

U.S. CHAMBER OF COMMERCE FOUNDATION

Education and Workforce

Talent Pipeline Management

Goals

- 1. Introduce USCCF and our work focused on closing the skills and familiarize you with the tools, resources, and supports available
- 2. Engage with one another on the possibility of implementing this approach in your communities



America's Skill Gap

- Our education and workforce system is failing to keep pace with our economy
- Employers struggle with finding skilled workers who can contribute to economic growth and competitiveness
- Disconnect between what employers need and what prospective employees are prepared to do
- > Status quo contributes to high unemployment/underemployment, growing entitlements, and lost opportunities for growing the middle class.



America's Skill Gap – By the Numbers

- > Sr. executives believe there is a serious gap in workforce skills: 92%
- U.S. employers struggling to fill vacant jobs: 49%
- Unfilled manufacturing jobs today: 600,000
- Growth of skills gap by 2020: 6 million unfilled positions.
- ➤ Planning to hire recent graduates: 65% (up from 57%)



Sources: Adecco; Accenture; Manufacturing Institute; Georgetown Center on Education and the Workforce.

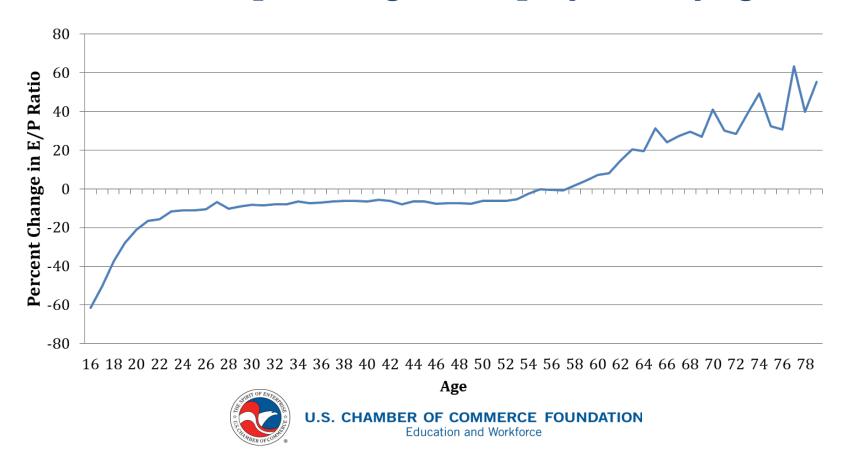
America's Skill Gap – By the Numbers

- Forgone revenue per unfilled position: \$23,000
- ➤ Mid-size manufacturers loss in annual earnings: 11% (\$4.6 million)
- Fail to achieve key financial targets: 43%
- Reduced ability to innovate: 40%
- ➤ Unable to start a major project or strategic initiative: 37%



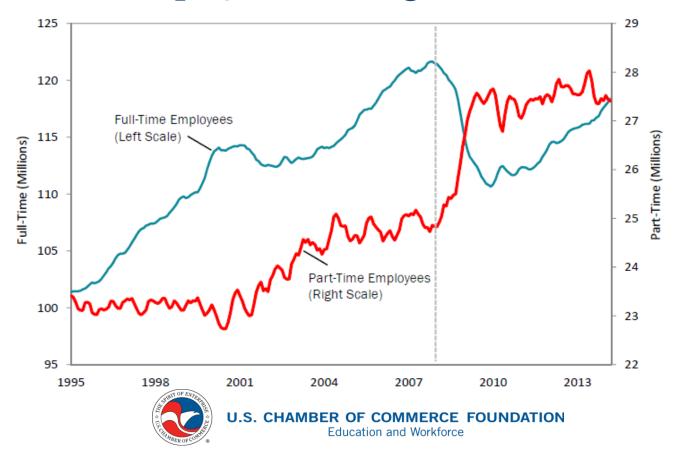
Sources: CareerBuilder; Accenture and Manufacturing Institute; Chartered Global Management Accountant.

America's Skill Gap - Change in Employment by Age



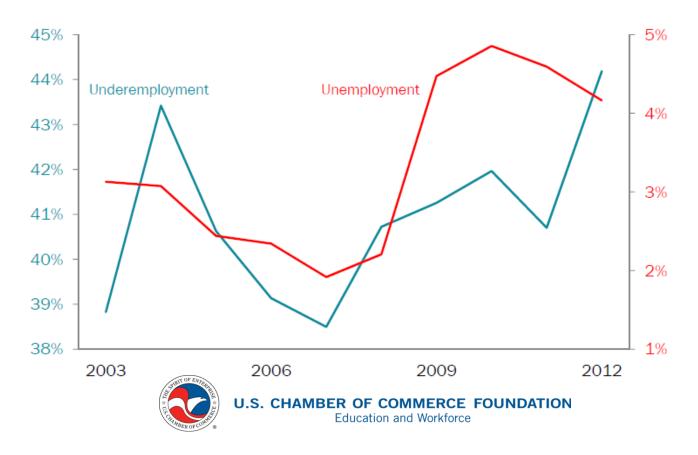
Sources: Andy Sum Key Findings on the Labor Market Experiences of Teens and Young Adults (16-24 Years Old) in the U.S. from 2000-2012.

