

# 2017-19 OPERATING STRATEGY

DISCUSSION DRAFT 1.4 | SEPTEMBER 12, 2016

## INTRODUCTION

The Oregon Talent Council (Council) was established by the Oregon Legislature in 2015 to be a central voice for shaping Oregon’s talent. The Council interprets *talent* as more than simply education; it is a blend of education credentials, technical knowledge, interpersonal and employability skills, and practical experience that keeps Oregon employers competitive. Workers who have that combination, quickly become productive company assets. Without workers who have the right blend of skills and experience, our economy is at risk – companies grow more slowly, wages stagnate, and the best and brightest leave our communities for other opportunities.

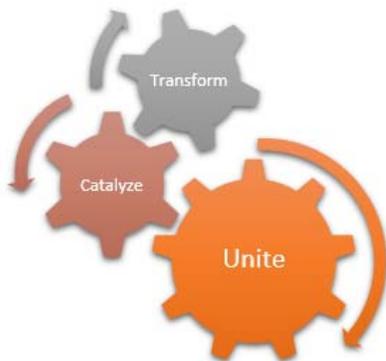
The Council develops a Talent Development Plan every biennium to identify talent issues and trends, and is a resource for state agencies, industry and educational institutions on talent development issues. With a mission of **making Oregonians the first and best choice of Oregon Employers**, the Council leverages public and private sector resources to accomplish its goals.

The voting members of the Council are business leaders from Oregon’s high growth and high impact industries. Ex Officio members include representatives from state agencies and boards engaged in talent development including the Oregon Employment Department (OED), Higher Education Coordinating Commission (HECC), Science, Technology, Engineering and Mathematics (STEM) Investment Council, Oregon Workforce Investment Board (OWIB) and Business Oregon Commission. The Council is housed and funded within the Employment Department.

The fundamental goals of the Council are to:

- Raise awareness about the importance of talent to our economy and communities, and
- Create solution-based partnerships that push for innovative and high impact models of delivering education and training to new and existing workers.

The Council achieves this through three actions:



**Unite** industry, education, workforce, philanthropic and government partners around the need for a robust talent environment and a set of shared talent priorities.

**Catalyze** models that serve as a talent laboratory, leading by example with agile, cost-effective, scalable ways to deliver talent.

**Transform** and reshape the way we think about and connect resources that support key talent needs.

### ACCOMPLISHMENTS OVER OUR FIRST BIENNIUM

During its first few months, the Council developed an initial Talent Development Plan (Plan) – a living document that is continually refined through new data, partner input and evaluation of the Council's investments. The Plan proved to be an invaluable reference tool that inspired conversations with a variety of industry, education and workforce partners. The initial Plan focused on five industry sectors and identified ten occupational clusters. Trends and other information identified in the Plan created the opportunity for the Council to build partnerships and pilot new initiatives.

The Council invested \$5.2 million through two solicitation rounds and one directed investment process. The first round included grants to higher education as bridge funding from the program that preceded the Council, and the second round consisted of competitive grants to a broader array of industry, education and workforce organizations to pilot and scale innovative models. The competitive grants were awarded by June 2016 and provided significant insights into how the Council will make future investments.

Councilors and staff also established relationships with industry, workforce and education organizations to develop a shared agenda for addressing targeted talent needs and to identify and leverage resources to optimize the impact of various efforts.

### CONCLUSIONS AND INSIGHTS

#### *Workers Constantly Must Keep Up With New Technologies and Standards*

Through these activities, the Council discovered a rather disjointed system between education and industry with limited focus on helping existing workers become high-value contributors who make Oregon employers competitive. Four out of five Oregonians in today's labor force will still be working in 2025, which means the majority of workers needed in 2025 are ALREADY in the workforce. Projections from the Employment Department indicate that six out of ten job openings will occur due to the need to replace retiring workers. The remaining job openings will result from new or expanding businesses. As a result, Oregon's future workforce will require graduates and incumbent workers with the combination of experiences, training, and certifications required to fill these openings.

With every industry experiencing changes in their processes and use of technology, existing worker skills constantly need to be refreshed. The Council recognizes the challenge the post-secondary education system faces to stay current with these evolving methods, technologies and business applications. Consider, for example, graphic designers, who until recently designed for print media. With the growth of e-commerce, demand grew for web designers. Now the world's attachment to smart phones and mobile computing has created demand for mobile designers.

