
Center on Wisconsin Strategy Briefing Paper

Rebuilding Job Access and Career Advancement Systems in the New Economy

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REBUILDING JOB ACCESS AND CAREER ADVANCEMENT SYSTEMS IN THE NEW ECONOMY

Laura Dresser and Joel Rogers¹

Urban jobs systems — that is, institutionalized and publicly recognized and supported programs for preparing people for work, placing and keeping them in jobs, and providing opportunities for advancement — are notoriously weak, and almost impossible to navigate for those without insider knowledge. Skills mismatches, spatial mismatches, network-driven access systems and inefficient training programs predominate, pushing urban job seekers away from good jobs and family supporting incomes. Not only are these complex systems difficult to navigate from the community perspective, employers seeking good connections to potential workers also find themselves besieged by phone calls from community groups and individuals, without real knowledge of the quality of services offered and no single point of access to systems that could connect them to future workers. Overcoming these problems requires a systematic focus on jobs systems, on barriers to work, and on employers' needs. Only in simultaneously responding to all of these concerns can an effective urban jobs agenda be developed.

So stated, the goal is straightforward enough. Practice on the ground, however, is difficult. Given the multiple actors, agendas, needs and responsibilities in urban jobs systems, there is no simple method of improving coordination on employer demand and community needs. Nevertheless, our experience in Wisconsin, and experience from innovative programs around the country, suggest that there is real potential to develop systems that can help workers negotiate the new realities of the labor market. In this paper, we describe changes in the labor market that have contributed to the breakdown of systems that once provided workers with clear signals and good training. We also discuss the results of those changes for incumbent workers and new labor market entrants, focusing on the growing problems that workers face. We then describe a series of projects that seek to overcome those problems. In closing, we discuss some elements of theory that might unite practice on the ground and help identify the ways that these distinct projects could grow to develop further leverage in jobs systems.

1. LABOR MARKET REALITIES

Essentially, for labor markets to work well for people, they must provide clear and reliable methods of access to jobs and advancement through them. For example, entry-level employment should prepare workers for and connect them to future opportunities; there should be predictable, fair, and well-known methods of access to decent-paying jobs; and incremental moves and skill development on the job should allow for routine

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career advancement. All of this requires complete information on labor market opportunities, strong systems of training on the job, and good understanding of the relationship between the skills required for one job and those required for the next.

This rational labor market was most clearly approximated in post-WWII manufacturing. Young workers could “go down to the factory and sign up” with reasonable expectation of increasing skill, wages and seniority over the years. Entry-level workers took low-skill positions and banked on the promise of an orderly and secure progression to higher skill levels. Because job stability grew with seniority, incumbent workers benefited as they moved up the ladder.

Not any more. Work restructuring, economic shifts toward service, declining firm size, and changing governance mechanisms have all hastened the collapse of this orderly system. While internal labor markets certainly continue to exist, present work organization is widely characterized by a less transparent system. Firms have reduced the total number of job descriptions (stripping the rungs from ladders) and have cross-functionally defined those that remain (ladders have crashed into one another). Accordingly, jobs on average carry somewhat more demanding human capital requirements, and movement across them is driven by worker demonstration of specific skills — albeit, generally, skills still specific to individual firms. Additionally, as firms become more narrowly focused on “core competencies,” they outsource many of the entry-level jobs that once provided a route toward the core positions. In many instances, work reorganization demands more abundant and more general skills (e.g., team work and flexible production) even as it eliminates the sorts of intermediate positions where in those skills could be incrementally gained.

At the same time work has been reorganized, production in the economy has also shifted: the service sector is growing and firm size is falling. These factors work against the development of career ladders. Service sector workers never participate in the kind of orderly advancement provided by the manufacturing sector. In part, this is due to the extreme bifurcation of the service sector, which provides extremely high-paying, high-skill jobs at one end and very low-wage, low-skill work at the other. Intermediate positions and pathways out of the low-wage jobs have never been well developed. For example, the distance in training and pay between a Certified Nursing Assistant position and a Licensed Practical Nurse is quite large; making the transition is neither common nor convenient. Advancement in clerical careers generally requires moving from one industry to the next in an attempt to move to larger, better paying firms; internal advancement in clerical careers is often impossible. The corresponding decline in firm size (as well as the decrease in firm size in manufacturing) has also limited the development of career ladders. By their very nature, small firms and firms that are not growing offer fewer opportunities for internal advancement.

Finally, two key institutions that supported upward mobility and well-ordered advancement systems for large portions of the workforce — public sector employment and union contracts — are also in decline. In the public sector, civil service rules and requirements allowed for clear understanding of job access requirements and advancement possibilities. Likewise, in unionized settings, negotiation over seniority rules, wage structure, and upward bidding protocol encourages the development of clear

internal labor markets. However, over the last 25 years private sector union density has fallen rapidly and now accounts for only 10 percent of the labor force, less than one-third of union density at its peak in the U.S. The public sector workforce has undergone massive reductions due both to shrinking budgets for services and to the privatization of public jobs, from garbage collection to social work. As these institutions decline, more subjective systems for advancement, including personal connections or supervisor choice, have become more important in labor market outcomes. Those who have little luck or few contacts in the labor force to start with are then further marginalized.

The Labor Market Results of Collapsing Ladders

Taken together, these trends result in less clarity in labor market signals, less training for incremental progress through the labor market, and fewer prospects for real careers for many workers. These effects, in turn, contribute to increased inequality in the labor market, less regularity in career trajectories, and greater influence of luck and connections on labor market position. The result is a far more forbidding system for would-be labor market entrants. Job seekers no longer have the confidence that they have the skills needed for entry-level jobs, or that those jobs will naturally put them on a career path of increasing income and security. The labor market doesn't provide sufficient information about transitions to work, transitions within work, and requirements for advancement. Many workers find themselves stuck in dead-end jobs, or even in mid-level jobs, without any obvious or clear route out. While these realities obviously cost workers — poverty and frustration are just part of the toll — they cost employers as well.

Dead-End Jobs: Poverty Wages and No Way Out

One of the results of the restructuring of the economy and of workplaces has been the emergence of a growing category of jobs commonly known as “dead-end” jobs. Such jobs are characterized by very low wages and little hope for progression to jobs that pay better. While it is clear that many, even most, workers make it out of dead-end jobs after a period of time, there is another segment of the labor force that plods through dead-end jobs, never finding a way out. Workers with less education, women, people of color, and the young and old are disproportionately concentrated and trapped in dead-end jobs. As the service sector grows, and as firms increasingly contract for low-skill work (from janitorial work to data entry) from temp agencies and business service providers, some of the avenues that used to exist within firms for advancement out of low-skill jobs have been cut off. In these circumstances, entry-level employees cannot prove themselves, or expect that such proof will provide access to better paying work in the firm; after all, they are not formally employed by the firms in which they work.