America's Skill Gap – 3-Month Avg. Full-Time vs. Part-Time



 $Sources: Joe\ Fuller, Harvard\ Business\ School, Middle\ Skills\ Report; Bureau\ of\ Labor\ Statistics.$

America's Skill Gap – Recent College Grads 2003-2012



Sources: Joe Fuller, Harvard Business School, Middle Skills Report; Abel, Jaison R., Richard Deitz, and Yaqin Su, "Are Recent College Graduates Finding Good Jobs?"

America's Skill Gap – Education Performance

- ➤ U.S. OECD ranking in mathematics: 26th
- ➤ U.S. OECD ranking in science: 21st
- ➤ U.S. OECD ranking in reading: 17th
- ➤ U.S. high school graduation rate: 80%



Sources: Office for Economic Co-operation and Development 2012 PISA rankings; U.S. High School Adjusted Cohort Graduation Rate.

America's Skill Gap – Education Performance

- First year college students requiring remediation: 60% (cost \$3 billion)
- \triangleright Four-year students who complete on time: 36% (research) and 19% (all other)
- > Two-year students who finish on time: 4%
- ➤ BA degree-holders under 25 jobless/underemployed: 54%



America's Skill Gap – Education Performance

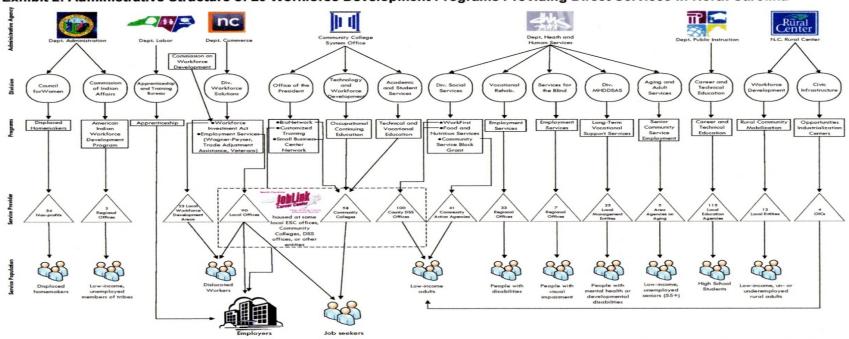
- ➤ Believe college grads are prepared for the workforce: 96% (CAO) vs. 11% (business)
- College grads who believe they have been prepared for a job: 35%
- College grads who did not learn to network or conduct a job search: 58%



Sources: Gallup; McGraw Hill Education 2015 Workforce Survey.

America's Skill Gap – Supply-Side Accountability

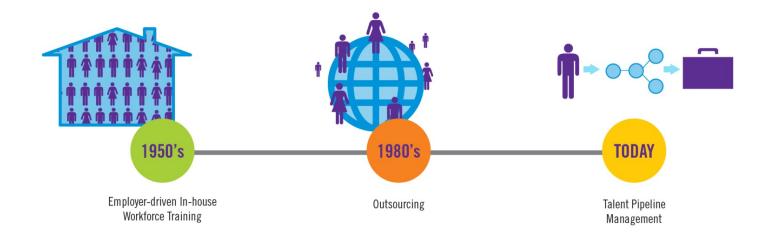
Exhibit 2: Administrative Structure of 20 Workforce Development Programs Providing Direct Services in North Carolina





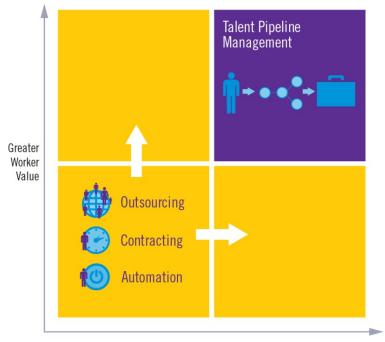
 $Sources: Bipartisan Policy \ Center, \textit{Getting Work: How Government can do better preparing Americans for today's jobs, \verb"2014".}$