We have also learned about the various programs and agencies addressing skills development; each with a different emphasis or objective. By understanding the role of the various players, the Council can focus its limited resources on strategic gaps.

To summarize, the Council has learned:

- Higher education plays a clear and distinct role in helping to build a pipeline of new workers, yet has limited ability to rapidly adjust to new occupations or skill sets.

- Most workforce partners and programs focus on entry- to middle-level skill jobs and assisting un- and underemployed individuals; few resources are dedicated to improving incumbent worker skills.
- The STEM Investment Council and related STEM programs are much needed, long-term foundation programs for enhancing interest in the professional and technical occupations identified in the Plan.
- Recent enhancements in Career Technical Education (CTE) are helping to reestablish much needed vocational training, yet the capacity of CTE programs is still limited.
- Several industry associations are beginning to aggregate demand for short-term training to respond to changing skill requirements, however, seed funds to help launch these programs is limited.
- While community colleges and others are developing shared programming using a mix of delivery technologies, rural areas of the state continue to struggle with adequate access to education and training.
- Work-based training models (like apprenticeships) cost-effectively combine education and on-the-job learning and allow students to earn income while contributing to industry competitiveness. These models, however, are not well understood by industry and under-utilized by educational institutions.

As a result, the Council has identified the need for short-term, rapidly deployed training models (especially for incumbent workers who represent the majority of individuals needing training) and for promoting shared or work-based education models that can be scaled and deployed throughout the state.

These findings have also helped to solidify the need for the Council to be a voice and broker for demand-based talent development and to define our investment niche. To address talent, we need a “**More, Better, Faster**” strategy. Our higher education and STEM/CTE partners are taking the lead on developing a pipeline of *more* new workers into the labor pool. This leaves a gap, and a role for the Council to focus on efforts to make training and education *better* (current level of skills) and *faster* (agile and flexible delivery infrastructure).

### AN OVERVIEW OF “MORE, BETTER, FASTER”

**MORE, meaning how many:** Continuous and adequate postsecondary education and training to develop the quantity of graduates and completers needed for a healthy pipeline of professional and technical workers.

**BETTER, meaning how prepared:** Programs that augment degree credentials with applied skills, work-based learning and industry knowledge for increased employability and productivity.

**FASTER, meaning how quick:** Agile and scalable platforms to deliver education and training more rapidly and across regions of the state.



**BETTER & FASTER’S IMPACT ON THE PRODUCTIVITY ACHIEVEMENT CURVE**

## BUILDING ON LESSONS LEARNED AND FOCUSING ON IMPACT

Moving forward, our efforts will focus on developing those skills required in the next 3-10 years to make Oregon’s traded sector and high growth industries more competitive. Our conclusions lead us to four areas of focus:

### 1. Attention to upgrading and retooling

Given the high need for incumbent worker training and rapid advancement of technology, agile training models to retool and upgrade skills are needed now more than ever. In addition, a significant number of mission critical jobs are held by those nearing retirement, increasing the risk that essential institutional knowledge may be lost without structured ways to capture and transfer. By investing in rapid deployment models that help employers cost-effectively retool skills, we can assist both existing employees and higher education. [A focus on both *better* and *faster*.]



*These data points suggest a significant focus on existing workers in parallel with the development of a longer-term pipeline of new graduates; along with a focus on new delivery models that keep pace with skill changes.*

### 2. Focusing on skills rather than specific occupations

Vacancy surveys from employers indicate that for most jobs it is the skill level, more than the quantity of applicants that is an issue. This is especially true for positions requiring experience. While the Talent Plan defined mission critical and high demand occupations, it also highlighted that most of these occupations *share similar skill gaps*. Conversations with industry further confirmed that many critical skills cut across multiple occupations and that by focusing on addressing common skill gaps rather than specific occupations, there will be a more significant impact for both employers and workers. [A strategy focused on *better*.]



*These findings seem to indicate that until immediate skill gaps are addressed, an accurate supply gap assessment will be difficult to conduct.*

### 3. Investments in models and platforms

With changing technology causing continuous skill gaps across occupations for both existing and new workers, it is essential that we have agile and scalable delivery models — what might be referred to as infrastructure. Focusing only on the content of training or curriculum for education is not enough. To reach rural parts of the state and to increase the speed by which students and workers can receive training, there must be simultaneous investments in the delivery system itself. [A focus on *faster*.]



