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Introduction

In August 2016, Prince George’s County Economic Development Corporation (PGCEDC) engaged Thomas P. Miller and Associates (TPMA) to complete a Workforce and Sector Study of the National Harbor region of Prince George’s County. Home to over 150 retail and hospitality businesses, National Harbor is a 300-acre multi-use waterfront district just south of Washington D.C. This study was brought about in part because of the pending opening of the MGM National Harbor resort and casino, which is expected to hire approximately 4,000 people. However, even without the added pressure on the local workforce, National Harbor businesses find hiring, retaining, and promoting talented individuals one of their greatest challenges.

National Harbor is geographically isolated and in competition with Washington D.C. and other neighboring cities for workforce. TPMA sought to better understand the systematic pressures causing the workforce shortage. The following Executive Summary provides an overview of our quantitative findings, a more detailed report of our qualitative findings, and a set of recommendations based on these findings.

Summary of Data Analysis

Demographics

In general, the population of Prince George’s County is diverse and fairly well compensated. The population is increasing but not at the same rate as the state of Maryland or the United States. Over the last ten years, the County’s population increased 6.5%, which is slightly lower than Maryland’s growth rate of 7.2% and the national rate of 8.7%. The population of the region is quite diverse, with 62% Black/African American, 17% Hispanic, and 4.5% Asian.

Income

At 9.7%, Prince George’s County has a lower proportion of residents living below the federal poverty line than the state of Maryland (10.0%) and the nation (15.6%). Median household income for the county is slightly lower than the state but just over $20K more than the US.

Commuter Patterns

The number of National Harbor residents who commute out of the area for work is more than twice the number commuting in. Much of the region’s economic strength appears attributable to employment outside of National Harbor itself, such as the District of Columbia and Fairfax County, Virginia. Rarely do regions have such a significant imbalance between its own population and its daily workforce. Though we cannot conclude from this that residents of the National Harbor region will readily drop their current employment in order to work closer to home, we can say that there are a significant number, especially among lower wage occupations, who could be potential targets for the new jobs that will be introduced.

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1 Those residing in zip codes 20744, 20748, and 20745
Industry and Occupation Analysis

Currently, the economy of National Harbor is driven by Government, Accommodation and Food Services, Retail Trade, and Health Care and Social Assistance industries. Many of the Government jobs that exist in this region are well paying, but generally speaking the remaining sectors do not offer high wages. The greatest unique competitive strengths of the region currently are among Accommodation and Food Services, Retail Trade, and Other Services (except Public Administration).

When the MGM Grand Casino and Hotel opens, the region will gain over 4,000 new jobs directly to the Accommodations and Entertainment sectors, not to mention additional indirect jobs that will be added to complement the services at the new establishment. Currently, there is a significantly sized workforce in the Accommodation and Food Services and Retail Trade sectors, but there are relatively few jobs in the Arts, Entertainment and Recreation sector.

Entry-level jobs where occupational skills overlap, such as cooks, reception clerks, waiters and waitresses, cashiers, and retail salespersons, will have a large pool of candidates for the MGM Grand if even marginally higher wages are offered, however, these positions may still be difficult to fill because of the availability of “quality” candidates. These workers will need to come from somewhere, and there are several population pools that can be targeted for recruitment including: resident out-commuters, non-resident in-commuters, and individuals who neither live nor work in the region currently. The latter two scenarios could potentially put additional burden on regional transportation and infrastructure.

Further compounding the upcoming workforce challenges is that workers with higher levels of responsibility and/or who require a longer duration of training—such as general and operations manager—will come into very high demand because there are relatively few within the region.

Summary of Survey Results

Thirty-two respondents completed the PGCEDC Employer Input Survey. All questions were optional and, thus, responses to individual questions may not total thirty-two. The most common industries represented included hospitality and food service (primarily casual and fine dining) and retail and wholesale trade (primarily retail).

The majority of respondents (17, 53%) have ten or fewer employees working at the National Harbor location, although one noted 2,000 employees. A large portion of companies (22, 69%) need five or fewer employees immediately, while eleven predicted they will need to hire between six and twenty-five employees over the next year.

