Talent Pipeline Management® (TPM)

TPM RESOURCE GUIDE:
A Compendium for High-Quality CTE

U.S. CHAMBER OF COMMERCE FOUNDATION

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Resource 1: CTE Orientation to the Employer Community

This resource provides an orientation of the employer community for CTE practitioners. It is part of a set of resources that, when combined with the Introduction, make up the *TPM Resource Guide: A Compendium for High-Quality CTE*. Building successful partnerships requires employers and the CTE community to develop a mutual understanding of each other's worlds and the roles that different professionals and organizations play in making partnerships work. This resource is intended for the CTE community to better understand the employer community and the professional roles therein.

Orienting CTE to Employers, Employer Organizations, and Professional Roles

CTE partners seeking to engage the employer community in a partnership should start by understanding the employer ecosystem, how employers are organized and operate, and where and how to engage effectively with their professionals at every level.

Employers are in both the public and private sectors.

People think of employers as primarily private sector for-profit employers. However, an **employer** is any person or organization that employs people through a variety of employment relationships ranging from regular full-time employment to contractual employment. Employers can be in both the public and private sectors. They can be for-profit businesses, nonprofit organizations, and government organizations, including the military, as well as schools and colleges themselves. Private sector employers can be registered as United States companies or as companies from other countries with locations in the United States.

Key Takeaways

Don't forget about employers in the public and nonprofit sectors. State and local agencies as well as schools and colleges are also employers that face their own workforce challenges.

Employers in the private sector are usually classified by industry and size with one or more physical locations or establishments.

Employers vary widely in their size and the types of economic activities that they carry out (e.g., manufacturing food products), the goods they produce, and services they provide—across one or more physical locations. These types of economic activities and goods and services produced are called **industries** (e.g., manufacturing, healthcare). Physical locations that carry out one or more economic activities are called employer **establishments** (e.g., store, factory). Small employers—which are the largest job producers in the United States—typically carry out one major economic activity (e.g., food service) at one establishment (e.g., restaurant) within one geographic area (e.g., county). However, larger employers in the private sector, sometimes called **business enterprises**, carry out multiple economic activities through multiple firms with many different establishments around the world and across states, counties, and cities.

In describing the private sector employer community, many refer to small, mid-sized, or large businesses based on the amount of sales and/or number of employees. There are no widely accepted definitions for the amount of sales or number of employees to be classified in each category for specific industries in the United States. The Small Business Administration (SBA) generally refers to small businesses

as those with fewer than 500 employees but sets different employment levels for specific industries.[1] Employer size is frequently reported based on the number of employees at a specific business establishment.

The **North American Industry Classification System (NAICS)** is the coding system used by government statistical agencies in classifying business establishments according to their primary economic activity and goods and services they produce at that establishment. This system was developed for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. However, it is used for a variety of administrative purposes, including data collection for unemployment insurance and to produce **labor market information (LMI)** for employment trends and projections at the state and regional levels.

Employers use their own language when describing their industry or industry sector based on what they consider their primary economic activity or core competence. For example, some employers refer to themselves as "manufacturers" even though they have a variety of business establishments carrying out other primary economic activities, including transportation and distribution, information technology, and research and development. They may also have talent management professionals (e.g., human resources) focusing on different **business functions** tied to different economic activities that are relevant to them.

Key Takeaways

The employer community is incredibly diverse and heterogeneous. When working with larger and more diversified businesses, it is important to understand who you are working with. This includes identifying the workforce needs tied to a primary economic activity (NAICS code), specific to a physical location (i.e., establishment), and within a geographic area (e.g., county). You also want to know the number of employees at these establishments (i.e., size) to better understand the potential scale of career opportunities provided by the employer.

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[1] U.S. Small Business Administration Office of Advocacy. (June 2016). *Frequently Asked Questions.*
https://www.sba.gov/sites/default/files/advocacy/SB-FAQ-2016_WEB.pdf

Employers vary in how they organize work and how they define their critical jobs.

