for employees with a range of skills and the scarcity of such candidates.

An important part of the CDC’s workforce development strategy will have to be training in personal presentation and interviewing skills. The survey results show that employers rely heavily on first impressions for determining the adequacy of an applicant. If job seekers do not know how to conduct themselves in these situations any skill training they have received will be worthless.

Sources of Applicants

The survey also inquired about where and through what methods employers found applicants for open positions. The results of the survey and conversations with managers indicate that employers are having to look harder for qualified employees and taking measures to verify the caliber of the employees they tryout. Sixty-five percent of the respondents used local or regional newspaper ads to find new workers. While this has
always been a common method for finding new workers, employers stated that they were having to use a greater number of papers and sift through a larger number of responses to find qualified people. A few employers said they also use job sites on the web. It is less expensive and quicker than the newspaper, but they use it mainly because they can peruse a larger number of resumes for the skills they are looking for.

The second most common method for finding new workers was referrals from current employees which is used by 61% of the respondents. Employers indicated they are using this method far more now than in the past. They are increasingly seeking dependable and motivated workers who they can train on the job. The surest way to get applicants with those qualities, employers say, is to go through someone they already know is reliable and a hard worker. There is also an incentive for the referring employee to bring in a good person because it reflects well on them with their boss. Some firms even give bonuses to the referring employee if the referent stays for more than three months.

There are significant differences between large and small employers in their sources of new employees. Small employers overwhelmingly relied on newspaper ads and referrals from current workers. Large employers also used these two sources extensively but they also were more likely to use community colleges, government employment agencies and walk-ins as sources. Large employers also used other methods such as temp agencies, unions and paying current employees finder fees. Many of the large employers explained that they were using these methods with more frequency as a way to verify the skills and dependability of workers. They have moved away from the
newspaper ads because of lack of a way to certify the quality of the individuals that they get. Small employers’ high use of newspaper ads probably reflects their general lower level of resources for finding new employees. Table 7 breaks down the sources and methods employers use for finding new job applicants.

Table 7 - Sources and Methods of Finding New Applicants

<table>
<thead>
<tr>
<th>SOURCE/METHOD</th>
<th>PERCENTAGE RESPONDING</th>
<th>PERCENTAGE RESPONDING BY FIRM SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Small</td>
</tr>
<tr>
<td>Newspaper ads</td>
<td>65%</td>
<td>73%</td>
</tr>
<tr>
<td>Referrals from current workers</td>
<td>61%</td>
<td>68%</td>
</tr>
<tr>
<td>Walk-ins</td>
<td>14%</td>
<td>9%</td>
</tr>
<tr>
<td>Government employment agency</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>Community college</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Job training program</td>
<td>6%</td>
<td>14%</td>
</tr>
<tr>
<td>Other</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

These results indicate a growing need to verify the abilities of a job applicant. Someville Community Corporation’s workforce development strategy must include a method of certifying the quality of individuals they refer to employers. Without some assurance of the abilities of an applicant, employers are unlikely to hire an unknown quantity. The data and comments from employers also suggest that small employers in particular could benefit from a low cost source of new workers.
Two noteworthy figures are the low proportion of employers who find applicants through training programs. Only 6% use job training programs and 8% use community colleges as a source of new employees. These are very dismal numbers when looking to these two entities as a possible way to create links to jobs and deal with the skills mismatch. The low numbers could be partly due to graduates getting jobs through the newspaper ads or other means that the employer did not know came from training institution, or applicants that did not come directly from a training institution. Assuming this however, it still indicates a lack of a direct connection or link between training institutions and employers.

**Employer Case Studies**

Interviews with three Somerville area firms demonstrate some of the differences between large and small employers in skill demands, and the methods of finding and screening employees. Both large and small employers are seeking workers with higher skills and are becoming more cautious about who they hire. They are dealing with it in somewhat different ways, with large employer tending to turn inward to solve training and recruiting issues, and smaller employers more likely to use outside institutions to help with training and as a source of new employees.

**United Electrical Controls**

United Electrical Controls is a 275 employee manufacturer in Watertown, Massachusetts. They manufacture high tech pressure gauges and temperature controls for
industrial use and their products are sold across the country and exported all over the
world. UEC has recently completed a full transformation of their plant to a Toyota
Production System (TPS). Lines between management and production are non-existent,
tightly packed quality circles dot the shop floor and signs reading “Have you thought
about Kaizen today?” hang on the walls.

Annie Yu, UEC’s director of training, says that they need people with a much
higher level of skills since they made the change over to the new system. She explains
that they need employees proficient in reading and math at an 8th grade level, good
English communication skills, computer skills, problem solving ability, the ability to
work in teams and most importantly people who know how to learn. UEC is constantly
innovating and changing both their products and the production system so they need
people who can keep up and learn new skills.

Annie says that all of their training is done in house. Many of the skills, such as
learning how to learn, she claims can not be taught in a classroom. She also states that
they do not use any outside training organizations to fill skilled positions. Their attitude
toward training programs is very skeptical. When asked if they use outside training
organizations Annie responded: “Very rarely, I think we have this mentality here that’s
kind of like, if it isn’t invented here we don’t really want it”.

When UEC needs to fill new positions they hire temps. The temps are observed
for a period of a few months. The ones that are deemed trainable for the TPS system are
asked to stay on as a regular employee. Annie says that they do not do any cold hiring
anymore, and all new production employees are hired through this trial method. They have even eliminated the need to do any interviewing or use of any written applications.

