Developing Regional Talent Strategies

A Case Study Prepared for Northern Illinois University’s Executive Education Series

Regional Economic Development Leadership

Course PSPA 692: Developing Regional Talent Strategies

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Introduction

This case study/white paper outlines a potential way forward for the State of Ingenuity (SOI) region in terms of developing talent strategies to create a regional workforce with the right competencies and skills that will allow them to obtain and keep a good job but to also position the region as a recognized global competitor. The case study/white paper was prepared by the Global Capital Group, LLC (GCG), a global transdisciplinary consulting firm located in Wauwatosa, Wisconsin. The firm specializes in entrepreneurship approaches and economic development strategies.

GCG was contracted by the Center for Governmental Studies at Northern Illinois University to develop webinar training and a case study/white paper for their fulfillment of executive education deliverables with the University of Wisconsin Whitewater’s Economic Development Administration grant. The case study/white paper has a mix of talent strategies, framed issues, and a host of proposed recommendations to assist the SOI region in developing a talented workforce that will be the region’s “tip of the spear” in terms innovation and productivity.

Three key assumptions are central to this document. First, the region and its organizing partners understand that a high performance economic region is dependent on a high performance workforce. When the workforce is job-ready the return for employers are enormous which makes the region’s possibilities endless.

Second, the SOI region will have to compete with larger more organized regions for talent. This debilitating reality serves as a daily reminder to regional leaders that the competition will be fierce for the globe’s most productive and creative talent. Being successful at attracting great talent will separate the SOI region from other regions struggling to create the right environments. The body of literature shows that regions that thrive in the global economy are magnets for not only smart people but investments that can accelerate regional growth and prosperity.

Third, the success or failure of economic regions is determined by the quality and commitment of leadership. Exceptional leaders not only add value during severe times and periods of recovery, but provide answers and help build regional strength that benefits regional constituents and overall regional stakeholders. Great leaders are committed, connected, trustworthy, transparent, alignment savvy, and above all masters of the art of making thing happen. Therefore, identifying and unleashing catalytic leaders is imperative to the region’s future.
A Periphery Region

In 2010, the Obama Administration tasked the Economic Development Administration with the devising a plan to assist communities that had been severely impacted by the downturn in the automotive sector. EDA’s response was a $5.9 million dollar grant to the University of Wisconsin Whitewater to administer the Auto Adjustment Entrepreneurial Support Initiative for Southeast Wisconsin and North Central Illinois under the Disaster Supplemental Program.

The grant specifically required UW-Whitewater to engage key partnering organizations in creating a bi-state six county (Winnebago and Boone counties in Illinois, and Kenosha, Racine, Rock and Walworth counties in Wisconsin) region called the State of Ingenuity (SOI). SOI, is a network of organizations that pursue economic development and job creation and provides entrepreneurial support at every stage of business development through the sharing of resources. The partner organizations include:

- Gateway Technical College, Workforce and Economic Development Division (WE DD), Business Development
- Workforce and Economic Development Division (WE DD), CATI
- Northern Illinois University’s Center for Governmental Studies
- Growth Dimensions for Belvidere and Boone County
- Rockford College
- Rock Valley College- EIGERlab
- Rockford Area Economic Development Council
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- Blackhawk Technical College
- Wisconsin Business Incubation Center
- University of Wisconsin Whitewater - Office of Research and Sponsored Programs, Global Business Resource Center, Department of Geography/Geology, Wisconsin Innovation Service Center

The region is known for the Midwestern value of hard work, its quality of life, and optimism for the future across all six counties. The population of the State of Ingenuity is 970,501. In terms of land size, SOI has 2,671.84 square miles of land area. Racially, the region is 90% white. Hispanics and African-American residents primarily live in the region’s urban communities.

The political geography of the region has created an urban vs. rural dichotomy making it difficult to establish a regional common agenda regardless of the issue(s). The region’s major urban center in Illinois is Rockford. In Wisconsin, the SOI’s urban centers are Racine and Kenosha.

Rockford is the largest city in the SOI with a population of 151,725 (total MSA which combines Winnebago and Boone counties is 348,360). Rockford’s major employers are Chrysler, Rockford Public Schools, Rockford Heath System, American Health System and UTC Aerospace Systems. Rockford was founded by Swedish immigrants in the 19th century. The city still has a thriving Swedish culture and is recognized as the third largest concentration of Swedish people per capita in the United States.

Rockford’s economy historically has been tied to manufacturing. Even though the industry has been hit hard by major recessions it is still ¼ of the area’s workforce. Employment statistics indicate that Rockford’s (11.5%) unemployment is higher than the state of Illinois (8.7%) and the U.S. unemployment rate (8.2%). Low skilled workers have struggled for decades to secure family sustaining jobs in Rockford.

The region’s second and third largest cities are Kenosha Wisconsin (99,226) and Racine Wisconsin (78,303). The major employers in the two cities are All Saints Health Care System, S.C. Johnson & Son, Inc., CNH America LLC, Racine Unified School District, Kenosha Unified School District, DaimlerChrysler, and United Hospital System.