Employers—even in the same industry and of the same size—differ in how they organize the work to be performed in carrying out their primary economic activities. These differences show up most often in how they divide this work between different jobs, job titles, and descriptions, with different levels of compensation. As a result, employers in the same industry vary significantly in how many positions (number of people employed and openings) they have for what types of jobs and with what range of compensation. For example, some healthcare providers have a coordinated care model with advanced practice nurses and registered nurses playing larger roles. This results in higher proportions of nurses relative to doctors and other allied health jobs compared to other hospitals. Another example is a manufacturer that chooses to automate their facilities, requiring higher concentrations of cross-functional maintenance technicians with higher skill requirements relative to production workers.

These differences are typically lost in the government LMI that education and workforce professionals use in determining employer workforce needs for a variety of reasons. First, government job projections use national or state averages in industry staffing patterns (mixture of jobs in an establishment) to calculate job projections. These staffing patterns also are historically-based and may not reflect recent changes in how employers organize work in response to economic, technological, and regulatory environment changes.

In addition, these staffing patterns and resulting government projections are based on government-defined occupations, which are groupings of similar jobs that further hide important differences between jobs. These government defined occupations are represented in the **Standard Occupational Classification (SOC)** system. These SOC codes are then crosswalked to related **Classification of Instructional Programs (CIP)** codes used by CTE professionals to classify their programs of study.

Finally, government job projections at the occupational level are based on government definitions of new and replacement job openings and government methods for estimating these openings. New job openings are those resulting from the creation of new positions due to employer growth or changes in how they organize work. Replacement openings are due to people leaving existing positions due to a variety of reasons, including retirement. Even employers who are similar in how they organize work, define jobs, determine staffing patterns/ratios, and estimate openings, may still differ in how they define their most critical business functions and jobs. **Critical jobs** are those that are most important to the competitiveness and performance of employers at the enterprise and establishment levels.

Employers also differ in how they define and prioritize their **shared pain points** for these critical jobs. Pain points refer to the different types of talent management challenges and priorities being addressed by employers such as unfilled job openings; onboarding, training, and upgrading costs; career advancement, turnover, and retention; and increasing the diversity of their workforce.

For example, two manufacturing businesses define their most critical business functions as engineering and machining with the most critical jobs identified as mechanical engineers and machining technicians, despite their largest number of jobs and job openings in warehouse and distribution operations. Although the two businesses agree on their critical jobs, they each rank them differently in terms of pain point priorities that must be addressed in pursuing workforce initiatives and partnerships. One business has more difficulty recruiting qualified applicants for unfilled job openings for machining technicians, whereas the other faces the most difficulty in increasing the diversity of their engineering workforce.

This important information is not captured in government LMI. As a result, education and workforce professionals often assume the most critical jobs and those with the highest priority pain points are those with the largest number of projected job openings. This is why it is always important for CTE professionals to work closely with employers in gathering information about their most critical workforce needs rather than rely solely on government LMI. While the government LMI can serve as a starting place, data derived directly from employers can fill in important information gaps.

Key Takeaways

Defining a critical job and agreeing on a critical job are two distinct activities. Not all employers in the same industry organize and define their most critical jobs the same way, even when they use seemingly similar job titles. Always assume that how employers organize work and define jobs will change constantly in a dynamic economy and labor market. In addition, it is unlikely that employers in the same industry agree on which are their most critical jobs and pain points in pursuing workforce partnerships. Be sure to always supplement government LMI with direct and detailed information from your employer partners.

Employers vary widely on how and where they recruit talent for their most critical jobs.

Employers—especially larger employers with establishments in different states and countries—carry out talent sourcing at different levels of their organization across different geographic areas for different critical jobs. For example, larger companies use HR professionals and recruiters at the corporate level to hire executives and upper-level professionals based on a global or national search. In contrast, these same companies may decentralize the hiring of mid-level and front-line employees at their different establishments. This sourcing is overseen by HR professionals and recruiters working out of each business establishment who may recruit within more constrained geographic areas based on assumed commuting patterns or where their current employees live. For example, an employer with a manufacturing establishment located in an urban county recruits for the establishment's welders within that county whereas another employer in the same county adds the larger metropolitan area to its recruitment base. Another example is a hospital that recruits nurses exclusively within a metropolitan area, whereas another recruits on a state-wide or national basis.