Challenges

High level or experienced positions were recognized as very difficult to fill, although more than fifteen respondents also noted middle and entry level occupations were somewhat difficult to fill. The most common positions filled included Sales Associates, Servers, and Cooks. Turnover was the most frequently sited reason for filling positions.

Receiving a sufficient number or resumes/applications was not considered a challenge for most respondents, although finding qualified candidates and soft skills (communication, attendance,

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2 For example, retail and accommodations wages typically average between $11.00-13.50 per hour, while the average for all sectors is $24.00 per hour.
proficiency, team work, etc.) were significant hiring challenges. Basic education skills (English, Math, literacy) was also a moderate challenge.

Transportation was frequently noted as an outside influence that prevented hiring top candidates, as well as local competitors and the opening of MGM. Many commented on the lack of bus reliability and access to the Metro system. Two-thirds of employers responded that transportation was a challenge when hiring and retaining employees.

Attendance or discipline related was the most significant challenge with respect to retaining employees, while training new and existing workers was a minor challenge. Respondents reiterated promptness and attendance issues in other question responses, where attendance was also the most common cause for termination, followed by productivity and performance related causes.

Professionalism, customer service, and general soft skills (e.g. communication) were mentioned as areas for significant training need as well as skill gaps faced by the company. A large majority (89%) of respondents have internal career progression or pathway options for promoting within, although few details were provided when describing these options.

**Interview and Focus Group Summary**

To expand on the survey findings and gain a deeper understanding of local workforce challenges, TPMA conducted one focus group and two one-on-one interviews with managers and/or owners of National Harbor businesses on September 29 and September 30, 2016. In the weeks that followed, TPMA conducted another seven phone interviews. Each conversation lasted between 30-90 minutes. Below, we have summarized the responses of these interviews, highlighting key themes and common challenges. Companies participating in the focus groups and interviews include:

- The Capital Wheel
- Charming Charlie
- Columbia Sportswear
- Fiorella Italian Kitchen
- McCormick and Schmick’s
- Peeps & Company
- Starbucks
- Stonewall Kitchen
- Succotash
- Tervis
- The Walrus Oyster and Ale House
- Westin
- Wyndham

**Advertising Job Openings**

Employers use a variety of advertising methods, including the National Harbor website and, in many cases, their parent company’s website. Other common online destinations include: Indeed, Craigslist, LinkedIn, and Talent Reef. Most employers also use in-store signage to announce open jobs and have a high volume of walk-in applicants. By-and-large, National Harbor employers prefer to hire candidates who are referred through existing employees, and many of them have instituted referral bonuses to encourage the same. In the future, it may benefit employers and job seekers to create a process in which National Harbor tenants refer applicants to the National Harbor Career Center when they are not selected for an interview or offered a position. Please see Page 9 for more information about the National Harbor Career Center.
Workforce Challenges

When asked if there are enough applicants to fill the jobs available, the overwhelming response was negative. In some cases, employers felt that, even if everyone who completed an application was qualified, there would still not be enough applicants to fill the jobs. In any case, employers confirmed that finding, hiring, and retaining quality employees is an on-going challenge for their National Harbor locations. Interviewees cited a number of reasons for this, including transportation challenges; differences in wages between Maryland, Virginia, and DC; and competition from businesses in other, more accessible locations.

Other limiting factors include: overtime regulations, the Affordable Care Act, company policies (age requirements, drug testing, background checks), and labor laws for minors.

Example target populations employers are interested in attracting are:

- Homemakers that want to get out of the house
- Individuals near retirement age
- College students

Education and Training Partnerships

It was uncommon for employers to have strong relationships with local education providers, although a few indicated they had worked with Prince George’s Community College with some success. Similarly, very few indicated having used (or even having knowledge of) the career services available through the PGCEDC.

Restaurant managers indicated that culinary school graduates did not have the experience they were looking for and/or had unrealistic expectations about the types of jobs they were qualified for. One employer said, “Everyone wants to be a chef. No one wants to be a cook.”

One company has an ongoing relationship with a university-level hospitality program which places college seniors in management internships. To date, two of these interns have been hired as full-time managers. This relationship should be considered a best practice for National Harbor to replicate on a larger scale. Partnerships with the local colleges and workforce development boards would benefit employers as well as the public workforce system and the county at large.