**Ames Safety Envelop**

Ames Safety Envelop is a 59 year old paper products manufacturer in the heart of Somerville. The sprawling factory employs 500 people making color coded medical record folders, software boxes and envelopes among other products. Much of the work is fairly low tech and does not require a great deal of skill. Darlene Nicgorski, the director of education and training, says that they do need people with basic reading and math skills and some people with machine operating experience. There is not a huge need for soft skills other than good communication abilities, including English.

Darlene says that it has been extremely difficult finding people with the skills they need. What the company has done is set up their own training to teach people reading, writing, math and job specific skills. Their strategy has been to find people who appear eager and motivated and then put them through a very targeted training program which teaches them reading and math using the materials they will use on the job. Asked why they do not use an outside training program Darlene responds: “It is a real struggle to get any of these places [SCALE and Bunker Hill Community College] to understand that businesses operate differently than what they teach -- they use reading examples about Dick and Jane and Spot. In our on site reading and writing classes we teach students to read a work order, the types of paper we use.... not some story about Dick and Jane.”
The contextual learning has paid off for Ames and their employees -- 23 workers have received their GEDs through the education programs provided in-house.

These stories indicate that employers have become skeptical of outside training and educational institutions and are resolving their skill issues internally. Not only have they lost confidence and contact with job specific training initiatives, they are addressing the poor preparation by the schools with their own classrooms. These firms have also developed very closed systems of finding new employees, systems which are very difficult to for an outsider to break into.

**Bent Electrical Contractors**

An employer that is taking a different tack to solve his human resource needs is Tom Bent, the owner and president of Bent Electrical Contractors in Somerville. Tom has not given up on the schools and training programs, he has decided to try to change them. He has the same problems as the larger firms of not being able to find new hires with good basic skills, job specific skills, job readiness and the ability to communicate well in English. It is not because he is cheap either. Bent Electrical starting wages for an apprentice are as high as $15 an hour.

Tom finds new employees by putting an ad in the paper and from the walk-ins who regularly come in and fill out applications. He says that ten years ago he would get a hundred responses from one ad, today the same ad will get ten responses. And the people that do show up are usually unqualified and many of the young guys that show up lack the basic skills needed to train them.
One of Tom’s priorities is reforming the schools and the vocational technical program that sends him apprentice workers. He understands the connection between the community, schools and employers, and that they all benefit when they work together to solve the skills gap. Tom drove his point home and got some results by mixing the education world and the working world. One summer he hired the instructor of the electrical vocational program at Somerville High School. He deliberately stuck the instructor with a couple of the high school kids who were also interning for the summer. The instructor quickly found out how irrelevant much of his curriculum was by seeing first hand what the job entailed and how badly prepared his student were. He made several changes to his class the following semester.

Bent understands that helping his community and his local schools benefits him and he is willing to put his resources into it. He “gets it” because he has been able to think in non-traditional ways about training and adapting to the realities of today’s labor market. SCC will have to foster this attitude in other employers for their workforce development initiatives to be successful.

These stories point to some of the issues that SCC will have to address in order to craft effective workforce development programming. The networks employers use for finding new employees will be difficult to access. Large firms in particular may be hard to access and develop relationships with because of their insularity and hesitancy to work with outside organizations. Skepticism of training programs appears to have developed from an inability to produce the trained workers that large employers need. Large
employers have developed their own solutions to their training and recruiting needs and appear to not need outside organizations. These hurdles can only be overcome by demonstrating to employers the advantages of working with a CBO to deliver what they need: reliable, motivated employees with a base set of skills.

Scrutiny of new employees has also increased with the need for higher skilled employees. Information on the caliber of applicants is what is most valuable to employers when hiring new people. Employers are seeking more and better information on the quality of job applicants. They want assurances that an applicant is capable of performing the more complex tasks in the workplace. If SCC can deliver these assurances they will be able to become a valued actor in the local labor market.
THE SKILLS MISMATCH - JOB SEEKERS SKILLS

What are the skills that ‘disadvantaged’ Somerville residents have and how do they match up with what employers are looking for? Data on hard skill levels is scant and not very definitive, and soft skill data is non-existent. However, we can get a sense of skill levels by looking at education levels, test scores, and training program skills assessment reports. Conversations with employers, educators, training professionals and people who work in human service organizations also shed light on what capacities individuals without a college degree have.

Hard Skills

Somerville has a disproportionately high level of poorly educated residents. The percent of the population that has not finished high school is five points higher than the state average, 25% versus the Massachusetts mean of 20%.

Without a high school diploma those individuals are starting out in the job market with a big disadvantage. The city’s proportion of high school graduates and residents who have had some college is also below the state average two points below and six points below respectively.

1 1990 Census
2 Ibid.
Even those who have made it through high school are not very well equipped to compete for jobs. The quality of the Somerville school system is well below the state average. Using student academic performance to assess the quality of the schools, the city’s education system can said to be failing. MEAP (Massachusetts Education Assessment Program) test scores for Somerville students in reading, math, science and social studies are on average 53 points below the state average of 1300.3 The percentage of students performing at grade level is also below standard. For the same five subjects listed above, Somerville High School has a lower than average number of students performing at grade level.4

These data confirm what area employers say about local high school graduates. Tom Bent, the electrical contractor, says that some of the SHS graduates who apply for a job with him cannot even write. He has had to simplify the written application just so the applicants can figure it out. Math and science skills are bad also. Ten years ago, he says, this would not have been an issue, he could have hired these lads for most of the work he did then. Today, Tom’s business needs people who have above average math, science and computer skills and he is having a hard time finding them.