These important differences in talent sourcing are oftentimes lost in the LMI that education and workforce professionals use in determining employer workforce needs. Government industry and occupational projections are developed for labor market areas based on average commuting patterns between home and work. They may not reflect the talent recruiting reach of some employers, especially for higher wage jobs or those with remote work. In addition, government statistics developed for specific service regions may not reflect the geographic areas employers use to recruit talent for jobs addressed by schools and colleges within these service regions.

Key Takeaways

Not all employers with establishments located in your area recruit primarily from your area, no matter what is assumed in government LMI. And do not conclude that employers with establishments outside your area are not potential partners. Employer partnerships should be based on geographic areas defined in cooperation with employers based on where they recruit and source talent for their most critical jobs.

Employers utilize professionals in multiple roles for recruiting and developing talent.

Employers, especially large employers, generally utilize a variety of professionals playing different roles in addressing their workforce needs. These professional roles go by many job titles, but generally include:

- **Executive Leadership.** Chief executive officers and other upper management professionals are increasingly working with HR professionals to develop strategies and initiatives to recruit, develop, and retain the best talent for their most critical jobs. This executive leadership is critical in gaining the buy-in and resources needed to establish and sustain partnerships carried out by other lower-level professionals.

- **Government and Community Relations.** Professionals that take the lead roles in working with federal, state, and local governments as well as community leaders. They are typically the major points of contact for government and community initiatives, including those in workforce and education.

- **Corporate Social Responsibility (CSR).** Professionals that lead employer initiatives that are charitable or focus on community or social impact. In some companies the CSR role—sometimes referred to as a corporate citizenship role—encompasses or relates to education and workforce efforts that involve direct employer and/or employer foundation funding. These initiatives are mostly designed with a charitable purpose in mind and not for the direct benefit of the company itself.

- **Human Resource (HR) Professionals.** HR professionals are responsible for managing and coordinating core HR functions at the corporate and establishment levels, including recruitment, hiring, and onboarding new employees. They are also responsible for administering compensation and employee benefits, including employee tuition aid programs as well as training and professional development. HR professionals usually work directly with hiring managers to determine the company's workforce needs.

- **Recruitment and Screening.** Professionals responsible for supporting HR by marketing career opportunities, working with talent sourcing partners, identifying and recruiting applicants, and managing the application and applicant tracking and screening process for HR professionals and hiring managers. These professionals can work directly for an employer or with a recruiting company that is under contract with an employer.

- **Hiring Managers.** Those managers who have responsibility for determining the hiring needs and requirements for critical jobs they manage and supervise. Hiring managers typically make the final decision on hiring and career advancement.

- **Training and Development.** Professionals involved in the onboarding and development of new hires as well as the **upskilling** and career advancement of existing employees. This includes professionals who manage specific training programs, such as apprenticeship programs.

- **Other Subject Matter Experts (SMEs).** Employees who are considered experts in the performance of critical work tasks and in understanding the knowledge and skills required to perform these tasks at high levels of proficiency. These experts are usually the most experienced and highest performing workers employed in critical jobs and are consulted by hiring managers or HR professionals when setting hiring requirements.

- **Employee Support Professionals.** Professionals—either employed by the company or retained on contract—that provide a variety of support services to current employees to improve job performance, career advancement and retention, as well as employee satisfaction. They are sometimes employed by a third-party partner who works directly with employees on a confidential basis on matters such as housing, financial literacy, transportation, and childcare.

Many times, the varied categories of professionals are engaged with employer corporate responsibility and recruitment and hiring initiatives at different stages of the pipeline. For example, one professional team is involved with K–12 STEM education initiatives while other teams focus on working with high schools, colleges, and universities for addressing specific hiring needs, while still others work on career advancement for front-line personnel. It is common for these activities to be funded, supervised, and operated independent of one another.

In addition to people working in these professional roles, employers oftentimes encourage employees to engage in volunteer programs. Some employees volunteer to get involved in community initiatives that include education and workforce partnerships. Other opportunities include aiding career exploration activities, serving as mentors, or participating in advisory groups. Most of the time these volunteers are participating as community members or "alumni" of programs and are not operating in any official capacity on behalf of the employer.