Dead-end jobs are not simply inevitable. In fact, they often produce a series of economic problems for both firms and workers. For example, firms are experiencing increasing problems with turnover in their lowest skilled jobs. Turnover produces significant costs in training and recruitment, and reduces productivity and efficiency. As a result, firms are both reluctant and unable to fully train workers. One employer described his hotel's need to reduce turnover from its current level of over 100 percent: “That's probably our biggest problem right now, to get away from the transient-type

employees, that this is just something to do for a couple of months and they're gone." At the same time, workers see few rewards for staying in these dead-end jobs, little training to improve their wages, and few opportunities for advancement. If workers were convinced that continuous tenure on the job would be rewarded through wage increases or advancement opportunities, they might choose to stay in their jobs. And if firms could be convinced that workers would be more likely to stay on the job, they might be interested in investing more.

No Real Opportunities for Advancement and Skill Development: Workers Stuck in the Middle

Further up in the labor market, at slightly higher wages and skill levels, the problem is repeated: many workers, in jobs as diverse as machining and medical record coding, feel stuck in mid-level jobs. Workers in these jobs often do not have the time or inclination to invest in training outside work. On the employer side, few firms regularly upgrade the skills of their employees. Often the next rung on the ladder requires a prohibitive investment of time in school such as a certification in insurance billing, medical transcription or skilled trades. In these jobs, systems for learning, skill upgrading, and training are largely overlooked or pursued by only a handful of employees.

Again, being stuck at mid-level work is a problem for both firms and employees. A highly trained workforce increases the possible gains to firms that are able to adjust to new demands in markets and new technologies of production. In fact, much of high performance manufacturing requires a well-trained workforce. Firms in the service sector are also required to adopt new technologies quickly and adjust to new markets and changing demand. Indeed, a well-trained workforce can make a critical contribution to firms' competitiveness. The problem is that firms wishing to make the transition to a high performance workplace cannot independently create an appropriate system for training their workforce. Many employers, quite reasonably, fear that their trained workers will be "poached" by other firms that can offer slightly higher wages without contributing to the original employer's investment. This fear of "free riders" pushes firms to invest less than they would like in training or to train more narrowly than would be optimal. These firms continue to pursue strategies that require less of their workforce, promise lower productivity in the long-run, and lower wages.

It's Not What You Know: Informal Networks Grow in Importance

Asking "how'd you get your job?" often brings a common response: "My [friend/relative] told me about the opening and I applied." Clearly not all jobs in the labor market are filled in this informal manner, but often, in the absence of reliable credentials or recommendations, employers turn to their own networks of employees and colleagues to fill open positions. At upper levels, the process may create glass ceilings through which professional women and minorities cannot advance. Perhaps more importantly, at the bottom of the labor market, a reliance on informal networks may dig a bottomless pit for workers with less than a college degree, especially those who are women and/or minorities (Holzer, 1996; Granovetter, 1995). For a worker getting into the first job, a well-connected and working network of friends and relatives can help identify opportunities and ease access. As central city residents have suffered increasing

economic isolation, this first transition becomes more difficult (Wilson, 1987). Moreover, evidence of increasing labor market inequality *within* specific race and education groups (Danziger and Gottshalk, 1993) also suggests that initial position in the labor market may be increasingly influential on future opportunity. That is, those who get off to a bad start in the labor market may find themselves further and further behind in part because they are not in a position to develop the sorts of contacts that can lead to better work.

The real problem with informal networks is that systems of access into the labor market, and the strategies for advancement through it (both within and across firms), are not clearly defined, identified, or understood. Obviously, information on the labor market — knowledge of opportunities, key actors, and critical institutions — can make all the difference in terms of outcomes. When the information is increasingly difficult to obtain, or when that information is more detailed for some than others, inequality will result. And to the extent that your current position determines future opportunities, that inequality will increase over time. Interviews with Wisconsin employers suggest that firms have little faith in verbal and written recommendations from previous supervisors and that they often prefer employee referrals. Further evidence of the negative effect of informal systems on marginalized workers comes from a multi-city study of employers which shows that those who use tests to screen job applicants are much more likely to hire black candidates for jobs than are employers who rely on more subjective screens such as interviews (Holzer, 1996).

Given the strong anecdotal evidence suggesting that job displacement and career interruption are becoming ever more likely, the importance of establishing clarity in the labor market can only grow; churning in the market will require individuals to find new jobs more frequently. Without clearly identified pathways of access, churning will further damage the chances of those with little access to good informal sources of information.

Public Sector Shortfalls Add to the Confusion

The nation's myriad job support systems — training, education, assessment, transportation and child care to name just a few — are riddled with inadequacies. At the federal level, despite some success in consolidation, national training efforts remain scattered across more than a hundred different programs, administered by 14 different federal departments and agencies — many with identical target populations and purposes, but all with different mandates. This sprawling effort becomes even less intelligible at the state level, where principal responsibility for federal program administration and control over a mass of additional programs resides. It is almost unnavigable at the local level, where much effective authority over post-secondary training institutions (including most community colleges), as well as local school districts, is exerted. This maze of programs and decentralized administration has evolved over more than a century of political conflict regarding the appropriate role of government in human capital formation, and its structure reflects the best and worst aspects of federalism — from the room it provides for efficient local servicing and experiment to the inequalities it breeds in the byzantine complexities of state and local tax codes. Each program has its constituency, and systemic reform is not aided by the reserved (but now growing) powers of state and local governments.

As a result, training institutions are not training workers with the skills that employers need. Education programs do not effectively situate and motivate adult learning and students become dissatisfied or apathetic. Assessment tools in a community, used to refer individuals to the same programs, can be widely different in form and validity.

In part, these problems are the result of financial constraints — increasingly evident in an age of taxpayer reluctance, itself driven by declining incomes. They also result from institutional disadvantages — the fact that government is and always has been "all thumbs and no fingers," and inept at capturing the impacted information and local knowledge that key to economic decision-making, particularly inside the firm. The combination is commonly lethal, in any case, to effective intervention, with government chasing after what it believes is the latest industry "trend" without the resources to drive it, and almost always finding that by the time it arrives on the scene, the underlying economic conditions have changed.

Fundamentally, the public sector lacks the resources required to provide a level of training that could actually contribute to workers' and firms' economic performance. Moreover, the public sector lacks clear access to private sector information that could more efficiently direct the resources available in the public sector. Perhaps most importantly, there is very little attention by public sector training providers to both supply and demand in the labor market. Because there is so little coordinated attention to economic development, job quality, and workforce development, these areas of policy often operate at cross purposes: one agency supports economic development without regard to job quality while another seeks to improve specific workforce skills without attention to economic development priorities.

In response to these information and resource problems, public sector work is often highly customized, personalized and non-representative. Such customization is apparent in training institutions that develop programs around the narrowly defined needs of a single firm, and work on a firm-by-firm basis. The personalization of public sector work is evident in Job Centers whose counselors rely on personal connections with firm HR managers to get jobs for their clients. Advisory committee structures generally rely on civic mindedness or the narrow interests of business representatives. The result is a fractured system with multiple entry points, bureaucratic rules, conflicting priorities, inconsistent and non-representative employer participation, poor coordination and missed opportunities for labor market upgrading. In spite of the real progress made by one-stop Job Centers, these problems remain significant.

