Investing in Talent for Tomorrow

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The Challenge

San Diego is a fast-growing metropolis with a diversified economy led by technology-driven companies. Over the next 10 years, San Diego Regional Economic Development Corporation (EDC) estimates 20,000 openings annually in occupations that are key to an innovative economy and require some training.

However, talent shortages pose a severe threat to the city's economic competitiveness. Data suggests the gap between the educational credentials of the region's talent pool and the skills needed by employers will widen in the years ahead, with double the number of skilled workers needed each year to meet the estimated 20,000 openings. What's more striking is the glaring under-representation of the Hispanic population in higher-paying technology-related jobs.

San Diego is hard at work to have its talent pipeline better reflect its Hispanic residents. Illustrating this challenge, San Diego's seventh-grade school population is 48% Hispanic, and the region's largest community college student population is 38% Hispanic. Yet, the number of software developers employed in the area is less than 10% Hispanic. With such an extreme cliff between education and employment in a growing, well-paying industry, it is critical to deploy more intentional efforts to break down this barrier for Hispanic talent.



EMPLOYER COST RELOCATING A SINGLE CANDIDATE

The Solution

In 2019, EDC and its community and business partners secured a \$3 million grant from JPMorgan Chase to fund Advancing San Diego. The initiative aims to better align the education system with local businesses' talent needs and prepare San Diegans for high-demand, quality jobs. EDC and its partners launched an employer-led collaborative focused on software-related jobs to address the mismatch between demographic trends, educational achievement, and the industry's skill needs. This group, which included companies from high tech, life sciences, health care, and defense industries, used the U.S. Chamber of Commerce Foundation's Talent Pipeline Management® (TPM) program as an organizing framework.

These 17 collaborative member companies alone were projected to hire 7,220 software professionals by 2022. An initial survey of collaborative members revealed that software engineers were most in-demand of all the hard-to-fill technology-related positions (TPM Strategy 2). These companies, representing 54% of expected new hires, struggle from a lack of Hispanic representation.

EDC invited education providers to hear findings from the employer collaborative about what skills and capabilities employers needed in their software developers (TPM Strategy 3). This session helped providers determine how well aligned their curriculum was with employers' needs. Taylor Dunne, San Diego EDC Talent Initiatives Manager, explained, "We told the educators about our employer survey findings and asked for their reactions. In some cases, their response was, 'We thought this programming language was critical. Why isn't it listed on here? Or we thought that employers didn't use this other language anymore. Why is that one included?'"





Identifying Preferred Providers

A month later, EDC invited talent providers to apply for "preferred provider" status—a recognition given by employers and employer collaboratives based on the partner's ability to meet employer needs—by showing how they teach the skills outlined as essential by the employer's software collaborative (TPM Strategy 5). The preferred provider application also asks about the institution's demonstrated ability to reach and serve a diverse student body, how they're supporting students from various backgrounds, and details about their K–12 partnerships.

With EDC as a facilitator, the software collaborative began designating preferred providers to foster stronger relationships with employers looking for diverse, job-ready, skilled talent. Using this framework, the EDC recognized these schools for their ability to teach skills-based programs needed by employers. Some of the schools selected, such as San Diego Mesa College and MiraCosta College, received the designation with an emphasis on their demonstrated success in serving a diverse student population. This criterion ensures employers recruiting from these community colleges will inevitably find a more diverse pool of internship or job candidates.

Hiring Local Talent Event

To meet its objective of building employer and educator connections, EDC then invited preferred providers to participate in a Hiring Local Software Talent event, where each school talked about how their programs prepare students for jobs. Then in smaller breakout sessions, employers asked how to develop student interest in their company's work, and educators learned what opportunities they should advertise to students.





Rethinking the Bachelor's Degree

As a result of the Hiring Local Talent event, several large employers began rethinking the relevance of a four-year bachelor's degree for their entry-level jobs (TPM Strategy 3). One employer, Northrop Grumman, established a program where a qualified candidate with a two-year degree could get an entry-level position and then use a tuition reimbursement program to pursue a four-year degree. And, as more employers learned the details of training offered by local schools, the demand for a B.A. degree became subsidiary for some of their entry-level software jobs. At least two other firms began taking steps to remove this requirement.

One company started using local workforce demographic data provided by EDC and the preferred provider designation to make the business case for why the firm needed to aggressively pursue alternative talent sources in local community colleges (TPM Strategies 4 and 5).

But changing hiring criteria in core jobs, even if it makes logical sense, has ripple effects. For example, many companies in San Diego are government contractors, which may require employees to have a bachelor's degree to work on a project. And, if a firm is hiring internationally, those employees are classified as skilled workers, which requires a B.A. to get a mandatory work visa.

In addition, if an employer removes the bachelor's degree requirement from an entry-level position, management must consider what that means for a new hire's upward mobility if the role above them still requires a bachelor's degree. EDC's software collaborative companies had to work through these obstacles to broaden their search for talent in local community colleges and other nontraditional programs.



Building Relationships Over Time

The formal role of EDC's software collaborative effectively ended with selecting preferred providers. However, EDC and its employer partners have continued to insist training programs evolve with rapidly changing industry needs. They will reward those that do by revisiting preferred provider designations every two years.

Development Manager Taylor Dunne shares, "By using the TPM model, we can assess training programs solely on the quality of their training and their accessibility. We can then expose employers to those programs that are doing both things well, often making employers aware of unconventional programs they may not have been hiring from before. This provides better on-ramps to high-paying, high-demand careers for populations that have not had access to the more exclusive programs employers typically recruit from."

For companies expanding in or moving to San Diego, who want to develop more formal talent pipelines, EDC continues to promote preferred provider programs as a key resource. EDC also makes introductions and encourages individual companies to develop relationships with schools where they can tap a more diverse talent pool.

In the meantime, EDC is exploring ways to create more sustainable systems to improve links between educators and employers for all collaboratives with which they work. Dunne says:

"Diversifying your workforce can mean a lot of things. In San Diego, it means ensuring historically under-resourced groups, especially the one in three San Diegans who are Hispanic, have access to high-growth, high-wage jobs. That's why our work has focused on strengthening relationships with institutions, like the community colleges, that have a proven track record of serving a diverse student body. We started this collaborative in 2019, and just now we're starting to see those efforts produce new partnerships that are bound to create new career opportunities."

This case study was written by Dr. David DeLong of Smart Workforce Strategies. Learn more about Advancing San Diego here.