Strategy for Our Time





Career Value vs. Business Value

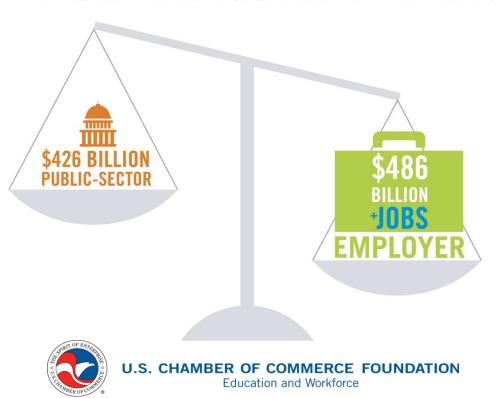


Greater Business Value



Employer Investment

INVESTMENT IN WORKFORCE EDUCATION AND TRAINING



Moving to a Supply Chain Approach

- Employers can close the skills gap by applying lessons learned from supply chain management (SCM) to their education and workforce partners.
- > SCM is the coordination of all critical activities by the *end-customer* to achieve the best mix of responsiveness and efficiency in a value chain.
- Lessons learned from SCM create "shared value" for all stakeholders.

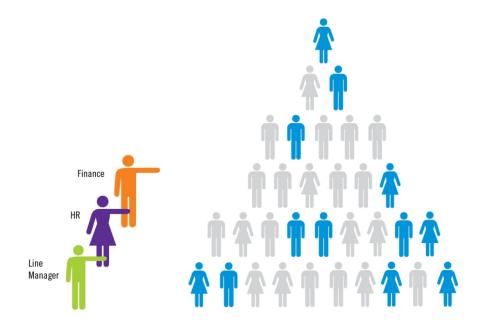


Lessons Learned from Supply Chain Management

Principles					
Supply Chain Management	Talent Pipeline Management				
1. Supply chains drive competitive advantage, they are not a cost of doing business	1. Connect your talent strategy to your business strategy to improve competitiveness				
2. Supply chain networks create shared value and competitiveness across all partners	2. Organize and manage flexible and responsive partnerships with preferred providers to create shared value				
3. End-to-end metrics and aligned incentives improve performance across the supply chain	3. Shared measures and aligned incentives improve performance of education and workforce partners				