Destruction of Access and Advancement Systems

The result of these trends is a lack of clarity in the labor market. Workers are not aware of opportunities and have less systematic routes of access to and advancement through the labor market. The pay-off to training and education in this context is unclear, and luck may have as much to do with labor market outcomes as skill. Overcoming these problems will require the development of an institutional infrastructure that can provide the clarity, incremental skill growth, and career trajectories that the historic corporate ladder system provided, while still being flexible and responsive to emerging needs in the

new economy. Improved labor market information (i.e., where demand is, what jobs pay, what skills are required) and more relevant training are essential elements of any response.

Improving labor market navigation requires the development of a clear map of the labor market and improved supports for navigating through it. Such a map would help overcome the barrier of informal access to work by establishing a clear system of rules on access and advance. Moreover, the information would help both students and employers plan for the future. One firm representative summarized it this way: “As these students leave high school, it would be nice if there was something to say: this is what the need is in your community. There’s this number of jobs that are becoming available in the community in this area, and these are the skills that you’re going to need to fill one of those positions. ...And I don’t know if that’s something that’s being done now...” A labor market map would also allow adults opportunities to change careers, and aid the process of finding new employment after job loss.

Entry-level and incumbent workers need to see a way up through the labor market. Employers need more reliable systems for identifying, hiring, training and promoting their workforces. Systems can be developed to simultaneously meet these needs. But to work, they need a focus. Our experience in Wisconsin suggests that leading sectors in regional labor markets are a powerful means of providing such a focus. Moreover, these sectoral efforts can serve the additional function of rationalizing and better directing public institutions that need better information about employer needs and skill demands to improve their efficiency. We return to the public administration issues at the end of the paper, but first will describe several sectoral projects that are currently operational.

2. OVERCOMING THE PROBLEMS: EXPERIENCE ON THE GROUND

A handful of programs address the breakdown of the traditional employment contract and the resultant labor market problems described above. Practice in the field is extremely diverse. For example, some programs aim to improve job quality in “dead-end” jobs. Others seek to improve incumbent worker training systems, typically by reestablishing some version of a skill-based job ladder, and to achieve agreement among several firms in a given industry on common standards and benchmarks for their private training efforts. Still others seek to develop better information on labor markets and use that information to improve access to specific sectors for disadvantaged workers. While practice is diverse, the unifying target is to rebuild access and advancement systems given new economic realities. Often the project requires rebuilding internal labor markets; often external linkages are the necessary element. In many instances, projects simultaneously build inside firms and across them.

We have chosen to highlight a few interesting and promising programs. In some instances, our information is extremely good because we designed the projects.² In other

² These program overviews rely on overview documents, interviews, informal discussions, and, in many cases, some of the projects’ own documents. The Ford/Mott commissioned studies, *Jobs and the Urban*

instances, the projects have strong track records of overcoming specific problems but our information is less complete. While it would be impossible to review all the programs and policies that relate to these problems, we have selected an impressive handful to highlight. This list is a starting point and provides some framework for considering an emerging field of practice. Finally, while we have categorized programs according to the labor market problem that the project attempts to solve, it is clear that many of the programs have multiple targets.

Building a Clear Pathway Out of Dead-End Jobs

Found at the bottom of the labor market, dead-end jobs are characterized by their extremely low wages, unreliable hours, and their lack of any formal connection to decent paying work. Essentially, there are two ways to overcome the problem of a dead-end jobs. The first is to professionalize the job. The second is to provide a pathway out of a dead-end job into a decent job. The following projects, most of which are sectoral in nature, have been undertaken in the past few years to move workers into good jobs or to improve the status and prospects of the jobs workers already hold. These programs identify a pool of potential jobs on an occupational basis and prepare workers for employment in them. For programs that seek to professionalize dead-end work, the key is often improved coordination of work hours and training that results in increased quality of service, even at the low-wage end of the labor market. For programs that seek to provide a pathway out of work, the key element is the identification of a series of jobs, where employment at one job will contribute to quality of work at the next.

Cooperative Home Care Associates

Founded in 1985 in the South Bronx as an employee-owned, for-profit company, Cooperative Home Care Associates (CHCA) employs roughly 300 women of color as home health care aides on a contract basis to large service providers and major hospitals. Successful replication projects involving another 120 women have been established in Boston and Philadelphia, with two more sites in the Midwest slated for replication by 1999.

In a sector characterized by part-time work, low wages, little training or upgrading, high turnover, and uneven service quality, CHCA has approached the problem of simultaneously improving the quality of home care and upgrading poor-quality jobs in three related ways. First, its worker-ownership structure gives employees a voice, encourages firm loyalty, and informally confers quasi-professional status on its member-employees. Second, it provides entry-level training, counseling and support to all, and follow-on training to some, members. Third, and perhaps most importantly, CHCA offers senior aides a guaranteed hours program, which effectively transforms their work from temporary to full-time.

Results have been significant: wages and benefits are 20 percent above industry average and the typical member is able to work 34-35 hours a week. A nurse education program has enabled several CHCA aides to become licensed practical nurses.

Poor, (Seigel and Kwass, 1995 and Clark and Dawson, 1995) provide a good overview of a number of the projects.

Meanwhile, both training and reduced turnover (half the industry average) have improved care: contractors acknowledge that CHCA aides are more reliable and responsive.

The Cooperative's training program is run by a non-profit agency, the Home Care Associates Training Institute, which receives one-third of its funding from public sources and the remaining two-thirds from foundations. Trainees must be low-income; all are minorities, and the vast majority are women. Most test between the 5th and 8th grade reading and math levels; less than half have completed high school or a GED. Entry-level training includes four weeks of on-site classroom instruction and 90 days of on-the-job training. The pedagogy emphasizes non-traditional forms of instruction, including role-playing, games, simulations, and hands-on demonstrations.

While skill upgrading is touted as CHCA's "primary innovation," the cooperative's most important contribution may well have been to demonstrate that upgrading "temporary" workers requires a prior transition to "permanent" status, and that any such transition requires organization and focus on increasing and regularizing hours.

The Garment Industry Development Corporation

The Garment Industry Development Corporation (GIDC) is an autonomous, non-profit partnership of industry, unions, and the City of New York. Founded in 1984 at the initiative of the International Ladies' Garment Workers' Union (which has served to anchor the organization in a volatile, fragmented and highly competitive industry) it is the longest-standing consortial arrangement in the United States. GIDC operates on both the supply and demand sides of the labor market. On the demand side, it offers technical assistance in workplace organization, technology, management, and marketing, all aimed at enabling firms in the ladies' apparel industry to compete on the basis of quality rather than just price. Supply side services include a range of training and education efforts.

The balance of GIDC's efforts has been devoted to its various modernization efforts. These efforts have had tangible positive results in total employment and job quality. Mademoiselle Knitwear, for example, attributes its ability to save 400 jobs and add additional employees to GIDC's training and reorganization efforts. Higher wages and greater employee involvement in production there have also led to lower employee turnover. Moreover, GIDC has organized a computerized job referral network and engages in regular training efforts. These efforts are supplemented with child-care services. These programs generally boast high placement rates and earn high marks from all of the key players for lowering employers' costs and providing upward mobility for workers. The electronic placement network serves unemployed workers; the organization has succeeded in training (or retraining) some 1000 workers since 1984. Although its training programs generally benefit low-income Latina and Asian women, GIDC's attempt to train African-American women receiving public assistance was unsuccessful.

