
Talent Pipeline Management: A New Approach to Closing the Skills Gap



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

America's Skill Gap

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



America's Skill Gap – By the Numbers

- Number of sr. executives believe there is a serious gap in workforce skills: **92%**
- Number of manufacturers reporting moderate to severe shortage: **75%**
- Number of U.S. employers struggling to fill vacant jobs: **49%**
- Number of unfilled manufacturing jobs today: **600,000**
- Growth of skills gap by 2020: **6 million** unfilled positions.



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and 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%**



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

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%



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

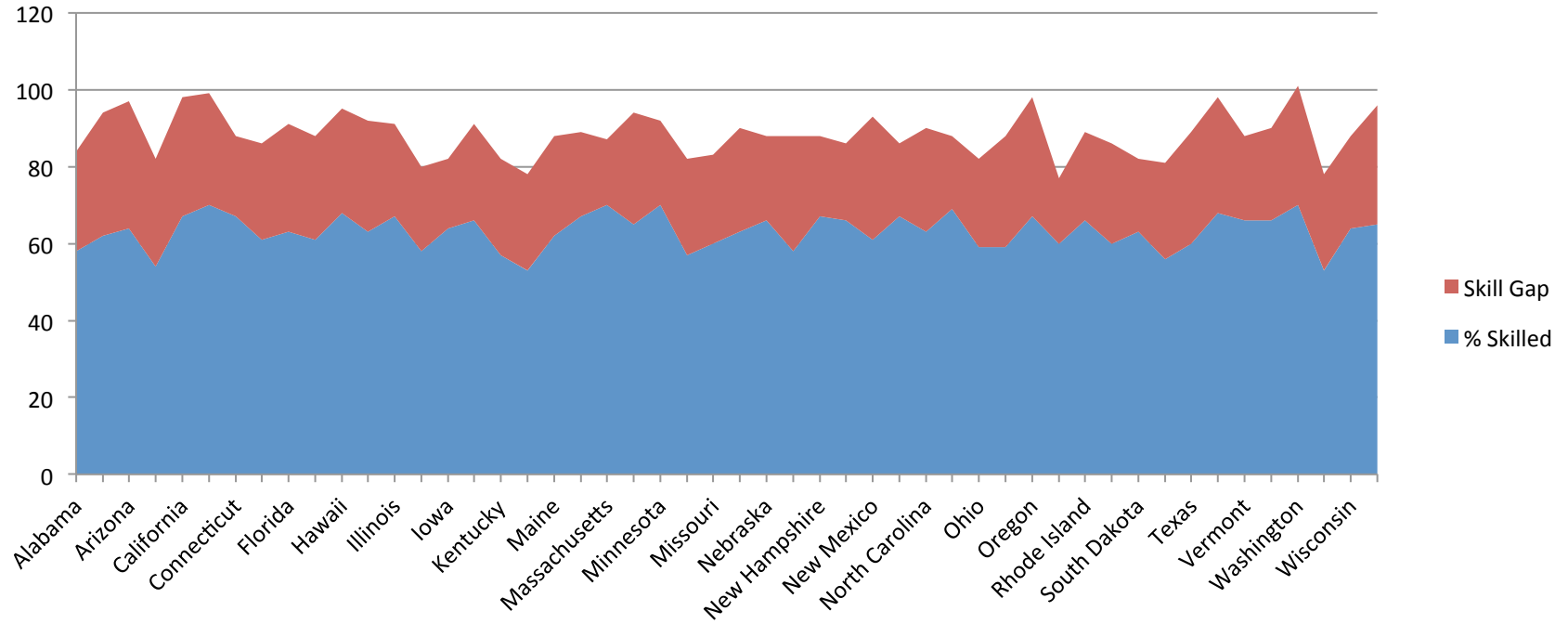
America's Skill Gap – Education Performance

- First year college students requiring remediation: 60% (cost \$3 billion)
- 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%
- Graduates that feel college prepared them for work: 35%
- Believe college grads are prepared for the workforce: 96% (CAO) vs. 11% (business)



