Talent Pulse

Collaboration U: Business and University Partnerships to Secure Talent Pipelines
About HCI

Human Capital Institute (HCI)

HCI is a premier thought leader in the new discipline of strategic talent management with an unparalleled reputation for innovation, leadership and excellence, demonstrated through cutting-edge research and analysis. HCI Research draws from the knowledge of a large network of executive practitioners, expert consultants, leading academics and thought leaders, as well as thorough quantitative and qualitative analysis, to produce insightful findings and recommendations that shape strategy and encourage action across the continuum of talent management. To learn more, please visit:
http://www.hci.org/content/research.
Talent Pulse from the Human Capital Institute (HCI) explores the latest trends and challenges in talent management. Each quarter, a new report is released in conjunction with one of the four HCI Communities. Talent Pulse is designed to provide practitioners and decision makers with prescriptive methods to rehabilitate the health and wellness of human capital, and empower employees and leaders to effectively address future challenges.

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Organizations are vocal about the skills gap which is defined as: the gap between the skills level of current talent and the skills level needed to accomplish business objectives. HR leaders report that only 24% of high potentials are leadership ready,¹ and there is a well-known war to fill Science, Technology, Engineering, and Math (STEM) positions.² Thirty-eight percent of global organizations have difficulty finding staff with the right skills.³ The majority of business leaders (70%) are worried about the availability of key skills.⁴ It is not only the hard, technical skills that are most important but the soft skills are critical as rated by senior executives in a 2014 study (in order of importance): critical thinking, collaboration, communication, technical skills, and adaptability.⁵

Now more than 60% of jobs require post-secondary education or training. However, 72% of educational institutions believe newly educated workers are ready for work, while only 42% of employers do.⁶ A recent report illustrates the three contributors to the skills gap: the gap in fundamental skills, labor shortages in STEM, and mismatches between worker competencies and middle-skill jobs (computer technology, nursing, high-skill manufacturing, etc.).⁷ The lack in core, employability skills, such as basic math and communication ability, leaves some out of the workplace and college. The United States is well-known for this type of skills gap; for example, one in six U.S. adults has low literacy skills compared to 1 in 20 in Japan.

Businesses are addressing the three contributors to the skills gaps in a number of initiatives. The Higher State Standards Partnership, The National Higher Education and Workforce Initiative, and The National Network are designed to meet each of the three challenges, respectively. Another recent example is IBM working with 28 schools to revise or craft their Big Data curriculum.⁸

Organizations and educational intuitions are partnering to align education and training with the jobs of today and tomorrow. But, how common is this practice? What works? And what are the plans for the future? In this Talent Pulse study, we explore how companies are recruiting and partnering with universities to secure their talent pipelines.
Key Takeaways

- **The skills gap is greater than STEM.** Organizations are concerned with filling managerial and leadership positions along with needing engineering, technical, project management, analytics, and critical-thinking skills. Less than one-quarter of respondents agree they have a strong talent pipeline for critical positions, but those who recruit from colleges more often report being more secure in their talent pipeline.

- **Development-focused strategies.** The most frequently cited practices for recruiting with colleges and universities are not influential nor result in strategic partnerships. Organizations are understanding the value of direct involvement with educational institutions and plan to establish more of a presence on college campuses. The most effective methods for bringing in new hires from college recruiting activities are: training recent college graduates, internships, apprenticeships, and mentorships among students and current employees. The imperative is on development and starting early-career.

- **A constant presence is key.** Those who report a strong talent pipeline build continual employment brand awareness on campuses and alert students and schools to the essential skills they need. They see the value of these partnerships and are able to measure the outcomes of the relationship.
We need engineering positions including mechanical, electrical and software, specifically at the senior level. I worry that we will lose talent because we are a small company and cannot be as competitive as some of the larger firms.
- Survey Respondent
Skills for Critical Positions

Organizations are struggling to fill engineering and technical roles in addition to leadership positions. The need for project management, data and analytics, and critical-thinking skills are critical for the organizations surveyed.

Figure 1. What skills for critical positions are you concerned with not having now and in the next three years? (The larger words were cited more often.)
## Weak Talent Pipeline

The majority of organizations surveyed are not confident in their pipeline for critical positions and are more likely to be developing their current employees rather than buying talent to fill skills gaps.