GIDC is working in a very low-wage industry with positive results. By helping modernize firms, GIDC can make the workforce more productive and thus, retain and improve jobs. This work is really focused on the industry, but these "demand side" supports improve job stability and wages for the workforce.

San Francisco Hotels Partnership Project

The San Francisco Hotels Partnership Project, involving twelve hotels and some 5000 (HERE and SEIU) union workers, was established in 1993 “to promote job security, the competitiveness of member firms (hotels), employee involvement, and career development.” The Project is organized around 16 “problem-solving teams,” which are made up of two-thirds union and one-third management representation and led by third-party facilitators. Simultaneous translation into Spanish and Chinese is viewed as “critical” to the teams’ functioning.

Problem solving teams work on hotel-specific issues, such as the needs of non-English speaking workers, and on one city-wide topic, such as training, each year. In addition, five pilot projects have focused on various aspects of hotel work. Nearly one-third of the unions’ members have completed a 48 part team-building curriculum developed by the hotels’ problem solving teams.

The Project was established with seed money from a federal grant. Training funds were provided by the State of California. Ongoing funding for the project relies on employer contributions, which are negotiated during bargaining. A full-time staff person coordinates the efforts of two dozen facilitators, translators, instructors, and administrators.

Working across firms and unions, the Project is simultaneously focused on improving the quality of service in the industry, the quality of jobs for the workforce, and the competitive position of participating firms. The scale of the project, provided by its reach into the hospitality industry in San Francisco, allows for the sorts of joint investments (specifically attention to and materials in multiple languages) in which single firms alone would not invest.

Pioneer Human Services

Rather than stabilizing or professionalizing “dead-end” jobs, Pioneer Human Services in Seattle uses employment in its own enterprises to help develop the skills of disadvantaged workers. Pioneer consciously moves drug addicts, the homeless, and ex-convicts through its own enterprises, with the goal of developing and advancing skills and employability through transfers from one position to the next. Pioneer’s businesses include a hotel, a deli, and a manufacturing plant; it also runs its own housing for employees and convicts on work release. The Pioneer program involves intensive monitoring and support. For example, employees are required to take drug tests; of the 16,000 tests given in 1991, only 2 percent were positive. Pioneer’s 1995 budget was \$25 million; 70 percent came from business activities and 30 percent from government contracts, such as the inmate work-release program. For the past 10 years, Pioneer has operated without grant money. This career ladder for hard-to-employ individuals can support its own development while providing its clients with critical experience and support.

ICA Linked Franchises

The idea of consciously coordinating employment at a series of firms has also been discussed by the ICA group in Boston. They proposed developing a series of worker owned franchises, which were linked in order to provide upward mobility through multiple firms. For example, a worker could start at a quick oil/lube shop and then, after gaining basic automotive knowledge, move to a body shop and then to a transmission shop. Thus, workers could go through steps that would help them become mechanics, than be stuck changing oil. According to ICA staff, the goal is to develop linkages between firms, allowing workers to move between them, and firms to participate in co-marketing or co-training. Each firm in the system can recommend workers for placement in a more-skilled job in a linked firm, and certified credentials can be used to move workers between firms.

Temp Work, Hiring Halls and Basic Skills Credentialling

One common trait of dead-end jobs is their “spotty” demand. In labor pools, temp services, personal services, and hospitality, demand shifts quite dramatically from day to day. The cost of that fluctuation is generally borne by the individual worker who is simply not called in, or sent home and does not receive wages. Some projects attempt to steady demand by spreading the pool from which demand is drawn. Hiring halls in the hospitality industry, for example, service banquet and set-up requests from multiple firms. By coordinating with multiple firms, these hiring halls can turn some transient work into a steady job. The development of worker owned temp agencies by the ICA will also focus on increasing the hours guaranteed to workers. Again, as hours are made more reliable, workforce and job quality rise together. Rather than transient workers, firms get employees who are connected to the industry. Rather than transient jobs, workers get steady work and reliable income.

Basic skills credentialling could also help to improve dead-end jobs, by providing a pathway into better work. The basic idea here — now subject to limited experimentation in New York and Michigan, in both cases based in the fast-food sector — is to certify workers with a demonstrated work ethic (reliability, punctuality, motivation, etc.) in the secondary labor market, thus making them more attractive to better-paying employers in the primary market. The gain to the primary market employers is reduced search costs on reliable employees; the gain to the secondary employers is a more stable workforce, intent at least on achieving the certification; the gain to the workers getting certified is a way out.

Fixes at the Bottom Are Hard to Do

While some innovative and exemplary projects demonstrate that dead-end jobs can be improved, work in these sectors is extremely difficult. For example, replication of the CHCA model has foundered due to extremely low Medicare reimbursement rates. Without a change in national policy on health care, improving the wages in these jobs has proven extremely difficult. Securing more reliable hours is a more straightforward project, but the level of coordination required to make full-time jobs out of transient employment is daunting in many sectors. Even if the hours problem is overcome, the low wages in many

sectors and the lack of connection to future opportunity make the jobs unattractive. Finally, connections out of dead-end jobs are very hard to develop. Firms are reticent to send their best workers on (though they will generally leave in any case).

Providing an Upward Path in Mid-Level Jobs

Even if they are not caught in the poverty wage, transient employment that characterizes dead-end jobs, many workers find themselves stuck in jobs with no real opportunities inside their firm and no clear signals on opportunities outside it. These workers may have made it off the first rung of the ladder, but they don't have jobs with a secure future and clear career trajectory. For example, non-professional tracks in insurance, financial services and business services have extremely short ladders — in many instances the only step up is to shift supervisor. Advancement in clerical work usually requires a college degree, not the kind of training that is easy to get on the job or after work. The health care sector often looks the same way; most hospitals discourage movement from food service to patient care to technical work. In manufacturing, competitive pressures have pushed many firms to cut back on training, just when training investments are most needed. In these firms, workers are expected to produce more with the same skills, or firms shift inexorably toward lower-end product market strategies. In a few cases, however, industry organization has found a way around these problems.

Cape Cod Hospital Career Ladder Program

The Cape Cod Hospital Career Ladders Program is a joint union-management training program, “premised on a comprehensive system of internal promotion, in which vacant job positions are filled by upgrading existing workers.” According to the contractual agreement between hospital management and SEIU Local 767, the program is designed to “simultaneously maximize human resource potential and meet the personnel needs of the hospital” while “enabling workers to continue their employment as they advance their education, skills, and job position.” The program is open to all hospital employees with the exception of management, nurses, security guards, and some secretaries. Graduating in 1983, its first class represented approximately 20 percent of the hospital's 650 union workers.

Institutionalization of the career ladder program proceeded in two closely related steps. The first was to define the career ladders themselves; the second was to create a system to equip workers to climb them. Career ladders were defined by reclassifying existing hospital jobs into 12 grades (cutting across occupational lines) with corresponding wages, qualifications, projected annual openings and training opportunities. Reclassification also added new 'lead' or 'senior' rungs at the top of several ladders. The relationship between wages, qualifications, and training requirements at each grade was thus clearly specified—and agreed upon contractually.