Employee Performance Challenges

Performance challenges related to soft skills are usually handled on a case-by-case basis. Individual managers work with staff to correct issues through coaching, formal performance improvement plans, and on-the-job training. This process relies entirely on managers’ skill and temperament, and anecdotal evidence shows that this is sometimes very effective and sometimes not at all. There is an opportunity for the National Harbor Career Center to provide training for both the entry-level, front-line workers and for management to improve this issue from both directions.

Some employees need to be coached on the difference between constructive feedback and a personal attack. For many, manager feedback is the first they’ve received in a positive environment. Termination is reserved for more extreme cases: yelling, inappropriate language, spitting, no call/no show, theft, and cheating on time cards were some of the reasons listed for termination rather than coaching or development.
One of the unique challenges facing National Harbor is the need for culturally sensitive staff and managers. Interviewers described the clientele as an international group with wide ranging dietary, religious, and cultural backgrounds and expectations. Managers want staff who can provide a consistently high level of service even while adapting to changing client needs and expectations.

Similarly, National Harbor managers and executives must be aware of the internal cultural gap that exists between them and their staff and applicants. In many cases, management does not have the same vested interest in Prince George’s County as their employees. Those who commute into National Harbor from the District of Columbia are often from different socioeconomic and racial/ethnic backgrounds. The capital and neighboring cities (e.g. Alexandria, VA) have a higher median income and higher education levels than Prince George’s County, contributing to the culture gap. Managers must be culturally sensitive even while coaching their employees about professional communication, attire, and behavior.

Training and Career Advancement
From formal, corporate sponsored career paths and training programs to informal preferences to promote from within, almost all National Harbor employers make at least some commitment to offering employees opportunities for growth. Likewise, onboarding processes range from formal to informal, with smaller companies usually having the least formalized process. On-boarding programs usually focus on customer service skills and product knowledge.

Opportunities for growth are most often given to those employees with the strongest soft skills—good communication, exemplary work ethic (described in terms such as drive and determination), and a professional appearance. In food service, career pathways for back-of-the house positions (chef, kitchen manager) required the most technical skills. In general, employees must also have strong technical skills in order to move into management positions. Some, but not all, companies require a college degree for management positions.

Two common challenges emerged related to career advancement. 1) For store managers/general managers, there is no local room for growth, making it difficult to retain managers which will almost always have a ripple effect on staff. Whether GMs move from one company within National Harbor to another or they move up within the company to another location or regional post, this leaves National Harbor employers with a constant need for new managers. 2) Most promotions from entry-level include a move from part-time to full-time. For those who want to continue working part-time, this eliminates opportunities for growth. For those who want to work full-time, the competition for promotions is steep and opportunities most often exist because of turnover. In both cases, employers may be losing strong employees who feel trapped in an entry-level role.

Commuting and Transportation
Employers reported having staff in the following communities:

- Alexandria
- Fort Washington
- Oxon Hill
- Silver Springs
- Southeast Washington
- Upper Marlboro
- Waldorf

Many interview subjects agreed that transportation was a challenge for their business, primarily because of the effect on employees’ attendance and punctuality. While some employers attempted to
accommodate worker transportation challenges (by setting schedules around the bus routes, allowing more lenience for tardiness, and so on), others felt that transportation was “not [their] problem” and employees should be responsible for finding solutions on their own.

There is a general perception that “getting across the bridge is a huge undertaking,” and, as a result, it is easier to hire from the local area. Those who do live outside of Prince George’s County have long commutes—sometimes at odds with the short shifts many retail employees work (one manager noted that an employee has a two-hour one-way commute for her five-hour weekend shift). Another noted that the commute becomes a retention challenge for managers who accept the job, work a few days, and decide the commute is too long or too expensive to make the job worthwhile.

Although managers, in general, did not feel the National Harbor parking fees were expensive, they did acknowledge that $30 per month may be a difficult amount to carry for part-time staff who end up paying a significantly higher amount per trip or per hour than those who work full time.

The limited transit routes are a greater concern for employers and employees, although people are looking forward to the addition of the NH2 bus line. Managers noted having to open late and close early because of bus schedules on a number of occasions.