Finally, it is important to understand how the size of a business (i.e., small, mid-sized, or large) impacts with which professional you are likely to engage with and the kinds of partnership that company can or will provide. Professionals in small and mid-sized companies play multiple roles and chiefly look to education partners to play critical training and development roles. In addition, top executives and managers are likely more directly involved in education partnerships. For larger employers, top executive and HR leadership buy-in is critical, but they may not get directly involved in partnerships. Also, top executive and HR leadership at the local establishment level (e.g., manufacturing plant managers, retail store managers) could have to get higher-level buy-in from their corporate headquarters to establish partnerships.

Key Takeaways

Except for small employers, there is rarely a single point of contact inside a company that is capable of addressing and representing the full range of workforce needs a company may have. One must always make sure they are working with the right professionals—or team of professionals—when developing partnerships with employers, whether at the state or local level. Statewide partnerships typically require engagement with executive leadership supported by top HR, training and development, government relations, and CSR professionals. On the other hand, local partnerships typically need to have executive leadership buy-in with strong engagement of front-line HR professionals, hiring managers, trainers, and other subject matter experts. These partnerships may also involve employee support professionals for increasing the success of all learners and workers, especially those facing barriers to career success.

Employers directly engage in workforce initiatives and partnerships as well as through trusted intermediaries, including business associations.

Employers directly engage in national, state, and local initiatives and partnerships to address their workforce needs as well as through a variety of industry and professional organizations and other public and private intermediaries. Many of these organizations are based on a membership model where companies pay dues and expect value. Others have employers engaged as one of many partners or in an advisory capacity. Examples include:

- **National, state, regional, and local chambers of commerce.** Chambers are the most widespread business-led associations in the United States and the world, but they are also incredibly diverse. They are independent business entities, but some chambers belong as members to other chambers and form what is commonly referred to as a "federation." For example, the U.S. Chamber of Commerce has a federation of more than 1,500 state, regional, and local chambers as dues-paying members. Chambers are organized in many different ways and play many different roles. Their primary membership is the business community in their defined geographic footprint, but they can include other community partners and leaders as well (e.g., area schools and colleges). Their missions vary, but most typically focus on growing and improving their community, supporting pro-business policies, serving as the "voice" of the business community on issues of importance to companies, and networking.

- **Industry sector organizations.** Business associations that represent employers in specific industries or sectors. These associations can be national or regional (e.g., state-based) in scope. Some examples include the National Association of Manufacturers, the Illinois Manufacturers' Association, and the National Retail Federation.

- **Professional associations and unions.** Many times, employers and employer organizations partner with professional associations and unions to address workforce needs. These associations represent people working in specific trades and professions, such as human resource professionals, engineers, real estate agents, and electricians. An example is the Society of Human Resource Management (SHRM).

- **Special purpose employer organizations.** Organizations that employers join for specific purposes, such as veterans hiring initiatives or STEM education initiatives.

- **State, regional, and local economic development organizations.** Public and quasi-public organizations that promote economic development and work with employers to improve their competitiveness and growth, including improving the workforce.

- **Other intermediaries.** Other public and private intermediaries, such as workforce boards.

These organizations frequently serve as conveners or host events related to education and workforce topics (e.g., addressing a skills gap or closing an achievement gap). Their role is primarily to elevate awareness of an issue, but not necessarily be the lead organization when it comes to implementing a solution. The convener function is usually executed in ways that drive up business member interest and engagement in a new partnership or initiative that is led by others.

In addition to convening employer members, intermediaries also engage directly in original research (i.e., publishing reports with new data) or launch education and workforce initiatives. An example of the latter is when companies coalesce around sponsoring a STEM program in a high school, a robotics competition in a middle school, or a career awareness communications campaign to address misperceptions about or stigmas associated with opportunities in their industry.

It is common for these organizations to be recruited as members of advisory boards or to play a role in a statewide or local initiative tasked with engaging employers. These intermediaries typically are engaged in a similar fashion as employers but are presumed to speak on behalf of their membership and to be able to coordinate requests back to them (e.g., an increase in the number of internship offerings). Business associations are frequently asked to weigh in on industry workforce needs, skills and credentials requirements, labor market forecasting, etc., even if they are not themselves an employer engaged in the primary economic activity and work that is of interest to the advisory board or partnership.