Figure 2. Thinking about the current state of your organization, please rate your level of agreement to the following statements. (Percentage Agree/Strongly Agree)

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
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<tr>
<td>We have a strong talent pipeline for critical positions.</td>
<td>22%</td>
</tr>
<tr>
<td>Our high-potentials can meet our future business needs.</td>
<td>42%</td>
</tr>
<tr>
<td>Skill shortages will negatively affect our ability to meet our strategic goals.</td>
<td>57%</td>
</tr>
<tr>
<td>Compared to 3 years ago, we are focusing more on employee development to fill skill gaps.</td>
<td>61%</td>
</tr>
<tr>
<td>Compared to 3 years ago, we are focusing more on buying talent externally to fill skill gaps.</td>
<td>53%</td>
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University Pipelines

Those who are confident in their talent pipeline recruit twice the amount of recent graduates than those who report a weak pipeline for critical positions. In addition, most organizations are not looking for more government support in facilitating business and university partnerships.

Figure 3. In 2014, what percentage of your new hires came directly from recruiting at colleges and universities?

| Strongly Agree/Agree have strong talent pipeline for critical positions (n = 35) | 16% |
| Strongly Disagree/Disagree have strong talent pipeline for critical positions (n= 88) | 8% |
| All | 13% |

Attitudes towards this topic (Agree/Strongly Agree):

- 71%: Our collaboration with colleges and universities strengthens our talent pipeline.
- 37%: Students in our country are prepared to enter the workforce.
- 35%: The government needs to play a stronger role in facilitating business and university partnerships.
We need to work collaboratively with our businesses to understand their strategies and related skill requirements. We need to understand our skill gaps and why they exist.
Businesses and Universities Work Together

Public-private-education partnerships are essential for college and career readiness. Employers provide much needed industry context and help students prepare to enter the workforce. Educational institutions need industry to communicate future workforce needs, and invest resources to empower educators to deliver a skilled workforce. Only such a symbiotic relationship can help foster innovation and agility that is needed by US industries.

– Survey Respondent
Level of Involvement

Types of collaboration among colleges and business range from indirect to direct levels of involvement. Indirect methods are the most frequently used.

- Sending recruiters to campuses: 63%
- Placing advertisements in student media outlets: 52%
- Offering scholarships: 28%
- Offering training programs for recent college graduates: 36%
- Designing classroom or online curricula: 30%
- Funding research and development: 26%
- Having a table at career fairs: 69%
- Talking with professors: 56%
- Offering internships and co-ops: 76%
- Offering apprenticeships: 38%
- Partnering on research and development: 35%
- Having employees teach classes or seminars: 39%
- Hosting an innovation competition for students: 20%

Figure 4. How does your organization collaborate with colleges and universities to fill your talent pipeline? (Percentage who use; most popular methods in orange)
Planning for the Future

Organizations are understanding the importance of direct methods of involvement and influence with universities as these practices will notably increase over the next three years. Most organizations do not collaborate with other businesses, but innovation competitions and R&D partnerships are the most popular ways to do so.

Figure 5. How does your organization collaborate with colleges and universities to fill your talent pipeline?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Hosting an innovation competition for students</td>
<td>16%</td>
</tr>
<tr>
<td>Having employees be mentors for students</td>
<td>14%</td>
</tr>
<tr>
<td>Having employees teach classes or seminars</td>
<td>13%</td>
</tr>
<tr>
<td>Offering apprenticeships</td>
<td>13%</td>
</tr>
<tr>
<td>Offering training programs for recent college graduates</td>
<td>12%</td>
</tr>
<tr>
<td>Partnering on research and development</td>
<td>11%</td>
</tr>
<tr>
<td>Offering internships and co-ops</td>
<td>10%</td>
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Popular joint partnerships among organizations:
- Hosting an innovation competition for students (54% partner with other organizations)
- Partnering on research and development (47%)
If you have the power in numbers by collaborating with other organizations [to fill skills gaps], you have the ability to influence more broadly. Not just [government] policy makers, but you can move a step further and ask ‘How can we create better systems and curriculum?’
What Works

Although less frequently implemented (see Figure 4) direct partnerships result in more new hires from universities than the indirect involvement methods.