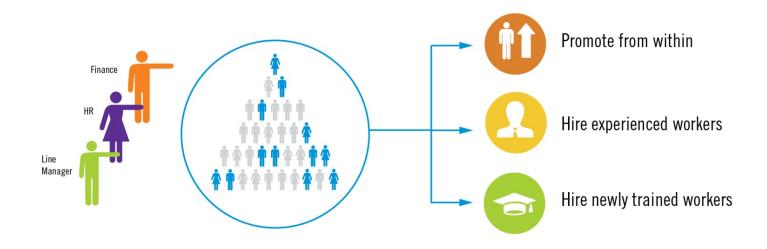
Core Capabilities





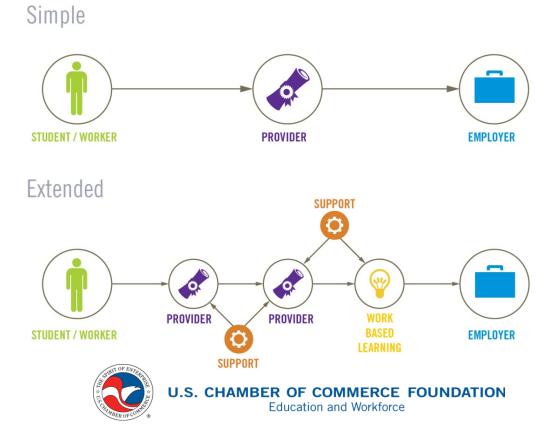


Workforce Segmentation

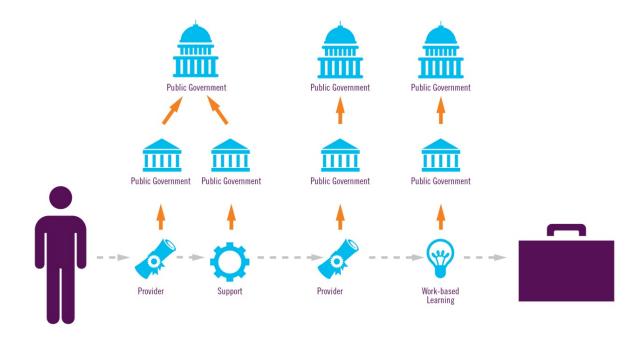




Simple vs. Extended Value Chains

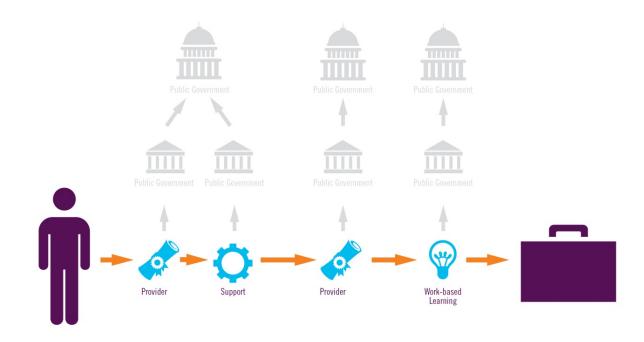


Silo Measures





End-to-End Performance



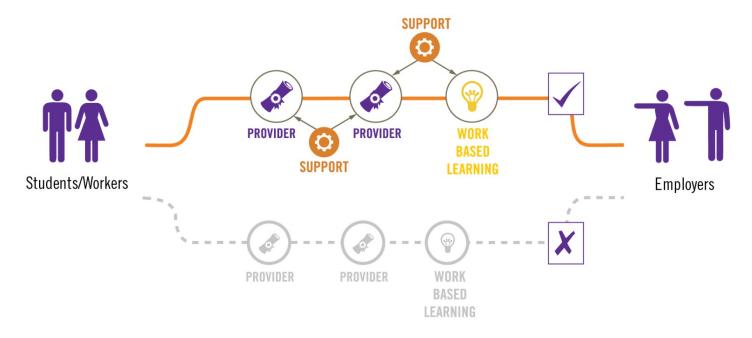


Balanced Measures





Promote Preferred Providers





The Talent SCM Approach – Stakeholder Implications

- Will employers play the role of the end-customer?
- What are the major implications for education and workforce partners?
- Can students and workers get a better ROI from talent supply chains?
- ➤ How does this approach change the role of government?



Promoting and Advancing a New Vision

2014	2015
5 roundtables held across the country	Launched the National Learning Network
Released white paper: Managing the Talent Pipeline: A New Approach to Closing the Skills Gap	Released companion guide: Building the Talent Pipeline: An Implementation Guide
National conference held in November in Washington, D.C.	National conference to be held March 23 rd in Washington, D.C.



The National Learning Network

















Implementation Guide Strategies



Strategy 1: Organize Employer Collaboratives



Strategy 4: Analyze Talent Flows



Strategy 2: Engage in Demand Planning



Strategy 5: Implement Shared Performance Measures



Strategy 3: Communicate Competency and Credential Requirements



Strategy 6: Align Incentives

Coordinated Approach



2. ENGAGE IN DEMAND PLANNING

Identify which positions and capabilities to focus on and how many workers are needed to fill them



6. ALIGN INCENTIVES

Improve performance through rewards and incentives



1. ORGANIZE EMPLOYER COLLABORATIVES

Form new employer alliances to manage the talent pipeline around a shared need



Specify what workers need to know and be able to do as well as what evidence is needed to prove it



5. IMPLEMENT SHARED PERFORMANCE MEASURES

Measure the success and ROI of the talent supply chain



4. ANALYZE TALENT FLOWS

Identify current sources of qualified talent and where there are underutilized or alternative providers

Why Employer Collaboratives?

- > By business, for business...organized by sector, capability, or supply chain
- Value Proposition
 - > Stronger brand recognition when recruiting talent
 - > Improved leverage when engaging providers and public-sector partners
 - Clearer communication around talent needs and requirements
 - Easier management of business risks with preferred partners
 - Shared capacity building around new talent management practices