Ames Envelop also gives the Somerville Public Schools low marks. Darlene Nicgorski, the director of training and education, complains that some of the Somerville High School graduates applying for a job at their company cannot even read or write. She states that she would be happy with 7th or 8th grade level math but is lucky if she can get

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3 Massachusetts Education Assessment Program - MEAP statewide proficiency scores are reported in five levels. Levels III and IV (Three and Four) demonstrate mastery of the curriculum. Each School District Profile includes the percentage of assessed students who have attained Level III or IV proficiency in various categories (reading, math, science, and social studies). Massachusetts Department of Education web page: http://info.doe.mass.edu/pic.www/Profiles/Somerville. html#CommunityCharacteristics

4 Ibid.
3rd or 4th grade level. Ames needs workers who can do basic addition and subtraction to fill out work orders. They also need employees who can use a ruler and measure to within a sixteenth of an inch, are able to add measured lengths together and convert these measurements to metric.

**English Speaking Skills**

Many in the job market however, have not gone through the local school system or any other school system. Particularly in the Northeast, the percentage of native born Americans in the workforce has been declining while the proportion of immigrants continues to rise. Over 40% of the net growth in New England’s labor force over the past decade and a half was attributable to foreign immigrants.\(^5\) A growing proportion of the population are recent immigrants with no education in the United States and little or none in their country of origin. The result is a large number of job applicants without basic English language communication skills.

Jerry Rubin, who runs the Greater Boston Manufacturing Partnership, says that all employers are having hard time finding reliable work-ready people who speak English. He claims that after job specific skills, English speaking skills are in the shortest supply in Massachusetts. In the employer survey, of the respondents who had trouble filling positions, 20% of them gave lack of applicants with English speaking skills as a reason. An indication of what the labor force of the future will look like and what employers will have to contend with is the situation at Ames Envelop. Among their 500 employees they

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have workers from 26 different countries and use five primary languages when translating company reading material -- Spanish, Portuguese, French, Haitian Creole and Vietnamese!

**Soft Skills**

Many people who work with low-skilled, disadvantaged individuals in Somerville stress that soft skills and basic knowledge of the working world are severely lacking in this population. Social service workers, clergy and others with first hand knowledge of their job search struggles believe that lack of interviewing skills, job market savvy and knowledge of the working world leave them ill prepared for today’s job market. Rose Boardman, who runs The Welcome Project, an education and social service program at the Mystic Housing Development in Somerville, says that many of her clients have the motivation and many times the hard skills but cannot “get in the door.” Not knowing how to interview or sell themselves to an employer and write a resume are road blocks to employment. Father Casey, the pastor of St. Anne’s church in Somerville, talks about his Haitian and Brazilian parishioners who have great difficulty breaking into the informal networks which are the source of most of the jobs in the area.

Tom Bent sees a lot of young people who do not know how to interview. In his determination to help his community while he helps himself, he volunteered to help the local vocational program set up an interview training program. Tom was getting a lot of local youth coming in to apply for jobs that he wanted to hire but he just could not
because they had no sense of how to conduct themselves in a working situation. They did not know how to “dress for success” or present themselves well in job interviews.
MODELS OF CBO INVOLVEMENT IN
WORKFORCE DEVELOPMENT

What models can Somerville Community Corporation look to for ideas on
developing an effective training program that is responsive to the current job market and
addresses the issues of connecting workers to employers? There are a number of
successful models around the country for community based organizations (CBOs) playing
a role in workforce development. What they all have in common is a new way of looking
at job training. They do not see it as classroom teaching XYZ, but as a way of becoming a
valued player in the local economy supplying a high quality resource.

Center for Employment Training

One of the most successful and longest operating CBO workforce development
programs is the Center for Employment Training (CET) based in San José, California. A
recent study by Edwin Meléndez of the Gastón Institute outlines the formula for success.
CET trains individuals using contextual learning where basic skills training -- reading,
math, ESL -- is embedded in the job skills training. Trainees are taught in a real world
job-like context -- punching a clock, showing up on time, being responsible to an
instructor -- giving them job readiness skills. Open-entry and exit from the program, graduation based on skill competency and variable length of training time are also distinctive aspects of the program. These characteristics of CET produce very competent well trained individuals who are well equipped for the working world.¹

Meléndez finds that the key to the success of CET however is the relationship it has with employers. CET’s success in placing trainees in jobs is due in large part to the high quality of training but it is also very dependent on the connections the program has with employers in the area. Employers consult on curriculum, supply instructors and predict future skill and occupational needs in their respective industries. Most importantly they provide a tangible goal for trainees to work for so they see a connection between what they are learning and the job they hope to get.²

Project QUEST

A newer model which shares some of CET’s aspects and has gained national attention is San Antonio’s Project QUEST. This program grew out of local grassroots organizations, C.O.P.S and Metro Alliance. Trainees of QUEST, or QUESTers as they are known, experience substantial gains in terms of likelihood of working and wages and hours of work (Osterman 1997). The distinctive features of Project QUEST include employer involvement in curriculum design and forecasting future skill needs; training

² Ibid.