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

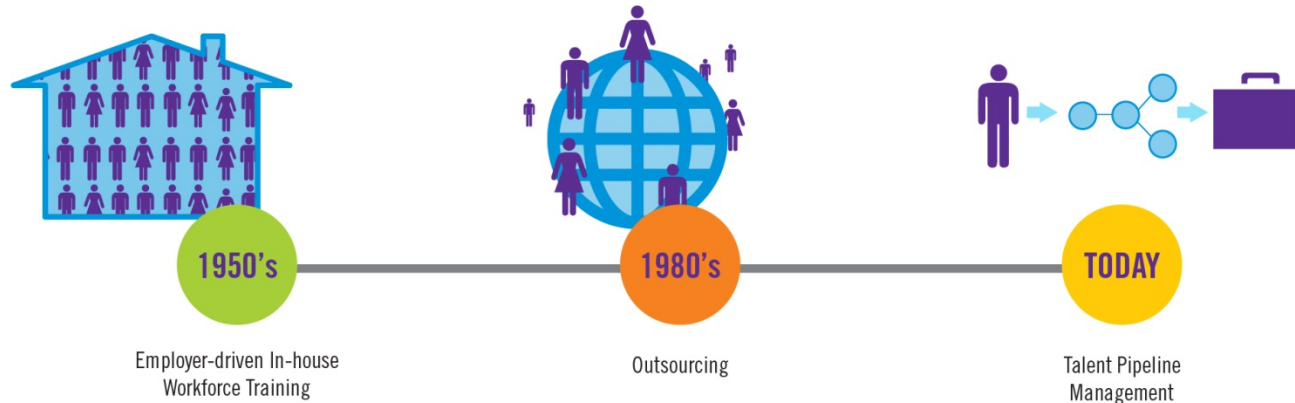
America's Skill Gap



Alabama's Education & Skill Gap

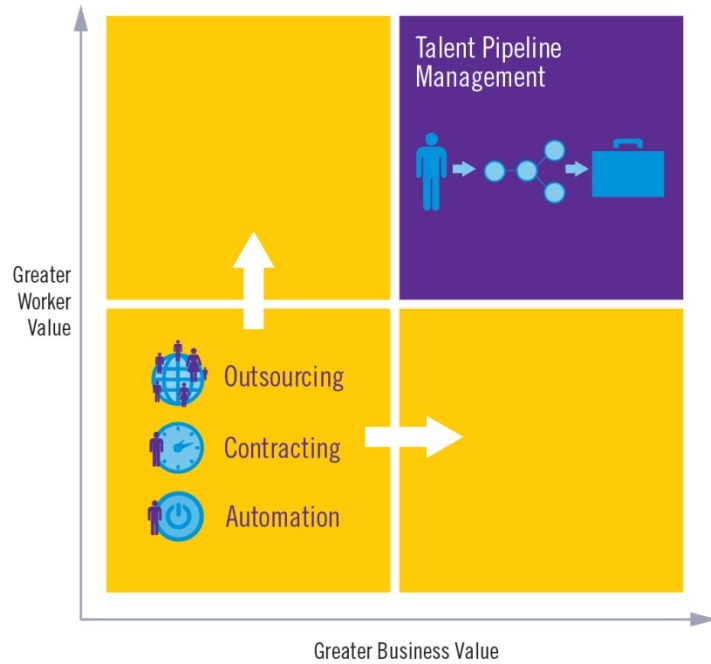
- High School Graduation Rate: 86%
- College Enrollment: 63.2%
- Public state universities remediation: 32%
 - Four-Year Programs: 18%
 - Two-Year Programs: 44%
- Four-year college students graduating within six years: 50%
- Jobs in Alabama that will require a postsecondary credential: 58%
 - Adults with this credential: 32%
 - Skills gap: 26%