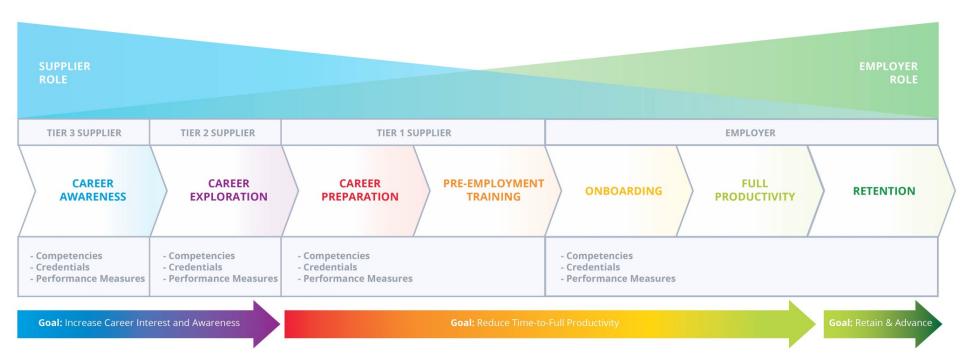


Mapping the Value Stream



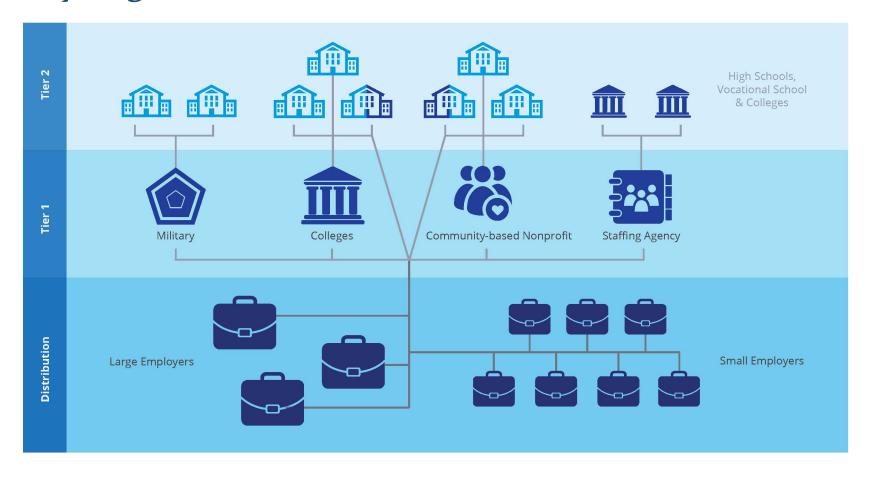


Mapping the Value Stream (continued)





Analyzing Talent Flows



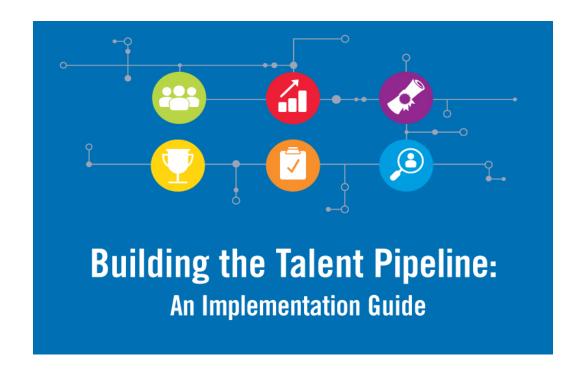
Performance Dashboard Example

Talent Supply Chain Performance							
All Networks	Performance Rating	Capacity & Utilization (seats vs. actual enrollments)	# Hires	# Loss to Collaborative (same state vs. out of state)	# Retained (6 months vs. 12 months)	% Reaching Full Productivity (hires vs. 12 months retained)	Incentives
	B 1	150:110	85 • ↓	15:10	80:75 —	59%:67%	► ((((((((((

Network Performance							
Network	Performance Rating	Capacity & Utilization	# Hires	# Loss to Collaborative	# Retained	% Reaching Full Productivity	Incentives
A	• 1	<u> </u>	• 1	• ↓	• ↓	<u> </u>	P (a) \$
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С	• 1	• 1	<u> </u>	• -	• -	• 1	P (a) \$

Download the Implementation Guide Today

www.TheTalentSupplyChain.org



Addressing the Future Now: The Possibility

- > Challenge: Lack of employer engagement in managing the talent pipeline
- ➤ **Recommendation**: Develop new employer–led collaboratives that can implement a talent supply chain approach
- ➤ **Opportunity**: Make use of resources, including WIOA funds, to organize new employer collaboratives



Discussion Questions

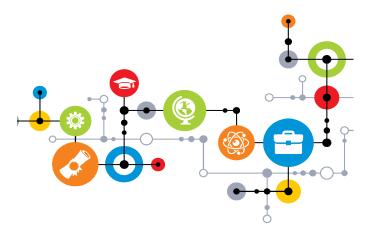
- 1. Where would you start?
- 2. Which employers would be most ready and able to establish a collaborative?
- 3. What are the major barriers or challenges?
- 4. What supports or assistance do you need?
- 5. What are the remaining questions and issues that need to be addressed?



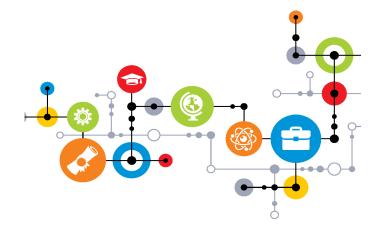
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Education and Workforce

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