Historically, Kenosha was a major manufacturing center in Wisconsin. Today, it is more of a bedroom/white collar community with some manufacturing activity (advanced) remaining. Historically, Racine was also a noted Wisconsin manufacturing community. Originally settled by Danes, Germans, and Czechs, the community attracted large numbers of African-Americans in search of industrial opportunities during the early 20th Century’s Great Migration. Racine has also attracted a large number of Hispanics in recent decades. Today, these combine populations (African-American 22.6% and Hispanic 20.7%) make Racine the region’s most racially diverse city.
SOI by definition is a micro-(periphery) economic region. Micro (periphery) economic regions are less defined geographic regions which tend to be nestled in between larger more defined geographic economic regions. In the case of SOI, it’s between Madison, Wisconsin to the northwest, Milwaukee, Wisconsin to the northeast, and Chicago, Illinois to the Southeast. And, because it is a newly created economic region, it does not have a similar economic agenda or collaborative development strategies and objectives outside the EDA grant’s scope of work and deliverables. What the region does have is all the economic pitfalls that have crippled the entire U.S. economic landscape as a result of the 2008 Recession.

Regional realities for SOI consist of challenges like being the de-facto little brother in the larger Chicago Megacity regional drama, slow growth, unemployment, and divisive economic development interplay. The SOI region is under pressure to compete and play nice in the larger 800 pound gorilla (Chicago Megacity) playground.

The larger region’s rules of engagement places stress on its smaller new regional neighbor still working out bi-state county relations. The Chicago Megacity requires economic development efforts within its reach to develop closer relationships and be a part of a unified economic development front. The unified front strongly recommends improving communication with a heavy emphasis on decreasing past frictions.

Perhaps, the most damaging regional reality is so-called “border wars”. Border politics is a major SOI challenge that threatens the fabric of relationship building in the region. In December of 2013, the Milwaukee Journal Sentinel reported that economic development officials in Wisconsin had well developed campaigns that they were aggressively executing to lure Illinois businesses across state lines. These efforts are also supported by Wisconsin state agencies that brand the Wisconsin SOI counties as better business climates. Rock County in Wisconsin went as far to create a slogan like the “Safety Net from Your Fiscal Cliff”, to temp Illinois businesses to cross state lines.

The impact of these SOI border wars has seen a software firm and online comparison-shopping firm leave Winnebago County Illinois for supposedly greener pastures in Beloit, Wisconsin. While these are all widely acceptable economic development strategies that are deployed nationwide it does cause tension in a region that is at its infancy in terms of collective buy-in. Moreover, these border skirmishes make it difficult to sell six very different counties on the idea that team work and collaboration are keys to prosperity.
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Critical Talent Challenges and Issues

SOI’s economic survival and competitiveness is increasingly dependent on a highly skilled and educated workforce. The region once relied on strong backs and a never quit work ethic to be the standard of the region’s workforce. However, the 21st Century’s global economy demands smart minds and an agile workforce. This demand in the SOI region is even more profound given the number of plant closings and jobs lost.

Unfortunately for the SOI region this has resulted in a serious skills gap in which numerous jobs remain unfilled due to a lack of qualified workers. Just like employers in other regions across the country, SOI employers are finding it more difficult to find employees with the right knowledge, skills, and abilities. As a result, employers feel that they cannot compete, grow, or be profitable.

Devastating Mismatch

The skills gap alone is believed to be the nation’s most serious business issue, especially with massive retirements looming. The issue has caused skepticism regarding the collective futures of SOI counties in terms of work, family life, and citizenship. For employers, the skills gap means a critical mismatch between available jobs in the SOI region and people who can fill them. It also means a leaky and dry talent pipeline, slower growth, higher job training cost, lost productivity, and the inability to compete and expand.

For workers, the skills gap is believed to be a barrier to employment, earnings, career growth, and the American Dream. For job seekers, the skills gap has put pressure on them to reframe their skills and choose new job directions.

For communities, the skills gap means a decline in the quality of life and a decrease in the community’s economic viability. Communities with a skills gap problem slowly become the nation’s new definition of the have nots and what inequality means in America.

Depending on who you talk to in the region, the skills gap is so significant that it calls into question the whole issue of what is really democracy. Even more interesting is that there is no regional agreement regarding how to solve the skills gap problem. Regional leaders are struggling to determine the major causes of the skills gap.

What causes the skills gap?

Nationally, some analysts point the finger at globalization. According to some onlookers, globalization’s impact has created income disparities across race, ethnicity, class, gender, and geographical lines. In the SOI, globalization is believed to have decreased the rate of upward mobility among the region’s less skilled workers in
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addition to pushing less skilled workers in a zero sum gain competition with lower paid foreign workers.

Another major cause in the region’s skills gap is believed to be the result of disconnect between leaders in industry, government, education, and the civic community. There are cries for these leaders to come together in terms of badly needed education reforms like early learning and career pathways.