The second step was to regularize training itself. The heart of the career ladder training regime is an agreement by management to provide training opportunities and guaranteed promotions in exchange for incumbent workers' willingness to assume half the cost of training. The hospital offers a variety of training options, ranging from

classroom courses to traineeships. To ensure that workers can actually take advantage of these opportunities, management is also formally committed to a flexible scheduling policy. To further facilitate scheduling, a joint labor-management committee, composed of equal numbers of management and union representatives, acts as a liaison between personnel managers and department heads. The committee is also responsible for counseling workers and for planning, monitoring, and adjusting the program.

The training process, like the career ladders themselves, is formalized. Traineeships are offered on a regular basis for some jobs and, for other jobs, whenever insufficient candidates exist to fill potential vacancies. Written applications for traineeships are required. Qualified incumbent workers are given priority over external applicants. Qualified internal applicants are ranked on the basis of seniority, with admission decisions being made by the joint committee in conjunction with personnel and department heads. Participants pay for their own books and are charged a nominal fee, which is refunded upon completion. Participants also agree to return to the hospital for a designated period following completion of their training. The hospital, meanwhile, assumes half of the cost of training (by granting trainees half-time paid leave) and agrees to promote the trainee "at the soonest possible time according to job vacancy or availability." In-house training varies in length from one day to a full year and can lead to advancement within or across departments/occupations.

The Cape Cod Career Ladder Project demonstrates the importance of providing clear information on job requirements, good in-house training opportunities to allow people to fulfill those requirements, and the institutional supports that can help to develop a learning environment. While many hospital administrators believe that people are simply not interested in moving into different departments and positions, the experience of this one hospital shows that, redesigning the opportunity structure helps workers to move up. Moreover, while this project was originally designed in a single institution there is some effect in the health care industry in the region. Nursing homes in the area, for example, have begun to replicate and rely on the training structure of the hospital.

Wisconsin Regional Training Partnership (WRTP)

Based in the metalworking industry, the WRTP has a membership of more than 40 firms collectively employing approximately 60,000 workers in southeastern Wisconsin. Founded in 1992, it is currently the largest sectoral training consortium in the country, and the most advanced in overall program goals. Under the terms of its joint labor-management governance, the WRTP requires that member firms: benchmark a growing percentage of payroll to training front-line workers; train according to standards set on a supra-firm basis; gear their hiring and internal labor market promotions to worker achievement on those standards; and administer the enhanced training budgets (resulting from their benchmarked contributions) through joint labor-management committees.

Over the past five years, the WRTP developed programming in three major areas of activity: incumbent worker training, modernization, and future workforce development. As regards the first, new technologies and new work organization require workers with new skills. For many workers, the transition to a "continuous innovation" environment is impossible without considerable training. WRTP members have prioritized activities that

can aid firms as they seek to develop and/or improve their workplace education centers. The WRTP provides assistance as firms develop new centers. WRTP staff directs firms to external resources available for workplace skills centers, such as funding sources and curriculum developers; they also work inside a firm to help develop the labor/management collaboration on which any successful skills center relies. Without labor collaboration on the project, the skills taught at the center can easily be irrelevant to worker needs and shop floor skill gaps. Without the context of workforce buy-in and contribution to the development of the skills center, the significant investment in a workplace skills center can be wasted. The WRTP facilitates cross-site and cross-union learning about workplace skills centers and has also helped a series of small shops develop jointly operated centers. Finally, the WRTP helps firms and unions develop workplace awareness of the centers through peer advisor networks.

Competitive pressures in the metalworking industry require that firms have access to and adopt rapidly advancing technology. In response to this industry need, the WRTP focuses considerable attention on modernization of member firms. Often, new technology and new work organization go hand-in-hand. Many firms, especially the WRTP's smaller member firms, do not have sufficient resources to commit to modernizing their own firms. The State of Wisconsin has developed a Manufacturing Extension Program (MEP) to assist firms as they identify, adopt and adjust to needed technological modernization. The WRTP is collaborating closely with the state MEP to ensure that member firms have access to its resources and that those resources will help to serve member firms. Again, collaboration between member firms can improve learning and knowledge of technologies and the challenges that come with modernization. Both management and labor union members can investigate options and discuss the effects of modernization with firms that have already adopted new technologies. This shared experience can ease the process of modernization and improve the efficiency with which new technologies are adopted by allowing firms to avoid common mistakes.

Finally, as regards future workforce needs, WRTP programming is directed to both school-to-work initiatives and programming for dislocated and disadvantaged workers. In the school-to-work area, WRTP staff are working with the public schools to develop a better connection for students and area manufacturers. Member firms have committed to a series of "take the teacher to work" days, involving 300 Milwaukee Public School teachers, and for youth apprentices and co-op students. Given the high level of employer involvement, the effort promises to move several hundred young people into manufacturing youth apprenticeship in the next few years. While still small compared to European apprenticeship programs, this dwarfs the expected participation in other youth apprenticeship programs in Wisconsin. With regard to programming for dislocated and disadvantaged workers, the WRTP has collaborated with the Milwaukee Jobs Initiative (MJI), discussed in the next section.

The apparent results of the WRTP have been significant improvement in the skill levels of the workforce, stabilization of employment in this hard-hit and highly competitive industry, wage improvements for incumbent workers, clear markers for entry-level and incumbent workers regarding job expectations and career advancement, and considerable improvement in the general quality of labor-management relations in affected firms. While the work of the WRTP is often customized to meet specific firm needs, the consistent attention to training and modernization issues throughout the

sector develops benchmarks on skill that improve workers' mobility across firms, not only within them.

Bringing Clarity to Labor Market Access and Advancement

Understanding the rules in the labor market, making those rules explicit, and providing the supports needed for workers to make their way through the labor market can significantly improve the opportunities of disadvantaged workers. Clarity of this sort in the labor market can help overcome the barrier of informal access to work by establishing a clear system of rules on access and advancement. Moreover, such information helps students and employers plan for the future. One firm representative summarized it this way: "As these students leave high school, it would be nice if there was something to say: this is what the need is in your community. There's this number of jobs that are becoming available in the community in this area, and these are the skills that you're going to need to fill one of those positions. ...And I don't know if that's something that's being done now..." If it were done, a labor market map would also allow adults opportunities to change careers, and aid the process of finding new employment after job loss.

Projects rarely take "labor market transparency" as their key goal. However, we describe three projects that seek to improve labor market information and use that information to improve workers' mobility.

Project QUEST

San Antonio's Project QUEST was developed in direct response to community perceptions of increasing inequalities in the San Antonio job market. Local community organizations, COPS and Metro Alliance, met with business and political leaders, and secured commitments from firms to provide access to skilled jobs with a potential for advancement. They also negotiated with state and local authorities for funding to run the program. QUEST targeted particular sectors with a potential for providing good jobs (defined as those paying \$7 to \$8 an hour, with potential for advancement). These sectors were health care, electronics, environmental services, maintenance and repair, and business systems. QUEST got employers to commit, collectively, to hire graduates in each of these areas. Collective identification of an occupational need is a much more efficient way to design these sorts of programs, both because QUEST can negotiate over a larger pool of jobs and because the promised demand for workers is more reliable as the fortunes of a single company do not define the prospects of project graduates.