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almost exclusively at community colleges; a high level of support for trainees; and financial support for trainees while enrolled in the program.\(^3\) Taken together these aspects create a long term, comprehensive and supportive program that is highly responsive to the local labor market.\(^4\)

Project QUEST is unique in another important way. They attempt to become an active player in the labor market and influence the types of jobs that are being created and the type of training that is developed for those and future jobs. Traditional job training programs simply accept the hiring practices of employers and the area training programs and educational programs as given.\(^5\) QUEST has become an active player in the San Antonio labor market by encouraging employers to develop new occupations and getting community colleges to adjust their training to better suit employer’s and the community’s needs.

**Sectoral Employment Initiatives**

Project QUEST and CET are examples of sectoral employment initiatives. Sectoral initiatives target a particular type of occupation or a cluster of related occupations and intervene by becoming a valued actor within the industry that has those occupations (Clark and Dawson 1995). The goal of a sectoral initiative is to create systemic change in an industry’s regional labor market. This is achieved through

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\(^3\) All trainees must have a high school diploma or equivalent to be eligible for the program
\(^4\) Campbell, Brett. “Investing in People: The Story of Project QUEST”. 1994. Communities Organized for Public Service (COPS) and Metro Alliance
establishing training programs that provide real value added to employers within the targeted industries. The eventual results are market-based relationships that are mutually beneficial to both the training participants and the firms that employ them.⁶

There are a number of successful sectoral employment initiatives across the country. In San Francisco, Asian Neighborhood Design (A.N.D.) has developed a construction and furniture manufacturing training program which emerged from their work on redeveloping low-income housing. Being familiar with those industries and the occupations and skills required, A.N.D. was able to develop a training program that the entire Bay Area economy uses and benefits from. Focus: HOPE in Detroit trains individuals in the precision machining and metalwork industries. This industry has gone through rapid technological changes from manual to computer controlled equipment. Focus: HOPE, through acquiring firms that have closed down, has developed a firsthand knowledge of the skills needed for this industry. Today, Focus: HOPE graduates are employed throughout the industry in such corporations as General Motors and the Detroit Diesel Corporation.

The Industrial and Business Training Program (IBTP) is an offshoot of a community-based human services agency in Chicago. The IBTP is the only organization offering

specific high quality training for jobs in the screw machine and precision spring industry. Programs were set up in this industry after the organization found that jobs were available and employers could not find anyone to train new workers. All of these programs have been successful because they have inserted themselves in some way in the industry they were training clients for. The first hand knowledge gained through this relationship allowed the training programs to keep abreast and anticipate skill demands and respond appropriately with quality training that employers needed.

**Workforce Development Networks**

Another non-traditional model that CBOs are moving to is the workforce development network. Inter-regional networks of training institutions, employers and CBOs are proving to be an effective way of engaging in job training (Harrison and Weiss, forthcoming). Social networks of individuals, firms and community groups where the CBO facilitates relationships with the various entities and not necessarily engaging in the training itself.

Harrison and Weiss’ study breaks down the workforce development networks into three types. The first group are “hub-spoke” networks where the CBO holds a central position and is the initiator of many of the projects that the network undertakes. CET and QUEST are both examples of this type. A second type are “peer-to-peer” networks in which groups of CBOs work together in a shared administrative body to achieve the training and placement objectives that no single network member can accomplish by itself. The third type is termed an “intermediary” network, in which a non-CBO, possibly

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7 Ibid.
an educational institution, a planning agency or a large firm with strong recruiting networks, plays a central role in administering and organizing the network.\textsuperscript{8}

What all of the network types have in common is that they provide accessible channels for low income communities to connect with potential employers. CBOs that are involved in these networks develop the capacities to upgrade their community members’ skills, skills that area employers need. These networks are also critical to landing a job after training is completed. In most cases the channels that the low-skilled individuals utilize to be trained and find a job would not otherwise have been accessible to them. The authors stress that involvement in networks should not be seen as a substitute for developing organizational capacities but rather as a supplement or stimulus to them.\textsuperscript{9}

**Somerville Area Training Programs**

With a few exceptions, Somerville area training programs fail to contain many of the elements that make the above programs successful in training and placement in decent wage jobs. Close collaboration with employers on curricula and program development is missing from most area training programs and community colleges. Formal networks of area CBOs, institutions and employers is a component in only a few specialized programs. By and large the training and placement programs available to Somerville residents are of the traditional JTPA model of rigid classroom training and loose connections to private employers.


\textsuperscript{9} Ibid.
The Somerville Center for Adult Learning Experiences (SCALE) is the primary source of basic skill education and vocational training for Somerville residents. A part of the Somerville Public School System, SCALE offers an ABE (Adult Basic Education) program, ESL courses, a GED program and ADP (Adult Diploma Program) classes. In addition, the Business Vocational Department offers courses in office skills such as keyboarding, spreadsheets and word-processing. Until recently SCALE offered physical therapy and dental assistant programs as well.

SCALE’s links with employers are weak and ad hoc. A formal advisory board of employers used to exist to consult on training procedures and offer information on job openings. The board was required for some JTPA funded programs but when the requirement ran out the board disbanded. SCALE staff maintain informal relationships with board members to get advice on skill needs but there is no formal structure to their relationship. The Center also does not have any job developers or procedure for placing graduates in jobs. Staff members help trainees line up jobs after graduation but it is done on their own time and there is no program or procedure for the trainees to use. SCALE’s placement rate ranges from 65% to 75%.