Interviewees report that it is easier to commute from Prince George’s County into DC than the opposite, and that the DC retailers, restaurants, and hotels offer better wages. They feel they cannot compete with the District for employees.

At the same time, employers report that Oxon Hill is a “rough” area (when asked to define this, they reported a perception of high crime, poverty, unemployment and homelessness in the area nearest National Harbor). This perception has been confirmed by county executives, for whom the Oxon Hill neighborhood is a focus of many social improvement initiatives, these residents are most in need of the services the National Harbor Career Center is likely to provide.

Preferred Experience, Characteristics, and Skills
At most, the employers we spoke to are looking for one-to-three years of experience in their applicants, although this is typically a preference rather than a requirement. Even in more skilled positions such as manager or chef, the experience requirements fairly lenient. Some have hired managers after as little as eight weeks of on-the-job training (internships). On the high side, some establishments require at least two years’ experience in a similar venue for management positions. It is important to note, however, that not all experience is viewed favorably. If an applicant has one to three years’ experience, but has a history of staying in a job for less than six months at a time, the applicant is at a disadvantage that may be greater than those who have less experience overall. For this reason, increasing retention and loyalty will benefit employers and frontline staff.

For individuals with no work experience, employers may consider their high school or college activities, such as church or volunteer involvement, participation in team sports, and student government. In cases where little to no experience is required, managers look for the following attributes when screening candidates:

- Able to think on your feet,
- Selfsufficient and confident,
- Entrepreneurial,
When describing soft-skills and characteristics of an ideal candidate, employers offered the following responses:

- Common sense
- Following directions; taking feedback
- Overall professionalism: appropriate dress code, not using a toothpick in front of clients
- Appearance and hygiene
- Conversation/dialog – understanding the formality of the situation
- Understanding that how you present yourself in the interview is what you need to be when you show up for work
- Showing up on time, showing up at all
- Appropriate resignation (not no call no show)
- Conversations among employees is inappropriate
- Customer service – understanding of what the business is about
- Want to find people who are interested in staying on beyond school
- Calling off / giving two weeks and not finishing the notice period

A few technical skill needs identified in interviews include:

- Being able to count money, run a register,
- How to use a broom, mop, or vacuum,
- Sales process: asking open ended questions, upselling, etc.,
- Packing and shipping.

When employers are looking for experience in retail or hospitality, time on the job often translates into realistic expectations about the work environment: dealing with challenging customers, staying on your feet for several hours, keeping up with stocking and side work, etc. Having exposure to these elements of the industry usually gives employers confidence that a new hire is going to stay on board for longer than average. More focused attention on work-based learning opportunities (job shadowing, internships, and apprenticeships for example) may increase the number of job applicants who have access to upwardly mobile career pathways at National Harbor.

Vision for the National Harbor Career Center

Employers were very interested in the prospect of a National Harbor Career Center. By far the most common request was for job search and interview skills training, including how to dress for interviews, how to prepare for interviews, how to complete applications, resume writing, and phone interviewing skills. Other topics included:

- Soft skills
- Grooming and appearance
Employers were also interested in the career center offering services such as background checks and candidate screening, recruiting assistance (working with corporate offices to promote openings for management positions), and printing services for job seekers. The state of Maryland has committed to providing programming for hard-to-serve populations, such as the re-entry population and out-of-school youth. By pairing these programs with the business services programs requested by National Harbor tenants, the career center may be able to advance these goals. In particular, a National Harbor Career Center can lead an Out of School Youth Work Experience Program that can assist the community in building the future workforce by partnering workforce, education, and business.

**Recommendations and Next Steps**

The National Harbor community is hungry for workforce development support, and with the opening of MGM National Harbor just weeks away, the demand for qualified candidates will continue to grow. PGCEDC and its partners are in a prime position to offer this support through the National Harbor Career Center (NHCC). The center will be most successful as a one-stop destination for businesses and residents where services will not only include basic skills training and job search support, but also leadership development and management workshops, applicant screening services, and more.

Because of the large and varied commuting patterns that bring people in and out of National Harbor, we recommend a regional approach to the career center. By serving populations in DC and northern Virginia, and by collaborating with workforce development boards in multiple regions or states, NHCC will dramatically increase its reach.