*“Hot” occupations will come and go; however the systems and infrastructure to help talent retool their skill set will be long-lasting and provide a high ROI.*

### 4. Measuring impact and data analysis

With few metrics that measure talent, especially as it impacts the economy and incomes of Oregonians, it is difficult to have meaningful dialogues around solutions and to make necessary changes to funding allocations or talent policies. Determining supply gaps (jobs available vs. graduates/workers) has proved elusive for virtually every state. Oregon is no exception — many graduates leave the state, industries recruit workers from other states and there are multiple paths for individuals to obtain a degree or training and enter the workforce. Instead the Council will focus



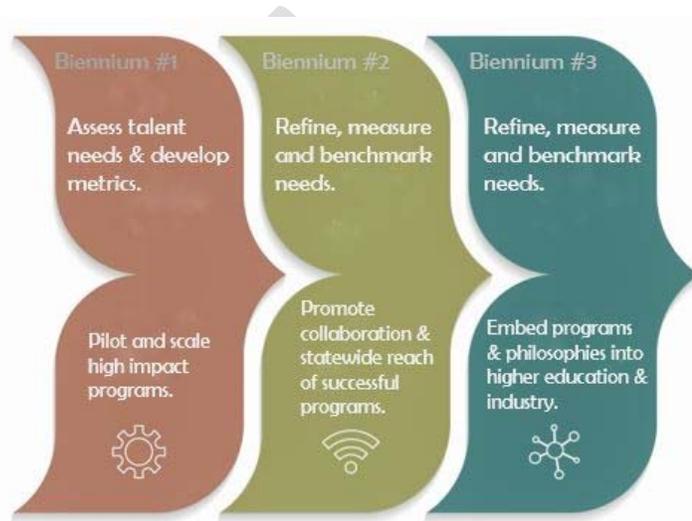
*The Talent Council must develop sound impact and ROI metrics that can be utilized across the system.*

on the requirements of skill or occupational clusters and the effectiveness of efforts to increase the productivity, employability and competitiveness of Oregon workers. Understanding and measuring these will require a close relationship with industry and a broader analysis of talent needs and the efforts to address skills gaps.

## CREATING A CONTINUUM FOR EMBEDDED EDUCATIONAL REFORM

To maximize the benefits of our investments, the Council views its work as a set of related efforts that over a period of multiple bienniums will create systematic change by investing in pilots, scaling what works and then influencing the policies and allocation of resources to embed successful models throughout industry and education.

Our focus is unique. Rather than simply investing in and promoting programs, we select examples that offer options for replication and expansion across the state. Ultimately, these industry proven programs and methodologies should be adopted and embedded into the traditional higher education and training system.



## BUILDING PARTNERSHIPS

Changing the talent culture to prepare incumbent and emerging workers with cross-cutting skills requires the Council to leverage the experience, authority and resources of its partners. The Council’s role as bridge and facilitator between industry and the array of education and workforce partners requires good information, a compelling story, stakeholder partnerships, and strategic investments in piloting, refining and embedding promising models and best practices.

The following are ways the Council intends to work with stakeholders.

### Business and Industry Associations

*Listen to employers, create a voice for talent needs and invest in innovative solutions to produce talent for Oregon’s workforce.*

### Business Oregon

*Deliver collaborative support for economic development and entrepreneurial growth by focusing on the priority talent needs identified by industry in the Plan.*

### Education/Training Providers & STEM Investment Council

*Provide industry perspectives on talent demand and insights into how programs can deliver content and experience that differentiates graduates.*

## Foundations

Leverage philanthropic funds and other private funds with clearly identified needs for talent that support economic and community well-being in Oregon.

## Higher Education and Workforce Development

Engage industry and invest in pilot programs and delivery models that can be adopted and embedded in education and training.

## Local Economic Development and Workforce Organizations

Partner with local industry and organizations to address crucial talent issues, including the state's diversity and equity goals.

## STRATEGY I: A VOICE FOR TALENT

The Council's strategy for uniting partners and transforming the resources around talent development is by being a vibrant Voice for Talent. To effect this strategy, the Council will focus on three objectives:

- A. Build the case for Talent:** Emphasize that talent is an economic driver and an investment, not an expense.
- B. Influence the allocation of state and local resources:** Create systematic change by investing in pilots, scaling what works and influencing the policies and allocation of resources to embed successful models throughout the state, focusing resources on critical occupational clusters and cost-effective, responsive training models.
- C. Measure impact and celebrate success:** Promote outcome-oriented talent metrics that demonstrate the economic ROI and raise awareness about programs that achieve these desired outcomes.

