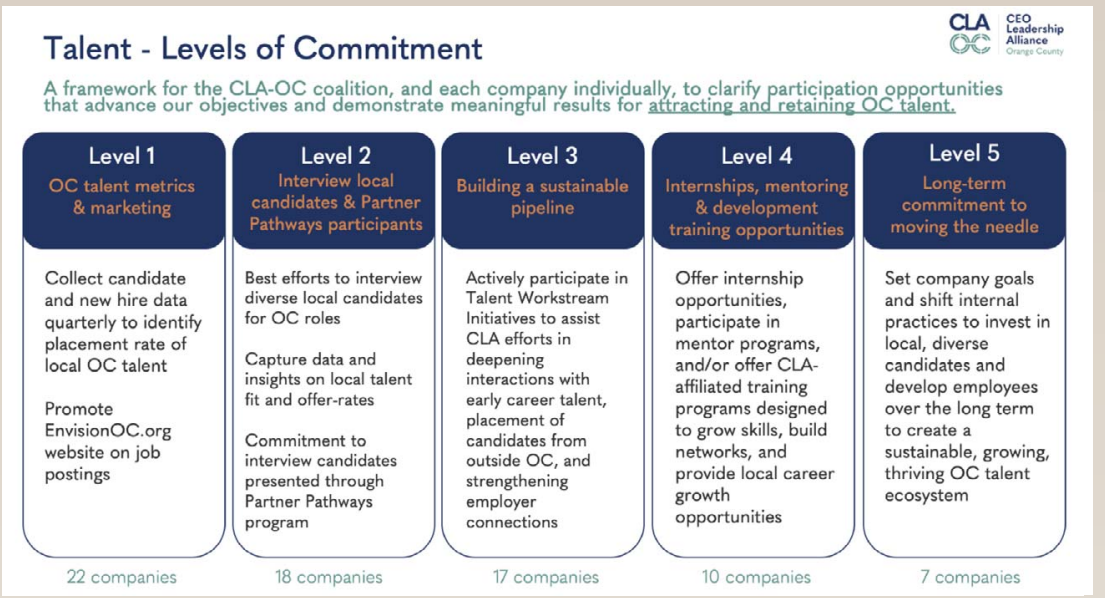
OC LEADER BOARD | Opinion, Analysis, Insight

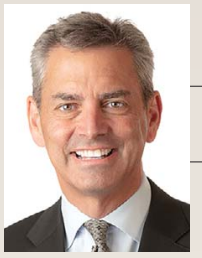


Developing Talent Pipeline is Linchpin for OC's Prosperity

Creating economic value depends on fostering talent as never before. Just as accumulating physical capital drove growth in the 20th century, growth today depends on attracting—or growing and retaining—the best human capital.

In fact, the economic returns on quality talent that can activate the best ideas have never been higher and will only accelerate with rapidly converging emerging technologies, as **Peter Diamandis** makes clear in his new book, "The Future Is Faster Than You Think."

The **CEO Leadership Alliance of Orange County** (CLA-OC) has a mission: Grow OC into a Top Tier Innovation Hub in America.



By Jim Morris

In cooperation with the Orange County Business Journal, this article is the third of five Leader Boards during 2020 sharing why this mission is critical for OC's future. Each article explains one of the four focus areas of our "flywheel" strategy (see claoc.org for infographic), designed to achieve success through systems change and collective impact.

The entire community, with all sectors collaborating, will be needed to achieve our vision of a thriving OC for ALL.

The first Leader Board article, by **Mike Mussallem** and **Doug Wilson** on Jan. 3, gave an overview and pointed out that top-tier innovation regions are growing total jobs on average four to five times more than Orange County.

In addition, about two-thirds of future job growth in OC is projected to make less than $60,000 per year. By contrast, innovation jobs, prevalent in top-tier regions such as Boston, San Francisco and Seattle, pay more and have a 5 to 1 multiplier, each creating an additional two professional jobs and three service jobs.

The second Leader Board article, by **Kimberly Chavalas Cripe** and **Robin Shanahan** on March 9, elaborated on a "better jobs strategy" for the county, beginning with a business-led system of 21st century career pathways in high school and community college.