SCALE has responded to changing skill demands and tried to establish links with employers but they have not achieved the level of close relationships that are critical in today’s labor market. The Program Administrator, Susan Barnard, explains how skill demands have been changing and SCALE has adapted. “Educational skill requirements
are going up but more employers are requiring critical thinking skills in the people they hire, employers want critical thinking skills so that when a worker does not have the right capacities they can figure out where to get the resources and how to get the job done”. In response to this SCALE now has customer service component to the Business Vocational program which teaches listening and problem solving skills.

SCALE did make an attempt to establish a network with Somerville employers and formalize relationships but it never took off. ‘GED at Lunchtime’ was to be a program where an employer would pay a worker’s regular salary for an hour on their lunch break while they took high school equivalency courses. SCALE would provide the staff and materials, while employers and the Chamber of Commerce would pitch in with wages and coordination. It never materialized because as Susan Barnard says: “It didn’t really get off the ground, the word didn’t get out and there was not a lot of recruitment of employers -- and we didn’t really have the staff to spend getting the program going.” The attempt appears to have suffered from a lack of “buy in” of all the players. Susan Barnard complains that employers do not want to pay for remedial training they only want job specific skills training for their employees. In this case it seems that the employers did not “get it.” Additional attempts to establish links with employers have been hampered by budget cuts and lack of staff time at SCALE.

**Bunker Hill Community College**

The other major source of job training available to Somerville residents is Bunker Hill Community College (BHCC), located just over the city border in the Charlestown
section of Boston. BHCC offers 80 associate degree and certificate programs in areas such as nursing and allied health, ESL, domestic and international business, hospitality and culinary arts, early childhood development, electronics and fiber optic systems, and computer applications. Developing areas include telecommunications, environmental control and bio-medical instrumentation. Bunker Hill, the third largest of the state’s community colleges with an enrollment of 6,500 students, has a good reputation for providing quality programs.10

Bunker Hill Community College generally does not have strong connections to either the employer community or the neighborhoods it serves. A few programs have developed strong links to the specific industries that they train for but for the most part relationships and collaborations with employers are non-existent. The school does have employer advisory boards which are usually mandated for federal funding, but they are under utilized. As one administrator put it who did not want to be quoted by name: “Are we setting up our programs specifically to address the needs of the workplace?, I would say no. We have advisory boards to do that, but the fact is we rarely do that”.

Institutional connections to employers consist of a career services office that is understaffed and offers little in the way of assistance in landing a job. They are only able to help students write resumes and hold a couple job fairs each year. This office has just two staff to serve the entire student populations of 6,500. No staff or time resources are available to cultivate ties to employers and seek employment opportunities, let alone develop employer relationships to develop better curricula or investigate future job

opportunities. Career services staff do little more than point students in the direction possible job opportunities.

Two exceptions to the general employer disconnection at Bunker Hill are the ESL Electronics program and the Allied Health program. The ESL Electronics is an award winning certificate vocational program which teaches immigrants the English and technical skills needed for entry-level positions in the electronics industry. The director, David Massey, has very good connections to the electronics industry. He is able to develop his curriculum and help his students with job opportunities because of those connections. The program also works well because it uses contextual learning, a key element in the success of Project QUEST’s courses.

The Allied Health certificate program is another very successful cluster of courses which have strong ties to the community and to employers. This program offers courses in medical lab assistant, phlebotomy, medical assistant and patient care. Begun as strictly an ESL program for welfare recipients, it was so popular that it now offers courses to native English speakers as well. The director, Susan Walling, explains that the Allied Health services program has a very high placement rate and has kept up with changing skill demands because of its close relationships with the industry.

Because the program receives federal funding and it is performance based it has had to produce high placement rates and require an employer advisory board. Susan uses the mandated employer advisory board for more than just the obligatory correspondence. The curricula has been adjusted as a result of employer input and internships are a big part of the teaching. She has also set up classes inside hospitals and clinics. These
connections have paid off. The retention rate for the allied health program is about 90% and the placement rate is over 70%.

Other certificate programs at BHCC do not perform as well. The paralegal program has a placement rate in the 20% range. Demand for paralegals and legal secretaries is high and expected to grow rapidly in the future. The median salary for a paralegal in Massachusetts is $26,000 a year and for legal secretaries is a little less. Bunker Hill’s certificate program for this field however has virtually no connection to area employers. There is no advisory board or equivalent and no internship program all elements of successful workforce development programming.

The low performance of the paralegal and other certificate programs do not appear to influence the administration. I asked about the affect the low placement rate had on enrollment and if they thought they might be losing students to other community colleges or educational programs. Administrators felt that they really did not have to compete and that there was not really a lot of pressure to boost the performance. They explained that 85% to 95% of the students lived within five miles of campus and that for a lot of their programs there were not many alternatives.

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Challenges and Opportunities to Engaging in Workforce Development Programming

Somerville Community Corporation faces many challenges and at the same time is presented with many opportunities to engaging in work force development programming. Creating successful programs takes a long time and many hurdles must be overcome to achieve the ideal structure, but the time is ripe for new approaches to be tried and situations exist for SCC to take advantage of.

Challenges

The biggest challenge for a CDC to starting and maintaining involvement in workforce development will be to develop a reputation for producing high quality dependable job applicants to employers. Most employers have written off outside job training programs as out of touch with private sector needs and incapable of delivering skilled, motivated people. In the employer survey, only 21% of the respondents said they use an outside organization if they need to train an employee for a skilled position. The high rate of employers who do not use training programs as a source of new workers and
who have turned to internal training indicate that firms do not trust traditional training programs.