Figure 6. Only if you have the practice rate how effective each method is at bringing in quality new hires to your organization. (Percentage rated Effective/Very Effective; most popular methods in orange)
We build awareness of our employment brand at colleges and universities even when we don’t have positions to fill.

We make students aware of the skills and degrees we need.

We are able to measure the success of our university partnerships.

Organizations that constantly build brand awareness on campuses and are vocal of the skills needed, while measuring the success of their university partnerships, are more likely to report a strong talent pipeline for critical positions.
Top Challenges

Inadequate resources and lack of a strategy hinder the ability to recruit at colleges of more than half of all respondents surveyed.

Figure 8. What challenges does your organization face while recruiting and/or partnering with colleges and universities? (Percentage who indicate it’s a challenge.)

- Lack of resources (budget and staff): 63%
- Lack of strategy: 55%
- Not a priority for our organization: 45%
- Lack of collective vision among our organization and educational institution(s): 50%
- Lack of senior leader support: 32%
Prescribe and Apply

Our members share their organizations’ strategies for partnering and collaborating with educational institutions.

- **Start early**
  - “Our key is to identify the top students early, offer them internship or other opportunities to interact with the firm, and create opportunities to get connected with them so they want to come to work for us.”
  - “We target several tiers of educational institutions for different levels of involvement and now moving beyond colleges and universities to focus on STEM in high schools.”

- **Build awareness of your company on college campuses**
  - “We continue to be seen at career fairs and on campus so students will know our company. We look for ways to provide internships and employment opportunities. We build on efforts by universities to provide real life projects for classes and offer items where the company and students benefit from the project.”
  - “We brand through social media and hold conferences at the university campus to promote awareness in students about our company and operations.”

- **Bring students to your worksite**
  - “We offer our site for masters classes to be taught and undergraduate classes tour the site each quarter. We’ve had several students do internships here and used our students and staffs for Masters/Doctoral research.”
  - “We offer engineering project competitions which are real world problems to see who can devise the most cost effective, efficient, and sustainable solution.”
Prescribe and Apply

Our members share their organizations’ strategies for partnering and collaborating with educational institutions.

- **Leverage your current employees**
  - “We assign recent graduates from the universities with our firm to help with relationship building.”
  - “We send back our current employees for higher education for study leaves in these institutions that help us promotes our company and image. Moreover, it can bring the referential potential talent to our company.”

- **Engage university professors and administration**
  - “There are planning meetings with deans of colleges and presidents on our boards for two local universities. Our goal is to shape our talent needs for a stronger pipeline today and in the future and to reduce our costs for the talent we seek by helping schools prepare them for us pre-hire.”

- **Understand that not all partnerships will result in a fit**
  - “Because of the risk and investment involved, we do not offer management training programs. we have found that internships are more effective by giving students exposure to our business and gaining experience. However, by the time they graduate, very few actually join us in a management capacity. For these reasons, we have found it not very effective or productive in partnering with educational institutions.”
  - “We are in our second year of partnering with educational institutions. The first year did not result in any placements, but we learned how to better utilize the resources provided, set expectations for ourselves and the students, and better present the company to the institution and students.”
Appendices

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- A Roadmap to University Recruiting Success
- How to Build Successful Partnerships: A Roadmap for Talent Acquisition Teams
- Crafting an Internship Program for the New Millennium
From May 11 to June 1, 2015, a survey link was distributed via e-mail to a 28-item questionnaire to HCI members who opted into the HCI Survey Panel and into HCI electronic mailings. The results of this questionnaire, subject-matter expert interviews, and secondary sources form the basis of this research.

Note. \( n = 212 \) Only categories with at least 6% of the sample are displayed and 83% of respondents’ organization are headquartered in North America.
HCI is the global association for strategic talent management and new economy leadership, and a clearinghouse for best practices and new ideas. Our network of expert practitioners, Fortune 1000 and Global 2000 corporations, government agencies, global consultants, and business schools contribute a stream of constantly evolving information, the best of which is organized, analyzed, and shared with members through HCI communities, research, education, and events.

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