<b>A. Build the Case for Talent</b>	
<b>Objective:</b>	Develop consistent, clear messaging around the importance of <i>talent</i> .
<b>Audience:</b>	Business leadership, legislature, media, public
<b>Key Messaging:</b>	<ul style="list-style-type: none"><li>• Talent is a critical driver of economic growth.</li><li>• Talent is the single greatest contributor of sustainable competitive advantage.</li><li>• Time is now. Gap is widening.</li><li>• Solutions require collaboration and targeted funding, two-pronged approach: short- to intermediate-term industry based initiatives that complement the long-term pipeline of new workers from higher education.</li><li>• Council is the bridge and catalyst for industry-based efforts.</li></ul>
<b>Collaborators:</b>	Industry Associations (primary); Education and Workforce partners (secondary)
<b>Core Activities:</b>	<ol style="list-style-type: none"><li>1. <b>Talent Development Plan:</b> includes key economic and technology trends affecting talent, data and information on key occupational clusters and skills, recommendations for addressing key gaps<ol style="list-style-type: none"><li>a. Aggressively distribute, promote and evangelize the Plan through</li></ol></li></ol>

	<p>presentations, press releases, webinars and web.</p> <ol style="list-style-type: none"> <li>b. Work with key partners to examine the impact of the Plan’s findings on current programs and develop ways to address targeted needs.</li> <li>c. Present to legislature and provide regular updates.</li> </ol> <ol style="list-style-type: none"> <li>2. Create and distribute a “<b>Tech Town</b>” type video</li> <li>3. <b>Publish opinion pieces</b> about national talent development trends and their impact on Oregon; Op-ed and guest columnist pieces (e.g. co-written by Council member and Industry Association Director)</li> </ol>
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## B. Influence the Allocation of State and Local Resources

<b>Objective:</b>	Use the Council’s research and investment results to influence the allocation of resources and embed best practices in higher education and industry.
<b>Audience:</b>	State agencies, Workforce and Education partners
<b>Key Messaging:</b>	<ul style="list-style-type: none"> <li>• Investments that upgrade existing worker’s skills are as critical as preparing new graduates with the skills and experiences needed by industry.</li> <li>• New models of education and training can be used cost-effectively across occupations and be a competitive advantage for Oregon.</li> <li>• We can no longer afford duplication of efforts; by collaborating and sharing best practices all institutions in Oregon benefit.</li> </ul>
<b>Core Activities:</b>	<ol style="list-style-type: none"> <li>1. Host <b>best practices forums</b> with education and training providers. Bring together public and private organizations to share successful models to encourage adoption of best practices across industries and regions. Use results from forums as real-life examples to help enhance state policies and resources, especially with the key partners below.</li> <li>2. Work with the <b>HECC</b> to increase their influence on degree programs and funding allocations. For example: <ol style="list-style-type: none"> <li>a. Work to include Talent Plan priorities into HECC’s requirements for new and expanded degree programs.</li> <li>b. Convene a collaborative work session on measuring ROI and impact to help bridge the work of the two organizations.</li> </ol> </li> <li>3. Work with the <b>OWIB and local workforce development boards</b> that share targeted industries with the Council to address common priorities. For example: <ol style="list-style-type: none"> <li>a. Target key middle-skill jobs to upgrade skills of existing workers and train new entrants.</li> <li>b. Help to support on-demand and competency based training for applied skills that are needed across occupations.</li> <li>c. Work with the OWIB on policy issues that support Council priorities, especially resources for incumbent worker training.</li> </ol> </li> <li>4. Work with <b>Business Oregon</b> on common priorities, including joint engagement of key industries around economic development strategies, investments and industry data collection.</li> </ol>