**Job Seeker Services**

The National Harbor Career Center will best serve the target populations (retail and hospitality workers, high school and college students, and un- or under-employed residents) with office hours that extend into the evening and weekends and a menu of services available on a walk-in basis. These services may include:

- One-on-one career coaching to address individual needs such as job searching skills, resume development, and interview preparation.
- Job matching services to help job seekers identify and pursue appropriate job openings.
- Skills assessments such as ACT’s WorkKeys, which measures individuals’ skills in reading, math, and locating information.
- Computer and printing stations for resume writing and completing online job applications.
- Partner Referral services to connect job seekers with employment barriers (such as transportation needs, insufficient childcare, or homelessness) to solutions.
In addition to the a la carte services provided above, NHCC will provide regular and on-going training for job seekers and incumbent workers. We recommend that National Harbor reach out to local high schools and post-secondary institutions (in particular, Prince George’s Community College) to work collaboratively in developing curriculum, offering internships and other work-based learning opportunities, and promoting services to students and job seekers. Early program offerings will include:

**Career Readiness Program:** A series of instructor-led workshops in which participants work through topics such as resume writing, interviewing, applications, financial literacy, interest inventory, and employer expectations.

**Customer Service Skills:** This week-long course (40 hours) will provide job seekers with exposure to some of the most common customer service and communication skills needed in the retail and hospitality industry. From warmly greeting customers to remaining calm during stressful situations, participants will learn about managers’ expectations in a range of customer service scenarios. Participants will also learn about appropriate business dress and hygiene, communicating with supervisors and peers, and conflict resolution. Upon completion of this training, participants will attend a reverse job fair in which they will have a booth and copies of their resume while employers rotate through the room visiting them.

- It may be beneficial to align this program with an industry recognized credential, such as the National Retail Foundation’s Customer Service and Sales Certificate or the various “Line Employees” certifications from the American Hotel and Lodging Educational Institute.

**Cash Handling Skills:** This one-day training will provide job seekers with the basic skills of running a cash register and/or keeping a bank. Participants will learn how to balance a cash drawer at the beginning and end of the shift, how to prepare a deposit, and how to anticipate when additional change will be needed. Participants will also learn how to make change with or without a register.

**Pre-Job Fair Workshop:** Job Fairs can be confusing and overwhelming to job seekers who may not understand the employers’ expectations regarding preparedness and appropriate dress. This half-day workshop will help participants understand what to expect and how to make a good first impression. This program could potentially serve as a pre-screening requirement for all job fair attendees.

**Business Services**

The National Harbor Career Center will also serve as a resource for National Harbor tenants, particularly those small, locally owned companies without dedicated Human Resources departments. Business Service Representatives will work one-on-one with employers to identify their training and hiring needs, and to explore solutions, such as public funding and programming, that can ease their workforce challenges. Specifically, NHCC will provide:

**Screening and Referral Services:** National Harbor employers will notify the career center when they have job openings, and the business service representatives will work with the career coaches to match current job seekers and program participants with those job openings.

**Management and Leadership Workshop:** In this program, managers will learn how to create a workplace culture that leads to success. Participants will discuss best practices in providing incentives, developing
morale, and offering constructive feedback. Whether work ethic and soft skills become a barrier to business operations often comes down to managers’ abilities to provide feedback and coach employees through difficult situations. In this workshop, managers will learn the communication and coaching skills necessary to de-escalate conflict, correct behavior, and encourage personal accountability. Managers will also gain a better understanding of the cultural and generational biases that get in the way of good employee relations and positive morale.

**Work Experience:** The career center will connect employers with federal funding for Youth Work Experience and other work-based learning opportunities and work with employers to match the right students to these opportunities. Many of these entry level retail positions offer a chance for business to invest in youth by providing them real world training in soft and customer service skills, which can be utilized in a range of career paths. Programs such as this will allow employers to serve as mentors while reducing the financial and legal burden on companies for hiring young and inexperienced individuals. This partnership will not only assist National Harbor employers with filling a void in the entry level talent pool, but will prepare the future talent pipeline for mid and upper level positions.

**On-the-Job Training (OJT)** – A collaborative effort among NHCC, job seekers, and business. A job seeker would have the opportunity to gain the skills needed through a work and learn program offering business reimbursement of the trainee’s wage. This provides the business an incentive to invest in the development of the job seeker’s soft and technical skills while at the same time offering a career opportunity to those most in need. In most cases a National Harbor OJT program would focus on management or mid-level positions.