QUEST is community-based, and recruits its participants directly through outreach centers. QUEST participants must have a GED or a high-school diploma; if they do not, they are referred to public agencies to help them obtain this credential. After applicants are accepted, they are evaluated, and can then choose a target occupation among those that QUEST has available. With a counselor, each participant creates an employment development plan. He or she is then placed into an appropriate training program at an affiliate community college or other training provider. Trainees are required to participate in weekly counseling sessions, and counselors help trainees with access to programs such as AFDC and food stamps. QUEST also provides supplemental

services such as child care, transportation, and food assistance. Thus, QUEST is an integrated program which attempts to look after trainees' interests until they are placed in a job. QUEST has high expectations of its trainees, requiring them to keep up attendance, maintain acceptable grades, and participate in the weekly motivational counseling sessions. Those who do not are removed from the program.

As a model of a successful jobs program, QUEST offers some important lessons. First, programs must be tied to the community; this involves commitment from business, community organizations, and the state. Second, all participants need to be held accountable. Businesses need to commit to particular required skill sets and wage norms, training institutions need to commit to providing these skill sets, and trainees need to commit to doing the preparatory work needed for available jobs. Finally, there needs to be a coordinating organization that is competent and puts all of these pieces together.

QUEST, like many other jobs programs, places relatively little emphasis on moving employees through career ladders or other mechanisms for advancement, through it places employees in jobs with potential for advancement. However, the QUEST approach could be extended to filling slots higher up on a career ladder, using incumbent employees instead of entry level workers. The basic approach — identifying nascent, unfilled demand in the labor market, and then moving decisively to fill it — would still bear fruit. Since incumbent workers are employed, they are less likely to need ancillary support services; the firms that would benefit from filling these jobs could contribute to the provision of these services.

Milwaukee Jobs Initiative (MJI)

The Milwaukee Jobs Initiative is a seven year project to improve the systems that connect central city residents to jobs. Focusing in the first year on manufacturing, printing, and construction jobs, MJI projects will connect at least 240 un- or underemployed central city residents to family supporting work. In each of the three targeted sectors, the MJI seeks to improve the organization, integration and coordination of actors on both the demand and supply sides of the labor market.

In manufacturing, the WRTP is working with the MJI to involve a broader range of manufacturing firms in a future workforce project that will systematize the links between firms and central city residents. For this project, the WRTP is identifying and recruiting manufacturing firms that will be hiring in the near future; working with these firms to identify the exact skills needed for entry level employment; working with firms and training providers to develop a curriculum that prepares workers for these jobs; and working inside firms to develop the sorts of peer advising systems that can help support new labor market entrants from inside the plant. On the community side, the project enlists community based organizations to recruit, screen, and support prospective program participants. Given the low area unemployment rate, employer response to the project has been extremely positive. Given the high wages offered in WRTP firms, generally better than \$10/hour to start, community interest in the project is also high. This "jobs connection" will be made for several hundred central city Milwaukee residents this year, and is projected to rise to several thousand annually within the next few years.

The WRTP focused originally on incumbent worker training systems, and these systems provide the foundation for the MJI project. First, project participants will be entering firms with some basic understanding of work in manufacturing, but as training is short-term (usually 12-18 weeks) workers will need to develop skills on-the-job. The incumbent worker training systems provide this necessary worker training infrastructure so that the entry-level workers can develop more advanced skills. Second, the peer advisor networks that were developed to encourage workers to use workplace education centers provide a natural infrastructure of support for new shop workers. Finally, providing training opportunities to incumbent workers also helps create an environment that is more accepting of new workers. Without workplace innovation requiring higher skills among incumbent workers, training for new entrants and their insertion into low skill environments would only frustrate and cause resentment among the incumbent workforce.

In addition to the manufacturing project, the MJI will invest in projects which connect central city residents to jobs in printing and construction. The focus of these projects, as with the manufacturing project, is to organize on both the demand and supply sides of the labor market. On the demand side, projects will help develop both retention and incumbent worker training systems. On the supply side, projects will encourage coordination of community resources for recruiting and supporting new labor market entrants.

“Jobs with a Future” in Dane County

In 1995, the Dane County (home of Madison, Wisconsin) Board of Supervisors reconstituted the Economic Summit Council — a blue-ribbon commission comprised of leaders from Dane County business, labor, public and non-profit sectors. The Summit Council is charged with developing a strategic vision for economic and workforce development in Dane County. One element of this plan is a community career ladder project to make “jobs with a future” available to all Dane County residents. Center on Wisconsin Strategy (COWS) has provided lead technical and design assistance for the project.

Following a review of our experience with the WRTP, of best practices from around the country, and detailed quantitative and qualitative analysis of local labor market conditions and needs, COWS identified three key sectors for development of sectoral intermediaries that could support high performance work organization on an industry wide basis. In these sectors — manufacturing, health care, and insurance & finance — COWS then conducted extensive interviews with human resource and training personnel at leading firms to identify the skill and workforce needs shared by the firms in each industry: this work recently led to employer/union decisions in each sector to establish sectoral consortia to address these needs.

In manufacturing, COWS found that many local manufacturers are experimenting with work reorganization in response to product-market demands for increased quality, flexibility, and innovation, coupled with lower costs. Most firms were also investing heavily in new equipment, much of it computer controlled, and trying to stay close to the leading edge of technology in their sector. The combined effect of work reorganization

and computerized technologies has been to sharply raise the basic skills demanded of the incumbent workforce. Requirements for more advanced process improvement and teamworking skills have also grown significantly. One of the most striking features of the new skill needs is that they are neither firm nor sector-specific, and have a wide application beyond metalworking itself. The shared industry problems can be broken into four main areas: recruiting and retaining entry-level workers, upgrading the skills of incumbent employees, managing the challenges of work reorganization, and meeting future workforce needs. Consortial activity will concentrate on solving these problems.

In health care, our study found an industry in flux, with restructuring and cost containment efforts altering the structure of work in the industry. Shared problems emerged within the major industry segments. Hospitals have difficulty retaining entry level workers in their food service and housekeeping jobs, and they have a hard time filling specific professional and paraprofessional positions. HMOs have the problems of an emerging industry — courses and training are designed for office rather than clinic settings. The extended and home health care providers are struggling to maintain quality care in a tight financial situation; reimbursement for services has simply not kept pace with the cost of care. While the surveys show distinct problems for the industry segments, the research also indicates that some of the pressing problems of the industry — occupational shortages, retention problems, and needs to increase the skills of the workforce — will be efficiently solved only through collaborative approaches on an industry basis. Consortial efforts here will focus on reducing turnover in lower-end jobs through certification and job-pairing; selected industry-wide programs of training, on an occupational basis, to meet special employment needs; and an attempt in at least one major facility to replicate the Cape Cod career ladder project.