To overcome the stigma of training programs and maintain success in placing graduates, SCC will have to be known as a supplier of high quality, dependable labor.

To get in these networks and establish the relationships that are critical to success CBOs also face the challenge of changing the private sector’s attitudes about working with outside organizations. Private firms are generally not used to working collaboratively with outside organizations, be it another firm or a community organization. The culture of private industry is to work in isolation in competition with others.

One CDC that is grappling with this issue is Madison Park Community Development Corporation (MPCDC) in the Roxbury section of Boston. MPCDC recently begun a training program for retail and service industry occupations. Peter Chapman, the Executive Director, explains that it has been very difficult to build relationships with employers. “We started by looking for corporations and institutions that had a reputation for supporting socially responsible causes. But surprisingly, not many of the so-called ‘socially responsible’ businesses came to the table.” Peter goes on to say that his training programs benefit employers just as much as they benefit trainees but only a few local employers have sighed on so far. Very few of the companies that are partnering with MPCDC understand the mutual benefits and they are participating mainly because the firm has an exceptional human resource director who realizes the gains.
Though an in house training program may not be the best option to undertake for Somerville Community Corporation, there are some lessons to be learned from MPCDC’s experience. Most of the corporations that do work with MPCDC do so as a way to repair bad relations with the community or to pave the way for new relations in a community they hope to expand their markets. Firms are slow to learn how to work with community based organizations and collaborate to resolve their human resource issues. For SCC to establish beneficial relationships with firms for their workforce development initiatives they will have to overcome these attitudes.

Funding for job training programs also represents a major challenge for a CBO entering the workforce development arena. Federal and state funding for job training is declining and the current political climate is unlikely to shift soon to turn around this trend. In addition, the funding situation for Somerville area programs is particularly precarious. The Metro North REB recently switched from a group funding mechanism to an individual voucher system. Training programs no longer bid for contracts to train groups. Instead trainees come to them individually. The result, particularly for smaller community based training organizations, is that it is difficult to plan and develop the infrastructure and staff to start and or maintain the programs.

CBOs will have to rely more on foundation and private funding for future training programs. This trend makes the establishment of close relationships with private employers all the more important. CBOs will have to convince private firms that the applicants they refer to them are so valuable that they should help pay for the training.
Opportunities

All is not gloomy however. Opportunities exist which Somerville Community Corporation can take advantage of in creating a dynamic new workforce development model. Most importantly is the current tight job market. With a very low unemployment rate, employers are desperate to find quality workers. SCC can use this situation to get employers to the table. If the CDC can deliver what the employers want, bright motivated individuals who want to work then a mutually beneficial relationship can begin and flourish.

The CDC must also build relationships with training and educational institutions. Somerville Community Corporation has an existing good relationship with the public school systems which they could parlay into efforts to reform the curricula and training programs. Through the award winning Somerville Mediation Program that SCC developed to resolve disputes among youth and now conducts at Somerville High School and other area high schools, SCC has developed a reputation as a community player. From this work they also have become familiar with the issues young people face which can help in assessing or developing curricula for youth.

SCC also has a unique opportunity to develop relationships with the growing information technology industry at the ground level. NYNEX is wiring the entire city of Somerville with broad-band fiber optic cable over the course of the next year, the first
city in the country to get such an infrastructure. This new wiring, which will go to every home, business and public place in the city, will increase current telephone line transmissions capacity by 208 fold. The broad-band network will be capable of transmitting huge amounts of data very quickly, transmitting video, two-way interactive transmission and teleconferencing among other things. Somerville will become very attractive to information technology firms who want to develop, test and market new products and services.

Seeing this opportunity, SCC is nearing completion on a deal to develop an industrial center in Somerville for information technology startups. As landlord to several companies who will be starting and growing in a potentially high growth industry, SCC can develop an intimate knowledge of the human resource needs of these firms. Though many of these jobs will undoubtedly require a very high level of technical skills and education, some firms, including travel reservation services and back office services for financial institutions, which are expected to locate there, will have a great need for data processing and customer service personnel. This venture gives SCC an opportunity to insert itself into an industry and develop a training program around the needs of the employers it knows well.

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1 Somerville Community Corporation has received a HUD grant to work with NYNEX to train the fiber optic cable installers. ............................
FINDINGS & RECOMMENDATIONS

Findings

- Sectoral and occupational job trends are expected to continue for the next ten years as they have over the past ten to fifteen years. Service and trade sector will see the most growth in employment while all other sectors, except manufacturing, are expected to grow moderately.

- Within the growth sectors and within manufacturing there will be opportunities for good paying positions but they will not always be easy to see. Many of the occupations will be “hidden” and some will require training that must be planned ahead for in order to obtain.

- Workers today need a range of skills -- soft skills, hard skills (including good English speaking skills), and particularly job specific skills.

- Employers are having a hard time finding new workers with the skills they need. Many of the low-skilled positions are difficult to fill, even the higher wage jobs.

- Employers are becoming more careful about who they hire. The “networks” and methods they use to find new applicants, particularly for large employers, are becoming more closed and harder for outsiders to access.

- Employers have, for the most part, written off job training programs as out of touch and irrelevant to their needs. Many employers, particularly large firms, are conducting their own in house training to address higher skill needs.

- Employers increasingly want assurances of the skill level and dependability of the individuals they hire. The increase in information on the quality of applicants coincides with higher skill demands.