**Job Sharing:** Many National Harbor employees work more than one part-time job. This often causes frustration for employers who have to work around other businesses’ schedules and labor needs (resulting in missed shifts, late starts, and other challenges). The job sharing program will match complementary—but not competitive—businesses and help them coordinate schedules so one employee can work two part-time jobs with greater ease.

**Sector Partnership and Career Pathway Coordination:** The career center can serve as a neutral convener to bring together National Harbor tenants/businesses to collectively address their workforce development challenges. Because of the nature of the hospitality and retail industries, National Harbor can develop an external career pathway that maps the progression an employee might take either within one company or across two or more. This pathway would make clear the companies that are most willing and able to hire youth and those without prior experience and earmark those as entry points or on-ramps. From there, the pathway will identify training and education needs, internship opportunities, and companies with higher skill needs. This pathway and the partnership behind it will lead to greater overall retention and an increased skill level among the National Harbor workforce. Member companies will show their employees that they are invested in their advancement, not just in the next shift.

**Next Steps**

Thomas P. Miller and Associates can assist National Harbor in planning and implementing all of the above services. We will approach the planning phase with the following successful strategies in mind:

- **One Industry** – Sector partnerships provide a venue for multiple employers within the same industry to come together around their common workforce needs. This allows discussions to be targeted and will ensure technical assistance and training are aligned with demand.
TPMA understands that Peterson Companies is interested in launching a NHCC in partnership with PGCEDC. To support this effort, TPMA will conduct a best practices scan to identify relevant examples of public-private and sector specific models to develop sector-focused, one-stop training, and job placement career centers.

Best Practices Research

TPMA understands that Peterson Companies is interested in launching a NHCC in partnership with PGCEDC. To support this effort, TPMA will conduct a best practices scan to identify relevant examples of public-private and sector specific models to develop sector-focused, one-stop training, and job placement career centers.

Develop Sector Partnership Action Plan

Drawing upon the results of the Employer Engagement activities described above, TPMA will develop an action plan for National Harbor leadership to use as they embark on the Career Center launch. The plan will ensure that the resources and energy invested into the Career Center are a catalyst to future action by identifying:

- In-demand occupations in entertainment, retail, and accommodations as well as related training and education requirements (aka Career Pathways);
- Recommendations for Career Center operation and management;
- Clear next steps for implementation and execution;
- Existing resources (expertise, funding, collateral materials);
- Gaps in resources and funding;
- Champions for each strategy.

TPMA will draw on extensive experience in developing sector strategies, career pathways, and strategic action plans to execute this task. However, at every step, we will continue to engage National Harbor businesses to ensure that there is not only buy-in but strategic guidance from employers as the Career Center concept is built out.

Sector Partnership Convening

Engagement with regional workforce, economic development, and educational entities is essential to the success of any career pathways initiative. TPMA understands that the client has existing partnerships with many of the key organizations in Prince George’s County and the surrounding areas, and the project team will work with the client to strengthen these relationships and foster new ones. To do so, TPMA will:

- Facilitate one-on-one or small group meetings with influential leaders to garner buy-in, identify existing resources, and create better alignment between programs;
- Develop Memoranda of Understanding (MOU) between the Career Center and its partners to support the development and improvement of career pathways and the related programs;
- Provide recommendations regarding partnership governance and leadership development;

THOMAS P. MILLER & ASSOCIATES
Career Center Staffing and Operational Plan
Drawing on years of one-stop operation experience, TPMA will develop a staffing and operational plan in conjunction with National Harbor and PGCEDC to establish a holistic one-stop career center that focuses on creating solutions to meet the needs of business and job seekers. Operational elements could include customer flow design, partner engagement, and service delivery. While the staffing plan will include recommended job descriptions, onboarding, and professional development materials for all staff including career coaches, business services representatives, and administrators.

Curriculum Development
TPMA will work with career center staff, local education partners, and community based organizations to develop the curriculum for the programs described above. We will draw on national best practices as we guide the development of learning outcomes and align programs to industry recognized credentials whenever possible.