In insurance and finance, COWS suggested the development of a program to move clerical workers into more technical positions while meeting firms' needs for information systems analysts and programmers. In insurance in particular, technological change has had major effects on the workforce, in terms of both workforce structure and skill needs. Clerical staff are increasingly required to upgrade their skills to meet the requirements of improved technology. Perhaps most significantly, all firms that have information systems (IS) departments are experiencing a dramatic shortage of qualified IS personnel. The consortium now formed will concentrate first on developing a modularized IS curriculum and create a "programmer trainee" position. This would allow them to send their own clerical staff through IS training in such a way that the skills created would bring immediate benefits to the firm.

Industry reaction to the sector studies and proposals for creation of cooperative solutions to shared problems has been very positive. Apparently, firms see many advantages to partnerships focused on training and modernization and, given good understanding of local issues and some sense of possible joint solutions, they are willing to work in new ways. While the project is still relatively young, the interest and commitment of local public and private sector leaders makes it interesting.

National Skills Standards

Skill standards could be another critical ingredient of an integrated and effective labor market system. If firms trust skill standards, and training institutions train on them, then workers can be sure that their training will actually provide a path to a defined job. The development of skill standards is proceeding on a sectoral basis, although some basic standards, such as literacy and numeracy, may hold across sectors. In banking, the California Business Roundtable and the California Department of Education developed skill standards for positions throughout the California banking industry. These standards are divided into foundation standards (for all positions), and standards for data and item processing, loan processing, and sales and services. Generally, the standards are geared towards employees with flexibility and good basic skills, as well as skills that are specific to one of the three occupational areas listed above. Many of these skills are specific to the work process in banking, and clearly would be most efficiently acquired on the job.

The US Departments of Education and Labor developed a set of principles for the design of skill standards in fields not requiring a bachelor's degree. The standards will be: 1) adaptable to rapidly changing organizational structures, technologies, and markets (they should be flexible); 2) based on "world-class" industry performance; 3) free of discriminatory elements; 4) easy to understand; 5) tied to measurable outcomes; 6) developed jointly by all "stakeholders" 7) developed independently of "any single training provider" but should be widely applicable; 8) useful for credentialing both entry-level employees and those moving up in the organization; 9) inclusive of skills of literacy and critical thinking. The Departments also designed a set of phases for the development of skill standards. These involve the creation of a coalition to develop the standards, identification of occupations where standards are needed, planning for training delivery and validation, the adoption of these standards by firms and educational institutions, and a mechanism for updating the standards beyond the scope of the initial Federal grant for development of the standards, and for including more occupations not covered under the grant.

The National Skill Standards Board (NSSB) has been appointed to spread this type of skill certification across the country, and to develop skill standards that are appealing to many employers. The U.S. Departments of Education and Labor and the NSSB have contracted for the formulation of skill standards in 22 areas. These skill standards will be voluntary; part of the job of the NSSB is to sell them to industry. Each set of standards (for each of 22 occupational areas) has been developed by a group within the relevant industry, and most of these groups issued standards in 1994 or 1995. The standards are currently undergoing validation in many industries.

The experience on skill standards in the US has been varied. In some industries, leaders have begun to use the standards to implement credentialing systems that will certify skills and ensure their portability. In other industries, neither firms nor unions are impressed with the standards. Many corporations opt out of working on these projects and the real potential in the field is limited. Even so, the concept of certifiable skills sets is one that could improve labor market information and help those seeking to show their skill levels to prospective employers.

3. SECTORAL PROJECTS TO IMPROVE OPPORTUNITIES IN THE NEW ECONOMY

Many of initiatives discussed above can be described as sectoral strategies. These strategies have excited considerable interest in recent years as the "natural" workings of the labor market have soured for many Americans, and as growing recognition of funding and information constraints on government have undermined confidence in the public sector's ability to turn that around. These "sectoral strategies" focus on organizing firms in a common industry or production cluster, and using this organization to seek greater scale and leverage in labor market reform, improve incumbent training systems, and develop central city connections to industry. Such strategies can be more or less ambitious — ranging from networking of firms to realize gains in joint marketing or training to full-scale consortia engaging in everything from joint training to common production planning and work reorganization.

The experience of these projects suggests that they can simultaneously advance the interests of sectors and low-income communities by developing trusted sectoral intermediaries that respond reliably to private sector needs. These intermediaries are close to demand in the labor market and can leverage that connection to produce improved low-income access to jobs and training on jobs in the sector. The success of these strategies must rely on the sectoral intermediary's ability to provide firms or the sector at large with better services and programs than would be available without the intermediary, or firms will not be involved. Projects, program, focus and success in the field are diverse, but the need to lead the industry, leverage funds within the industry, and develop efficiencies are all keys to the success of the initiatives.

How are positive effects produced — in effect, creating a "win-win" situation for firms, workers, and new labor market entrants from the community? By focusing such strategies on *sectors*, a collection of firms with shared production methods and/or labor forces, these projects are supported by and rely on three key efficiencies. First, there are considerable *economies of scale* to be realized when working with a cross-section of firms with shared labor force needs. Unlike workforce development or job connection initiatives that have adopted a narrowly customized firm-by-firm approach, the sectoral approach does away with the need for constantly renewing personal relationships and inspiring management goodwill or civic mindedness. By organizing a sector, solutions to recurrent problems can be improved and programs refined. The learning that results improves efficiency.

Second, a sectoral initiative can leverage *economies of scope* as well. A sectoral intermediary that understands and responds to the shared needs of a number of firms can develop diverse programs, which will weather economic shifts and the problems of single firms. Just as the scale of the project can be used to continuously improve common elements of the curriculum and training routines, the scope of the project protects it from being captured by a single firm and becoming uniquely beholden to that firm's needs and fortunes.

Finally, a successful sectoral initiative will develop *positive network externalities*. The positive network externalities will be generated as firms come together and find ways

to solve common problems. If sectoral initiative programs are helping multiple firms in a sector, then the region's sector becomes more vibrant and competitive as a whole. Firms, by sharing information and solutions, also may become more tied into the local community. So, as a valued sectoral intermediary is developed in a region, the sector can become revitalized and more rooted in the local economy.

4. SOME LESSONS FROM THE THEORY AND PRACTICE

Trends in the economy — outsourcing, downsizing, cellular production, work reorganization, service sector growth, shrinking firm size, deunionization and privatization of the public sector, to name a few — have all contributed to increasing confusion in the labor market. Career ladders in single firms, once clear and reliable, are less prominent. Workers increasingly move from firm to firm, gaining experience and moving on by moving out. When clear pathways through the labor market are not marked and when recognized credentials for experience and skill are not available, however, this process of churning further disadvantages those workers without access to informal networks and luck. Moreover, even as credentials and labor market information about demand and skill requirements have become more important to career advancement, the information has become less available, the labor market less transparent, and training opportunities less common.

Labor market irrationality is the result. At the bottom of the labor market, improvements in training, coordination of hours and attention to service quality can all simultaneously improve workforce and job quality. In the mid-range of the labor market, firms often have no sense of the possibilities of internal training systems. Generally, when internal training systems are developed they are too customized to allow workers a way up and into other firms. And throughout competition from (and often government subsidization of) low-road firms keeps firms that would work differently from focusing on developing new training and advancement systems. These problems must be considered as projects seek to develop job access and career advancement systems in the new economy.