They also encouraged a particular focus on underserved and first-generation students as a way for OC businesses to expand the search for talent beyond business as usual. At CLA-OC, we believe this large population represents a major untapped resource as we strengthen the entire talent pipeline.

Another key component of the flywheel is at the four-year university level, partnering with **California State University- Fullerton**, **Chapman**, and **University of California-Irvine** to start. These three main universities in Orange County are, in many ways, complementary and provide varied options for students. Orange County is particularly well positioned to be a leader in cultivating a strong, diverse, and multi-national workforce that are underrepresented in other innovation hubs.

Working with CLA-OC, and particularly with **Scott Sherman**, EVP of Human Resources for **Ingram Micro Inc.** and **Donna Burton**, VP Human Resources of **Pacific Life Insurance Co.**, we have brought together over 30 Chief Human Resource Officers (CHROs) to meet regularly, with most organized around five Talent Levels of Commitment.

The idea is to design a system for OC companies to prioritize their focus on growing and nurturing local talent to cultivate deep talent pools so we can ensure the next generation can stay and find meaningful jobs in OC. The system will also help OC companies fill high-demand positions while reducing acquisition costs by focusing on retention and development.

For instance, Level 1 is collecting data on metrics such as the number of local candidates interviewed for each open job position. Level 5 is progressive so the commitment is significant, essentially incorporating commitments at all five levels. These would include a pledge to interview more local candidates, interact with students through capstone projects, employment awareness events, company visits, leverage technology for more effective local recruitment, mentorships, and more meaningful internships that lead to employment opportunities.

More companies and universities will be added to the Talent Levels of Commitment.

Goals will be to grow and retain talent in OC—especially in service to high growth innovation clusters, with an emphasis on AI and emerging tech; and foster a more effective system of collaboration between business and education.

Our first priority will be alignment with four-year universities, and secondarily 9-14 grades (to support CLA-OC's Career Pathways initiative to develop a talent pipeline starting in high school/community college).

More than 20 Orange County companies and their CEOs have signed on to participate in some or all of the programs under the five levels of commitment: **American Advisors Group (AAG)**, **Brookfield Residential**, **CHOC**, **E&Y**, **Edwards Lifesciences**, **Ephesoft**, **Evolus**, **Experian**, **First American**, **Golden State Foods**, **Happy Money**, **Ingram Micro**, **Irvine Co.**, **Johnson & Johnson**, **KCOMM**, **LensGen**, **Medtronic**, **Octane**, **Pacific Life**, **Pimco**, **Southern California Edison**, and **Western Digital**.

Starting this fall, companies will begin to set new goals and shift internal practices to invest in local candidates. They will develop employees over the long term to create a sustainable, growing, thriving Orange County talent ecosystem.

We welcome companies to join our talent efforts in building a better OC for all. Please contact us through the claoc.org website.

The CLA-OC company CEOs, working together with their CHROs, can move the needle and help build a system that provides abundant opportunity. Working groups have been formed, led by C-Suite executives at each company, to address all the initiatives embedded in the five levels, and significant work has already begun.

For instance, a new Orange Fellowship initiative has accepted 24 recent university graduates employed by local companies or organizations into a two-year leadership training program. Meeting quarterly the cohort will have frequent interactions with CLA-OC members, be involved and help to solve community problems, and grow their professional and personal networks in OC. The pilot program will expand and is a vote of confidence in our future leaders and the young talent of the county.

In addition, all three universities have been supportive of CLA-OC's effort to make available a University Reference Guide to help Orange County companies interface with each university more easily on talent issues. The first version is now live on the envisionoc.org website.

We all need to work together to strengthen the innovation ecosystem that supports talent. Nothing is more important than preparing every young person in Orange County to reach their full potential and be prepared to thrive in all aspects of life—including the ability to navigate their career pathways through all the opportunities (and uncertainty) of the future.

Dick Gochnauer, a retired CEO of **Essendant**, will write the next Leader Board on building the innovation ecosystem, especially vital startup capital and expanding jobs in key growth clusters—with an emphasis on AI and emerging tech, which is a horizonal unifier and growth multiplier across multiple verticals.

*Editor's Note: **Jim Morris** is chairman, president and chief executive of Newport Beach-based **Pacific Life Insurance Co.**, the second-largest private company headquartered in Orange County with $12.8 billion in revenue in 2019.*

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