

OC LEADER BOARD

Opinion, Analysis, Insight

An Employer-Led Tech Talent Hub for OC



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Nationally, the quest for talent is dire with a historically high 11-plus million job openings, an unusually low 62% labor participation, and a growing skills gap.

We have seen an increased demand for talent to fill emerging tech jobs, plus the open positions from the Great Resignation. Companies are scrambling to fill jobs.

Clearly there is a mismatch between the skills needed and the skills current job seekers have. Much of this can be attributed to the digital transformation that has disrupted industries where people have traditionally found good jobs, from office administration to manufacturing.

According to **Gartner Inc.**, 58% of the workforce needs new skills to get their job done. The employment gap is the largest for lower income workers and those from underrepresented groups, as these groups are overrepresented in occupations likely to be impacted by labor market shifts.

We have these talent challenges right here in OC, including what HR leaders call a “leaky pipeline.”

Local talent “drops out” of our economy because they do not have the skills and capabilities to secure and succeed in higher paying tech-related jobs. Only one-third of OC ninth graders will earn an associates or BA degree or certification. Two-thirds do not collect any education credentials beyond a high school degree. This severely limits their access to middle-to-high paying jobs.

As **Joel Kotkin** from **Chapman University** recently noted, “This is a generation in which entrance to the middle class is increasingly blocked.”

In OC, with the high cost of housing, this is especially true.

15,000 STEM Grads

Those earning degrees often don’t understand there are good job opportunities in OC, leading many of our most qualified to pursue their careers elsewhere.

Of the nearly 15,000 STEM majors that graduate annually from our local universities, half leave the county. The root causes include low career opportunity awareness and a lack of on-the-job experience.

It will take aggressive action and broad collaboration to reverse these trends and increase access to good jobs for underrepresented groups, help OC companies fill open positions, and keep skilled talent in our region.

CEOs nationwide rank talent as the number three reason for relocating or expanding in a region, just after taxation and regulation. We have limited control over the first two challenges, but we can address the talent gap. Innovative new approaches that allow OC to emerge as a global Tech Talent Hub could be a game changer for the entire region.

The **CEO Leadership Alliance Orange County (CLAOC)**, including heads of some of the major employers in the county, has been on a collective mission. Developed with support from **McKinsey & Co.**, our strategic plan is to cultivate OC into a premier, inclusive, **OC Tech Talent Hub** in the next five years.

We will collaborate with key community and education partners to train 10,000 residents in the technology sector within the next five years. We plan to place at least 5,000 individuals into jobs committed by partner companies. Our calculations show that this effort will lead to wage growth of 60% to 270% for participants and have lasting

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economic impact.

Four Key Pathways

Guided by our core principles of being industry-led and providing equal opportunity, we are building the foundations critical to sustainable success of the OC Tech Talent Hub:

■ **Career Exploration Experiences.** CEE's are low commitment, no cost, impactful career exploration opportunities that companies can offer more easily than formal internship programs. Through these micro-internships students gain awareness of companies in OC and the career pathways within them; upon successful completion students receive a stipend provided from CLA made possible through key funding support.

By year end 2022 a coalition of over 20 CLA member companies—including **BNY Mellon, Bank of America, CHOC Children's, Edwards Lifesciences, Envista, EY, Ingram Micro, LensGen, LPA Design Studios, Medtronic Neurovascular, Pacific Life, 7Leaves Cafe, Skyworks, Stradling, Tangram, TTM Technologies, Transportation Corridor Agencies, UCI Health, Ware Malcomb**, plus key funding support from **Pimco** and Talent Leadership support from **Johnson & Johnson**—have committed to provide more than 250 students—many from underserved communities—short-term, impactful work-based learning experiences and mentoring.

Community partners **Big Brothers Big Sisters, Simon Scholars, OC United Way, Octane, OCBC**, and others are part of the program design. Career pathways leaders from education, especially Superintendent **Al Mijares** and the Orange County Department of Education, are enthusiastic supporters and participants.

■ **Tech Certifications.** Today, 94% of tech jobs in OC require a BA degree, which eliminates more than 60% of the OC working population from consideration—including 70% of African Americans and 83% of Hispanics. No matter what skills they

have, they cannot be considered for a position. Yet the demand for local talent is alarming—even with remote work options.

For every person who completes a relevant degree or certificate, there are between two and 20 job openings in our county. And costs to recruit employees from other regions can be exorbitant. A redesigned and more flexible system includes more career pathways, especially for entry-level tech jobs. The goal is to shift mindsets from degree requirements to skills-based hiring. We are grateful for our agreements with **AWS, Google, and Intel** to jointly grow certification programs, working in concert with our K-12 and community college partnerships.

■ **Real-world project learning.** In partnership with OC's stellar universities—**CSUF, UCI, and Chapman**, we are actively connecting employers to qualified university talent eager to demonstrate their skills through meaningful opportunities. By helping make these connections, we hope to encourage more of our local graduates to stay in OC and equip them with the skills to be successful as they step into early-career jobs.

■ **Orange Fellowship Program.** This prestigious two-year leadership program accepts 25-30 young professionals per year who are already employed in an OC company. Through facilitated networking, professional development and mentoring experiences, they build their professional and social capital and can make a greater impact in our local business community. This approach is already showing progress with the goal to retain valuable talent in our region.

A good job solves a host of social problems. We can help more young people in OC dream big and achieve their aspirations as they live and work here. We welcome broad involvement by the OC business community—learn more at www.claoc.org.

*Editor's Note: The Business Journal this week highlights 50 fast-growing businesses and their executives, several of whom are involved in the **CEO Leadership Alliance Orange County**. See stories beginning on page 1.*