Strategy for Our Time



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

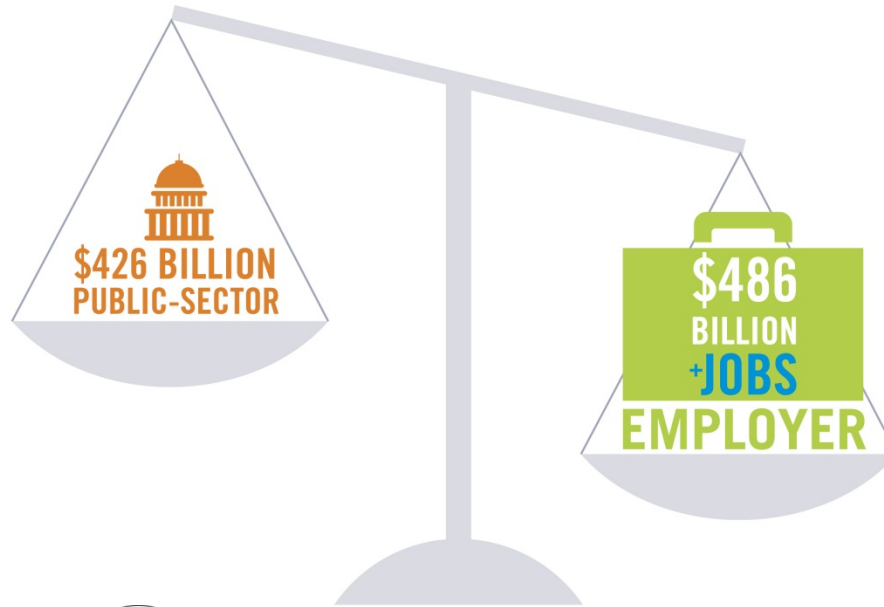
Career Value vs. Business Value



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Employer Investment

INVESTMENT IN WORKFORCE EDUCATION AND TRAINING



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Lessons Learned from Supply Chain Management

- Employers can close the skills gap by applying lessons learned from supply chain management to their education and workforce partners.
- Supply chains encompass a set of business activities needed to design, make, deliver, and use a product or service.
- Supply chain management is the coordination of all critical functions by the *end-customer* to achieve the best mix of responsiveness and efficiency.
- Every business fits into one or more simple or extended supply chains.



Lessons Learned from Supply Chain Management

Supply Chain Management

1. Drive Competitive Advantage
2. Build Collaborative Networks that Create Shared Value
3. Align End-to-End Performance and Incentives

Talent Pipeline Management

1. Employers Drive Value Creation
2. Employers Organize and Manage Scalable Network Partnerships
3. Employer Measures and Incentives Drive Performance