- Low-skilled job applicants tend to need help with job readiness and navigating the world of interviewing and job searching.
• Workforce development models that emphasize relationships with employers, use contextual learning, and have capacity building of the trainee as their foundations, work best.

• Models that utilize networks with other CBOs also tend to have greater success in moving individuals into good paying jobs.

• Most Somerville area training programs do not have many of the components that are essential to success; connections to employers; contextual learning and focusing on empowering trainees with marketable skills.

• Several challenges and opportunities await SCC in their effort to create effective workforce development programming. Challenges include development of a good reputation in a climate of doubt about job training programs; changing the private sector’s attitudes about collaborating with outside organizations; and funding, which is always a challenge for small non-profits, but in this case is daunting. Opportunities include; the tight job market which makes employers more willing to look at alternative ways of getting new workers in their door; SCC’s existing relationships with Somerville schools and familiarity with youth issues; and the possibility of beginning a close working relationship with the information technology industry as it expands in Somerville.

**Recommendations**

Somerville Community Corporation’s role in the arena of workforce development should be that of an agent for job seekers and employers providing information and connecting the two sides of the labor market. SCC should develop workforce development programming that includes; creation of close employer relationships; networks with other CBOs and training programs engaging in workforce development; and the provision of support services. It is not recommended that SCC create and engage in its own stand alone training program. The best value added for a CBO like Somerville Community Corporation is to act as a facilitator of individuals to existing training programs and of individuals to employers. These relationships should be used to reform the way individuals are prepared for the job market and the way employers hire workers.

Four elements of workforce development programming should include:

1. **Establishing Employer Networks** Convene a meeting of area employers to initiate contacts and create information channels. Regular meetings should have as their goal the establishment of a permanent network of employers and the CDC. Eventually the relationships should become part of a permanent working relationship between industry and the community with an exchange of board members.
Initially, a network in a single industry might be the most feasible. The first thing SCC needs to find out is exactly what employers need to see to in a job applicant have proof of an applicant’s reliability and motivation. Information on “certification” should be used as the foundation for reforming existing training programs to become more responsive to employers’ needs.

These networks must also be used to find out about job openings and skill demands in the industry. The key to making existing programs successful will be to knowing what jobs will be coming on line in the future. Close relationships with employers will enable SCC to predict better what jobs to train for. The “hidden” jobs that are not always revealed from looking at statistics and trends will be found from these networks. Information on rapidly changing skill demands will also come from these ties to firms.

Large employers will have the biggest payoff in terms of jobs openings and contribution of resources but are likely to be the hardest to win over. Great effort must be put into demonstrating to them the benefits of their participation. Small employers will also have many “hidden” jobs and are likely to be easier to win over and therefore should also be looked to for network membership.

2. Establish Networks With Other CBOs and Training Programs SCC should develop a network with existing training programs, community colleges, schools and other CBOs that provide training. These networks should be used to refer individuals to for training in lieu of setting up a training program on site. Relationships with training programs will be necessary in order to reform them and to build in relationships with employers. Like the employer networks, this may be initiated by convening regular meetings with the goal of establishing lasting a institution of a “training collaborative.”

Networks should also be used to develop strategies to respond to employers’ skill demands and to develop ways for influencing the way firms hire new employees. Information on employers “certification” requirements should be used to as the foundation for changing these programs and establish SCC as a provider of dependable and skilled labor to area employers. The information on which programs are performing well and which are not will be extremely valuable to employers.

SCC should use its relationship with Somerville High School as a starting point in developing a network with area school systems. Reforming vocational job training programs and developing a reputation for turning our job ready students will allow SCC to work with other schools and training programs. This reputation can then be parlayed into developing relationships with other programs and educational institutions.
3. **Provide Support Services** SCC should provide support services to its referents. Support services will be critical to the success of trainees who are involved in longer term and more challenging training programs. Support services during the training period and after job placement are essential to the success of the training program. Assistance for trainees must include help with navigation of job training programs, finding child care and dealing with transportation. Job readiness services including career counseling, resume writing, interviewing skills, will also be critical to the attainment of a job upon completion of training.

4. **Establish a Sectoral Initiative with the Information Technology Industry** SCC should use its position as landlord of the information technology industrial building to establish a sectoral employment initiative. This unique position offers SCC the opportunity to get a foothold in the information technology industry. Establishing close ties to these businesses and getting feedback on the human resource needs of this industry, will allow SCC to influence training programs to prepare individuals for the emerging information technology.

   The relationship with NYNEX in the training of broad band network installers should be cultivated. The alliance with a well known corporation such as NYNEX will make bringing otherwise reluctant firms into a workforce development network that much easier. Getting involved with and helping to fund a community based program will be risky for employers, particularly for smaller firms. The participation of a large household name corporation will ease the fears of newcomers.
Appendix A - Survey Results

Percentage of employers who have filled non-college degree, low-skilled positions in the last year ............................................................................. 80%

Percentage of all employers who had difficulty filling non-college degree positions with qualified individuals ............................................................ 56%

Reasons that positions are difficult to fill

- Too few applicants ................................................................. 22%
- Applicants lack work experience ........................................... 30%
- Applicants lack job specific skills ......................................... 30%
- Applicants lack education, basic reading, writing, and math skills ................................................................. 19%
- Wages are not high enough to attract workers .................. 14%
- Applicants lack high school diploma or GED ..................... 6%
- Applicants lack English speaking skills ......................... 12%
- Other .................................................................................. 10%