This review of projects, and the discussion of the sorts of economies on which many of the sectoral initiatives rely, should provide some context for thinking about means of improving economic outcomes for those at the bottom of the labor market, even in a shifting economy. Given the preponderance of dead-end jobs and lack of clear advancement trajectories in the labor market, the emerging “any job is a good job” policy focus holds little promise for getting people out of poverty. Taken together, these projects suggest that a different focus is possible. First, in low-wage industries, a focus on the use of improvements in training and service quality and improved coordination of hours to develop real jobs where the market usually provides transient work. Second, a focus on developing systems wherein experience on one job qualifies people for progress to the next job, so that incremental progress is possible across firms as well as inside them. Third, a focus on improving job stability and advancement systems by organizing firms within targeted sectors and working both on modernization (so skill demands increase) and training (so that workers are ready to use new technology). Finally, a focus on the use

of industry collaboration to build a greater amount of cross-firm skill benchmarking to improve workers' mobility and marketability. Essentially, these projects seek to get "inside industry" and use the knowledge about industry needs to leverage change in the industry. However, these projects support the industry on specific terms and intervene where they can contribute to competitiveness by changing access and advancement systems.

While there is often discussion of developing the elusive "win-win" solution, these projects suggest that it is quite possible on the ground. Success often requires multiple foci of project activity and large scale reach into industry. Achieving that sort of focus and reach usually requires some leverage on the industry, which can come from political, community, or labor union organization. And as these projects are developed and grow, they also can make a major contribution to the reform of labor market systems. We discuss these ideas in greater detail below.

Collaborative Solutions are Possible

The barriers to industry collaboration are significant. Firms in each industry are often in direct competition for customers and workers. Moreover, their problems, while similar, are not always exactly the same; to be involved in the collaboration requires working less on narrowly customized solutions and working more on collective, but slightly less direct, solutions to problems. At the same time, the potential gains to collaborative industry-based work are compelling. By formalizing collaborative work on skill and training issues, firms and unions improve their ability to learn from each other. The connection on these issues provides a forum for best practice and helps to keep firms from constantly "reinventing the wheel." Working together, firms can also develop a more unified industry voice. Speaking more clearly as an industry, firms can then engage education and training providers and the broader public in a more informed dialogue on industry needs and opportunities. Finally, only by working together can firms take advantage of the economies of scale provided by coordination. Getting a project to work may require convincing both labor and management that the potential benefits of the project will outweigh the costs. Many of these projects have demonstrated that collaboration is possible, in spite of barriers.

The solutions often require commitments from some critical mass of employers. Scale is important in these projects because so many of the advantages that cooperation can bring grow disproportionately as the size of the project grows. In addition to industry reach, solutions have to be designed on the basis of strong industry knowledge. It is this knowledge of industry problems and focus on collaborative solution of those problems that can develop programs that improve workers' opportunities in the industry.

There is a critical tension between firm and sector focus throughout many of these projects. On the one hand, the goal is to meet industry needs, and firms are generally convinced that their own situation is unique. This pushes programs to work in a highly customized manner. At the same time, the goal is often both scale and improved external mobility for workers; yet hyper-customized programming doesn't really provide that. Experience in these projects suggest, however, that this customize/generalize tension is, in fact, navigable. For example, the design of an internal project for career ladders at one hospital has spread to the regional health care sector. And in Milwaukee, firms develop

customized training programs in the context of an organized industry, so curriculum legitimacy and benchmarking is developed. In both instances, workers' internal and external prospects have improved.

The Importance of Worker Organization or External Leverage

Many of the projects discussed here were designed and led by labor unions. In part, this is because unions are able to serve a mediating role in industry and leverage the participation of firms in various initiatives. Moreover, unions can develop the front-line networks that can more efficiently identify job requirements and skill shortages. Both because they are positioned to leverage industry cooperation and because their members have information that firms need to have training really work, developing these projects is often easier and more effective in well-organized sectors. While many of the projects have started in unionized settings, their effect has been felt throughout their industry.

Projects are also possible where workers are not organized, but such projects require some form of external leverage on the industry. Community groups or government may provide the initial impetus for firms to become involved. For example, Project QUEST used community organizing in addition to good services to generate interest among employers. The Dane County Career Ladder Project relies on the "blue-ribbon" support of community leaders that are overseeing the project. While there may be a number of reasons why these projects will actually help firms, just getting them in the room — to discuss problems or sit through surveys — requires finding some source of leverage.

The Promise of these Projects: Reforming Labor Market Systems

In the short-term, these evolving sectoral intermediaries can play a critical role in improving incumbent workers' advancement in and disadvantaged workers' access to careers in the industry. The experience of the WRTP also shows that as the partnership grows in scale and scope, it is increasingly well-positioned to provide public institutions with representative and detailed information on industry needs. If multiple consortia were organized in a regional leading industries, the efficiency and efficacy of public administered labor market services would improve dramatically.

Sectoral partnerships could play a valuable role in overcoming the public sector problems — lack of information and lack of resources — that were identified earlier in the paper. In effect, partnerships provide at the regional level what is not provided nationally — a genuine infrastructure of industry and union collaboration that both drives industries toward more demanding skill demands and provides the flow of information, and assurances against free-riding, needed to meet it. They could provide private-sector-driven information about the market and emerging needs in the labor market, which would permit more intelligent programming to meet those needs. Additionally, sectoral initiatives could leverage firm investments in training, workplace reorganization, and modernization. Well-designed sectoral partnerships in leading industries are uniquely positioned to provide the public sector with the "inside" information on industry needs that is representative, self-interested and at scale. With strong sectoral partnerships, public agencies and community based organizations have

the sort of one-stop demand side coordination that Job Centers provide on the supply side of the labor market. School to Work, technical colleges, community training programs, and support services can relate in one forum to the industry. Given pressures for devolution, moreover, there is no reason why such efforts could not be more effectively integrated into public labor market administration.

If each of a region's most important sectors were organized consortially to work on workforce development and modernization issues, then representatives from those organizations could sit together on a regional labor market board that could direct public sector resources devoted to training, education, and human services funding to workforce development and job connections (see figure below). This regional labor market board would be more representative of the regional economy, and members of the board would be responsible to their sectoral organization rather than to a single firm. Additionally, public sector systems from schools to welfare departments to technical training institutions could receive accurate information and projections of opportunity and skill requirements for the workforce.

Using Partnerships to Help Build Integrated, Representative, and Responsive Regional Labor Market Systems



In an age of growing inequality and central city economic isolation, devolution appears as yet another attack on the already weak public systems that must respond to the needs of central city residents. At the same time, devolution presents an opportunity to press for real systems reform in local labor markets. Organizing lead sectors can

contribute positively to that process. Regional Labor Market Boards could be the site where community, employer and public sector needs were negotiated and responded to in a flexible, representative and responsive manner. Our experience in Wisconsin suggests that such organizations can be developed, that private, public and community players are ready to make the necessary changes, and that the positive effects for everyone involved far outweigh the difficulties in bringing them about.

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