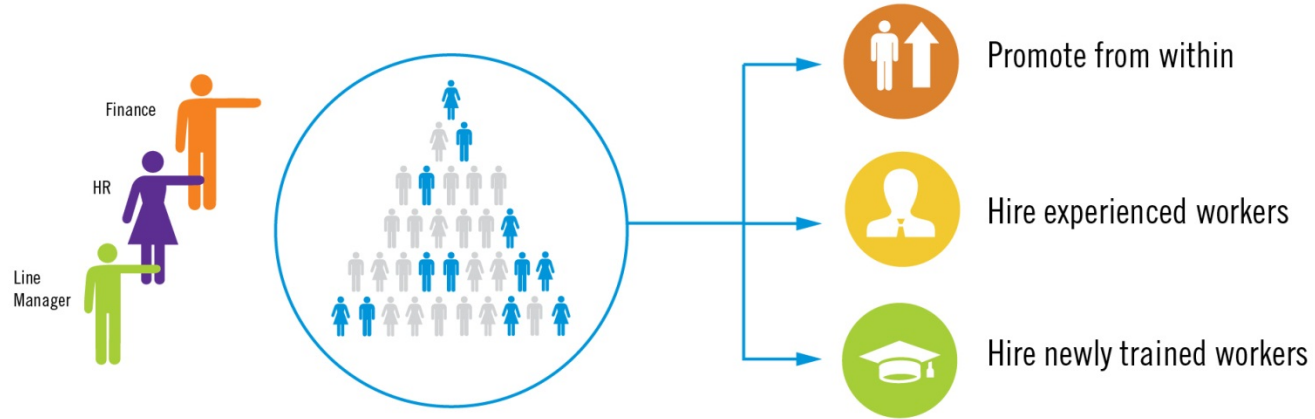


Core Capabilities



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Workforce Segmentation



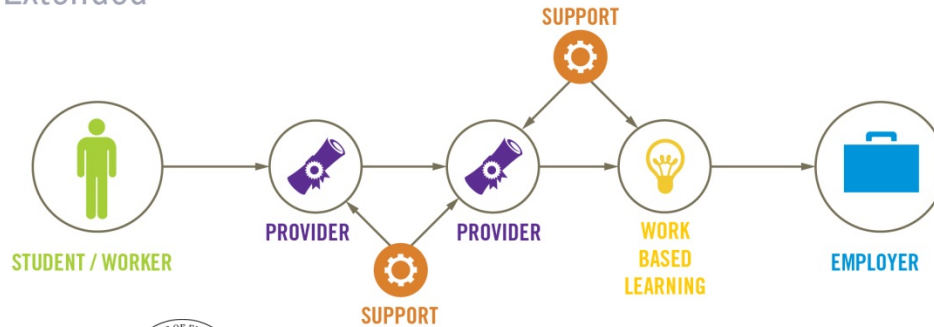
U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Simple vs. Extended Value Chains

Simple



Extended



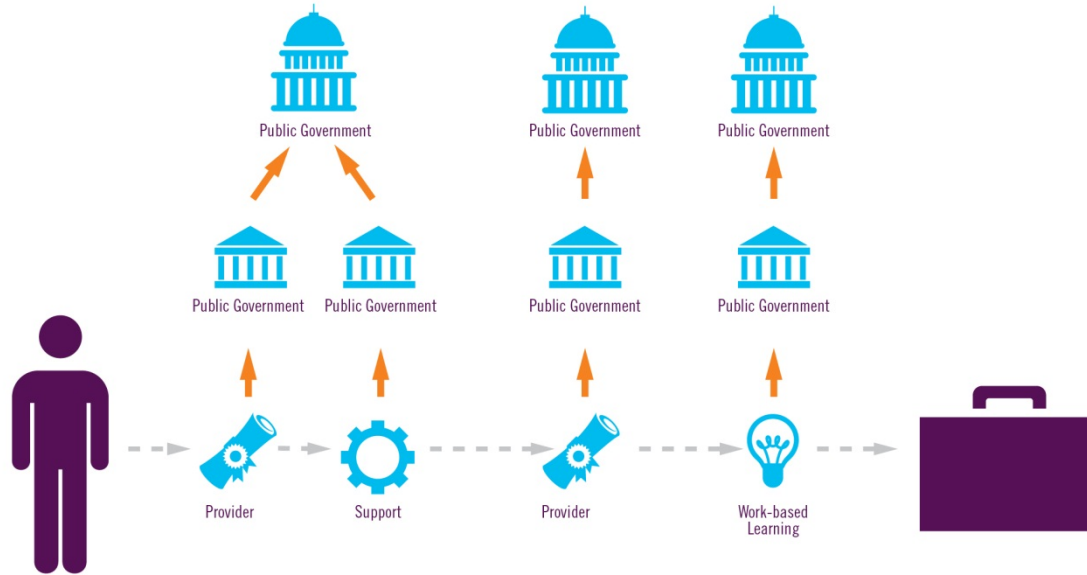
U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Balanced Measures