### C. Measure Impact and Celebrate Success

<b>Objective:</b>	Develop clear ways of measuring the impact of talent development and communicating results to raise the bar about what is needed to obtain a skilled talent pool and make the business case for continued investment in the development Oregon’s graduating and incumbent talent.
<b>Audience:</b>	Business leadership, legislature, media, public
<b>Key Messaging:</b>	<ul style="list-style-type: none"> <li>• Measuring talent outcomes enables the state to bridge education and economic priorities.</li> <li>• There is no <i>one size fits all</i> solution; utilizing the models that work best for different talent situations allow us to better target limited resources.</li> <li>• Oregon has the capacity for collaborative and innovative approaches.</li> </ul>
<b>Collaborators:</b>	Industry Associations, OED and Education partners
<b>Core Activities:</b>	<ol style="list-style-type: none"> <li>1. <b>Talent Index:</b> simple, infographic format that measures the impact of talent investment and benchmarks Oregon against national and competitor states.</li> <li>2. <b>Milestone Reporting:</b> track the accomplishments of the Council in fulfilling its legislative duties as a convener and facilitator for priority talent issues.</li> <li>3. <b>Biennial Report</b> “Building Oregon’s Future: Talent Innovations with Impact” highlighting high impact programs and partnerships that deliver on the promise of demonstrated results.</li> <li>4. <b>Spotlight on Success:</b> news and social media initiatives about Council and partner activities, releases of talent-focused reports, award winning Oregon programs.</li> </ol>

## STRATEGY II: FOCUSED INVESTMENTS

While the Council’s strategy for being the Voice for Talent is a broader and more holistic effort, the Council’s investment strategy is more focused on where we see current gaps in public talent investment. There is a need for existing public investment in higher education, STEM and CTE programs designed to educate and train more emerging workers in the priority occupations identified in the Plan. The Council sees a need for the training of existing workers to keep them as competitive performers and to extend the impact and ROI of the state’s existing investments. The Council also recognizes the need to invest in better preparing new workforce entrants with the applied skills needed by industry.

Therefore, we seek to invest in flexible models or delivery platforms and talent development infrastructure that address multiple occupations and skill sets. The Council will also seek to invest in piloting models or expanding the reach of programs that engage diverse populations, align with state and local economic goals, or reach multiple areas of the State, especially rural areas.

For the 2017-19 biennium, the Council will focus its strategic investments in the following models:

- **Retool:** Find ways to rapidly add to an individual’s existing competencies to retool them for new jobs or deploy them into a different industry.
- **Upgrade:** Increase access to training that enhances high-value competencies within existing occupational clusters.
- **Upscale:** Develop competency-based approaches that systematically enhance and verify skills while helping employers absorb the pipeline of new workers.



Platform/Model	Examples
<b>Retool:</b> Adding to workers skill base to be more marketable or move between industries.	<ul style="list-style-type: none"> <li>• Internships and cooperative education models</li> <li>• Bootcamps or intensive short courses</li> <li>• Industry-based “finishing schools”</li> </ul>
<b>Upgrade:</b> Increasing access to training that enhances high-value competencies within existing occupational clusters.	<ul style="list-style-type: none"> <li>• Professional certifications</li> <li>• Shared/remote regulatory training</li> <li>• Supervisory and mentoring training</li> <li>• Structured on-the-job training (OJT)</li> </ul>
<b>Upscale:</b> Developing competency-based approaches that systematically enhance and verify skills.	<ul style="list-style-type: none"> <li>• Apprenticeships and work-based education</li> <li>• Industry badging and credentialing to verify competencies and training</li> </ul>

## CONCLUSION

Oregon’s prosperity depends on our workforce being up-to-date on skills and technologies. Talent – *the combination of education credentials, applied skills and industry experience* – is the single greatest contributor of sustainable competitive advantage for Oregon industry.

The Oregon Talent Council provides a bridge between industry and education to develop education and training that keeps our workforce competitive and increases the employability and income-producing potential of Oregonians. We accomplish this by being a **voice for talent** needs and a **strategic investor** in flexible models and delivery platforms and talent development infrastructure.

**Voting Members**

David Childers, Chair  
Eileen Boerger, CorSource Technology Group  
Josh Bratt, Morgan Stanley  
Mike Donnelly, Carestream Inc.  
Don Hendrickson, Boeing  
Soundharya Nagasubramanian, Welch Allyn/Hill-Rom  
Becky Pape, Good Samaritan Regional Medical Center  
Matt Smits, Micro Systems Engineering, Inc.  
Cheryl Stewart, Bend Memorial Clinic

**Ex Officio**

Kay Erickson, Oregon Employment Department  
Kanth Gopalpur, Business Oregon Commission  
Charlie Hopewell, Oregon Workforce Investment Board  
Dwayne Johnson, STEM Investment Council  
Brent Wilder, Oregon Alliance of Independent Colleges & Universities  
Duncan Wyse, Higher Education Coordinating Commission

**Executive Director**

Melissa Leoni, Oregon Employment Department

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