It is important to note that while some business associations have an education or workforce mission and dedicated staff for education and workforce policy and programming, this is by no means the rule. Business associations vary in terms of their capacity and willingness to engage on these issues.

It is also important to note that employers are regularly asked by different state education and workforce agencies as well as different schools and colleges to participate in major initiatives (e.g., a STEM task force), sector partnerships, and advisory groups. This results in employers being pulled in many different directions without knowing how these different partners work together to address their needs. Business and industry associations can play a role in organizing and coordinating employer engagement in ways that can provide benefits to both employers and education.

Key Takeaways

Many employers address their workforce needs by coordinating their efforts through a business association. These organizations vary, and some have an explicit education and workforce mission—with supporting staff—while others do not. When possible, one should engage them in a partnership, but be sure to identify what role they can play (e.g., convener versus implementer). Associations do not always have the ability to speak directly for their members when it comes to workforce issues. However, these organizations have the potential to be valuable partners for organizing employers in trusted and sustainable workforce partnerships and creating the scale needed (e.g., job openings) to establish and sustain CTE programs.

Recommended Actions for CTE Programs and Professionals

CTE professionals should consider the following actions in working with employers:

1. **Gather Information about Employer Talent Sourcing Practices and Leverage Existing Employer-Led Initiatives.** Gain insight into how employers currently source talent for the jobs (i.e., local versus regional or national/global) that are most critical to their competitiveness. Conduct a review of existing employer-led initiatives (e.g., sector initiatives) at the state and local levels before engaging individual employers in partnerships.

Questions to Consider:

   a. What talent sourcing practices do employers in my area currently use?

   b. For which jobs do they source locally, and which are generally recruited from a larger geographic region?

   c. Which initiatives or partnerships are employers currently bought into that would be a good place to start, and are they using TPM as a framework?

2. **Explore Employer Association Partnerships.** Contact employer associations in your state and local area to identify existing employer-led initiatives. Explore their willingness and capacity to establish partnerships with multiple employers that are willing to work together to address shared needs.

Questions to Consider:

   a. Which employer associations (e.g., chambers of commerce, sector associations) have the credibility to organize multiple employers in a workforce partnership?

   b. Which employer associations, if any, have a history of organizing employers successfully or are currently organizing employers in this space?

   c. To what extent are these associations familiar with or are making use of the TPM framework?

3. **Engage the Right Employer Professionals.** When engaging employers, ask employer representatives about their role in their organizations and make sure you have the buy-in and support of higher-level executives and the right professionals at the table who have the decision-making responsibility necessary for effective partnerships. Also, establish who would be the major point of contact for partnerships and which professionals should be engaged when addressing specific issues or priorities.

Questions to Consider:

   a. Have I secured the buy-in and support of senior leadership at one or more companies and how do I know?

   b. For those employers where I have gained the buy-in and support of senior leadership, who is my point of contact and what professional role do they play in the company?

   c. Does my point of contact have the support of a team inside the company, and if so, what are their respective professional roles? Are there any potential gaps that need to be addressed?

   d. Can TPM provide a more streamlined approach for coordinating teams of professionals within multiple companies through a single point of contact at an association?

4. **Get the Facts Straight First: Gather Data Directly from Employers on Their Needs and Priorities.** Supplement government and other available LMI by working directly with employer association partners and the right employer professionals to identify the most critical jobs, pain points, and the scale of their needs (e.g., projected job openings). Determine whether the level of need and criticality of the openings warrant establishing or expanding a CTE program at a school or college.

Questions to Consider:

   a. Am I using data to guide planning and decision making and what is the source and assumptions underlying that data?

   b. What data, if any, is coming directly from the companies I plan to partner with (e.g., job projections, in-demand competencies and skills) and who is supplying that data within a company?

   c. For the critical jobs that are of most interest to the companies I am partnering with, is there a sufficient and consistent enough level of need to warrant establishing or expanding a CTE program or partnership?

   d. If there isn't sufficient level or need, what would need to change (e.g., increase in demand by adding more employers to the partnership, or changing the focus)?

   e. If the employers and employer association(s) we are partnering with are not using TPM, can it be a useful framework to get clearer, more granular information about employer needs and priorities?

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