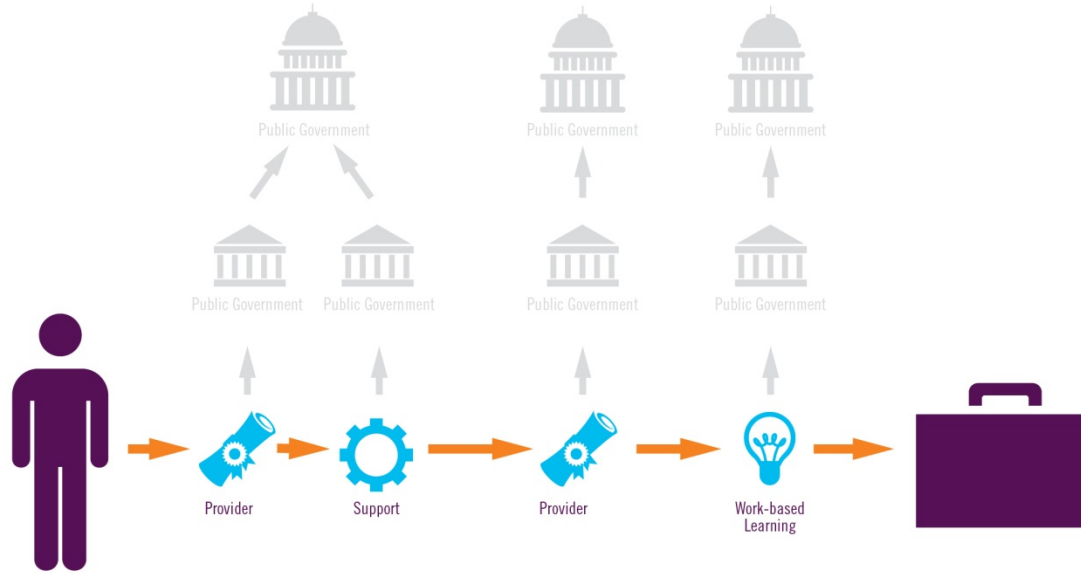
U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Silo Measures



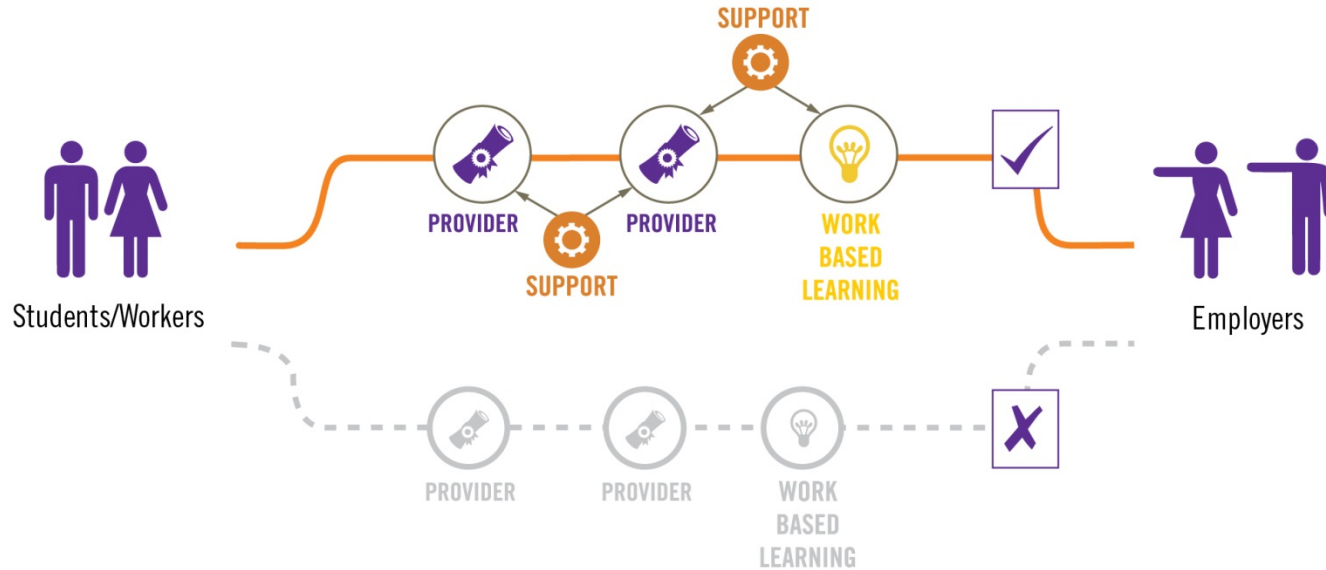
U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