Specific hard skills that firm looks for when hiring non-college degree positions

- Reading skills ................................................................. 29%
- Writing skills ................................................................. 30%
- Math skills ......................................................................... 30%
- English speaking skills .................................................... 27%
- Computer skills .............................................................. 27%
- Job specific skills ............................................................ 47%
- Other .................................................................................. 37%
Specific soft skills that firms look for when hiring non-college degree positions

- Eagerness and ability to learn: 42%
- Interpersonal skills: 39%
- Appearance and grooming: 16%
- Problem solving abilities: 16%
- Ability to take initiative and work without supervision: 40%
- Communication skills: 29%
- Other: 27%

Firms that provide in house training or education programs for employees: 63%

Methods used for determining the adequacy of an applicant's skill level

- Personal interview: 78%
- Written application: 45%
- Personal references: 31%
- Job tryout/internship: 16%
- Other: 14%

Sources of new applicants

- Walk-ins: 14%
- Government employment agency: 10%
- Job training program: 6%
- Community college: 8%
- Referrals from current workers: 61%
- Newspaper ads: 65%
- Other: 20%
Percentage of employers who use area job training programs as a source of workers who need specific skill training.......................... 21%

Percentage of employers who are involved with area training programs, high schools, community colleges (providing internships, consulting on curricula, teaching courses).......................... 48%

Percent of employers who would use a CBO as a source of non-college degree employees if the organization could vouch for dependability of referents and provide basic skill training............... 82%
Appendix B - Survey Instrument

Skills Survey - Employer

Confidentiality - this survey is strictly confidential and none of the information will be published in a way that identifies your firm.

1. Have you filled any non-managerial, entry level positions that do not require a college degree in the last twelve months?
   - [ ] yes
   - [ ] no

   If yes, how many _______?

2. Do you have trouble filling these positions with qualified individuals?
   - [ ] yes
   - [ ] no

   If yes, what are the reasons that these positions are difficult to fill? (Please check all that apply)
   - [ ] Too few applicants
   - [ ] Applicants lack high school diploma or GED
   - [ ] Applicants lack work experience
   - [ ] Applicants lack basic English skills
   - [ ] Applicants lack technical or job specific skills
   - [ ] Wages not high enough to attract workers
   - [ ] Applicants lack education, basic reading, writing, math skills
   - [ ] Other ____________________________

   Of these, which is the most dominant reason? __________________

3. What specific skills are the most important to your firm when you fill new non-college degree positions? (Please check all that apply)
   - [ ] Reading skills
   - [ ] Computer skills
   - [ ] Writing skills
   - [ ] Job specific skills
   - [ ] Math skills
   - [ ] Other ____________________________
   - [ ] Spoken English

4. What other traits do you look for when you fill new non-college degree positions? (Please check all that apply)
   - [ ] Eagerness and ability to learn
   - [ ] Ability to take initiative and work without supervision
   - [ ] Interpersonal skills
   - [ ] Communication skills
   - [ ] Appearance and grooming
   - [ ] Other ____________________________
   - [ ] Ability to problem solve

5. What methods do you use to determine the adequacy of the applicant’s skill level?
   - [ ] Personal interview
   - [ ] Job tryout/internship
   - [ ] Written application
   - [ ] Other ____________________________
   - [ ] Personal references

6. How do you find applicants or new hires? (Please check all that apply)
   - [ ] Walk-ins
   - [ ] Referrals from current workers
   - [ ] Government employment agency
   - [ ] Newspaper ads
   - [ ] Job training program or agency
   - [ ] Other ____________________________
   - [ ] Community college
7. Does your firm use job training programs in the area as a source of applicants that require some skill training?
   - yes
   - no

   If yes, or if you are familiar with job training programs, what is your general impression of them?
   - Very good, we use them a lot as a source of new employees
   - Fair, we use them to fill a few positions
   - Poor, they don’t teach the job specific skills that our firm needs
   - Bad, they are out of touch with current employer needs
   - Other ______________________

8. Does your firm have any involvement with area high schools, community colleges, technical schools, or training programs?
   - yes
   - no

   If yes, what is the extent of your firm’s involvement? *(Please check all that apply)*
   - Meet regularly with training staff to discuss skill needs and training ideas
   - Provide job shadowing or internships for students
   - Work with instructors on curricula and instructional materials
   - Provide instructors for classes at training program
   - Provide equipment to training programs
   - Other ______________________

9. If there were a community based organization that provided entry level, non-college degree applicants to your firm and that could vouch for the reliability and dependability of the referents, as well as provide them with basic educational skills (reading, writing, math, spoken English), would you view this as a valuable source for new workers?
   - yes
   - no

   If yes, what would be the benefits of having a relationship with such an organization?

   ____________________________________________________________

   If no, why not?

   ____________________________________________________________

   Thank you for taking the time to fill out the survey.
In addition to the above interviews, I conducted a focus group with residents of the Mystic Housing Development in Somerville. All of the participants were members of an ESL class. Many of the members of the focus group were in the process of becoming US citizens and did not want to give their names for fear of being revealed to the authorities. At the time of the interview on Wednesday April 9th, 1997 several measures of the 1996 immigration reform law has just gone into effect and there were many fears and misconception about its ramifications so participants were reluctant to give their identities. The focus group participants worked and were asked about their jobs, how they found them and their efforts to seek higher wage positions.