End-to-End Performance



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Promote Leading Providers



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Implications for Employers

1. Connect your talent strategy to your business strategy.
2. Establish flexible and responsive partnership networks.
3. Plan and communicate your workforce needs.
4. Develop balanced end-to-end pipeline performance measures.
5. Align incentives to improve talent pipeline performance and recruitment.



Implications for Education & Workforce Partners

1. Recognize employers as end-customers.
2. Manage your employer partnerships.
3. Develop talent solutions for employer partners.
4. Align performance and incentives to employer measures.
5. Share performance data across network partners.
6. Develop recruitment strategies based on employer partnerships.



Implications for Students & Workers

1. Plan and manage your career.
2. Develop employer-focused career plans.
3. Access preferred provider networks for entry-level opportunities.
4. Pursue career advancement opportunities.
5. Join and use professional networks.



Implications for Policymakers

1. Align education, workforce, and econ. dev. systems to be employer-driven.
2. Enable diverse and flexible provider networks that meet the needs of employers.
3. Promote employer-driven demand planning.
4. Develop employer-centered performance measures.
5. Align incentives with employer-centered performance.
6. Promote public-private data sharing and technology standardization initiatives.



Launching a National Learning Network

- Arizona Chamber Foundation
- Vermilion Advantage (Illinois)
- Governor's Council of Economic Advisors (Kansas)
- Impact Northern Kentucky
- Michigan Energy Workforce Development Consortium
- Greater Houston Partnership
- Elevate Virginia



Toolkit - Talent Pipeline Management Strategies



Talent Management in Northeast Alabama

Question 1: What are our industry/occupation focus areas?

Question 2: What organizations need to be involved? Who should take the lead?

Question 3: How do we measure success? How do we incentivize success?

Question 4: How should this effort be funded?



U.S. CHAMBER OF COMMERCE FOUNDATION
Education and Workforce

Engage in Demand Planning

The Question: What positions drive our competitiveness and how many workers do we need to fill them?

Steps

1. Segment your workforce and target capabilities that drive competitiveness.
2. Survey employers about their short-term job opening forecasts and aggregate.
3. Communicate survey results with collaborative member businesses and partners.



Communicate Competency and Credentialing Requirements

The Question: What do workers need to know and do? What evidence do we require to prove it?

Steps

1. Inventory competency and credential requirements for target positions.
2. Share and validate the inventory with collaborative members.
3. Communicate competency and credential requirements with stakeholders.



Talent Flow Analysis

The Question: Where do we get our best talent today and who are the most promising providers?

Steps

1. Back-map where employers get their best talent today for target positions.
2. Describe the current state of talent flows using visualization tools.
3. Improve performance of existing providers and access new supplier networks.



Develop Employer Measures

The Question: How do we measure success and improve performance?

Steps

1. Select and prioritize key performance measures across the talent pipeline.
2. Develop shared and internal performance management tools (e.g. dashboards).
3. Support continuous improvement through leading and lagging measures.



Aligning Public and Private Incentives

The Question: How do we recognize and reward performance and improve over time?

Steps

1. Employers align their internal incentives to support sourcing strategies.
2. Employers designate and reward preferred provider networks.
3. Inventory public-sector recognition systems and funding streams and align with employer incentives.





U.S. CHAMBER OF COMMERCE FOUNDATION

Education and Workforce

www.TheTalentSupplyChain.org

Jason A. Tyszko
Senior Director, Policy & Programs
jtyszko@uschamber.com