Perhaps the most discussed cause of the skills gap not only in the SOI region but nationally is the politics of replacing jobs with technology. The disruptive impact of automation, especially in the manufacturing sector (which the SOI region is dependent on) pressures workers in environments of high automation to be twice as skilled as workers in past decades. The automation revolution in the manufacturing sector is anchored by advanced robotics, 3-D printers, and the large scale digitization of operations making the industry leaner and smarter.

Automation requires employers to place a high premium on computer usage which demands far more educated workers and less demand for less educated workers. Employers in these technology rich environments want workers to possess key information processing skills like literacy, numeracy, and problem solving.

However, a major cause not often mention by regional or national leaders runs counter to the skills gap. According to Thomas Friedman in his book, *The World Is Flat*, the “ambition gap” is a major contributor to widening the skills gap. Friedman points out that America’s students are not driven to achieve like students in other countries. This gap is characterized by lost dreams, lost desires, and lost drive. Ambition gap theorist argue that dire economic circumstances have drained people from dreaming more, wanting more, being more, doing more, and being adaptable to change.

A recent study by Harvard researchers suggest that it is difficult for poor children to climb the economic ladder because their zip codes make it difficult for them to achieve economic mobility. Sustained poverty is expensive and debilitating for the region’s growth and future. It is no secret that the SOI region is not a national best practice in terms of being a high-opportunity environment for individuals with low incomes.

Among the key factors that determine low income citizens faith are level of segregation in an area, quality of schools, social cohesion, and the number of two parent family households. The skills gap, ambition gap, and economic mobility issues creates a perfect storm for the region’s leaders looking to create a future workforce driven by readiness, performance, and productivity.
A Seismic Shift

Changing workforce demographics is having a profound impact on efforts to develop talent strategies in the region. Ken Dychtwald, Tamara J. Erickson, and Robert Morison in their classic work entitled, Workforce Crisis, notes that America as a whole must develop different talent strategies for three very different worker cohorts - mature workers, mid-career workers, and young workers.

Mature workers (55 + years old) are believed to be better educated, experienced, well off, emotionally mature, and embrace traditional beliefs in terms of family, religion, and that there is a role for government in their lives. The workplace must be an environment in which work is meaningful and that they have legitimate job responsibility. Mature workers require fair pay, comprehensive benefits and retirement packages.

Employers that develop cultures that welcome their participation are considered to be ahead of the game in terms of a winning engagement strategy. Interestingly enough, this cohort has shown signs that it is eager to explore pursuing entrepreneurship as a way to stay fresh and exploit the experiences they have built over the course of their careers.

Mid-career workers (35 - 54 years old) are the generation born between 1951 and 1970. This cohort wants to be in control of their lives, career minded, concerned about wealth accumulation, enjoying life in terms of doing things, going places, seeing the world, and their accomplishments. This cohort is stuck in the middle of aging parents and children who demand time and resources, especially financial. The engagement strategy to keep this cohort excited about work involves developing a workplace that will allow them to rekindle their careers and a chance to re-invent careers. This cohort will likely need a sabbatical to get re-charged in addition to take time off to engage in community service related activities.

Young workers (18 - 34 years old) are the recipient/benefit generation of the greatest possible transfer of wealth in American history. This all depends if their mature and mid-career worker parents have been able to adequately save and invest. This cohort enjoys working with different people and champion the idea of diversity.

Young workers are independent thinkers, well-educated digitally literate, prefer e-mail and texting as opposed to face-to-face communication. Young workers don’t trust authority and large organizations and will challenge you regardless of your age and tenure. Authors of the Workforce Crisis note that it is important to get this cohort involved immediately in the workplace in addition to be sure to design work that is broad in its impact in terms of their acculturation into the work environment.
SOI’s Workforce Development System

Like most economic regions, SOI is flooded with an array of actors in its workforce development system. Among these actors are workforce boards and other organizations that engage in industry workforce training issues, like local and state governments, economic development organizations, universities and colleges, technical colleges, community based organizations, civic groups, labor organizations, and a host of other actors.

The typical SOI workforce development system is solidified on the premise that a multitude of training programs will fix the skills gap problem. And, with that in mind, the system aggressively organizes itself to chase resources to feed an uncoordinated skills training infrastructure. While there are many issues that keep this type of system disjointed, unproductive, and lacking innovation, there are two issues that standout in the storm of workforce development system confusion.
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System Alignment

Based on research in preparing this document, the author found little evidence that the SOI region has an idea about where it is going in terms of its workforce. There is no single document that serves as the regional plan that focuses on recruiting, deploying, developing, and retaining regional talent. An investigation of regional workforce documents failed to yield substantive evidence that shared vision plans exist beyond independent SOI cities and counties workforce efforts.

Course of Action

The region does not possess a charted course of action that has detailed work assignments complete with accountabilities to create a strong region that provides value to employers, employees, and SOI communities across both states. Ultimately, this suggests that there has been little strategic thinking about regional workforce issues that signify a collective workforce development system regarding talent issues.

SOI Talent Pipeline

A talent pipeline in terms of workforce development is an on-and off-ramp educational system of connected entry points from end to end to prepare individuals for jobs. A primary challenge for the SOI region is determining disconnects in the workforce pipeline.

For instance, the region has multiple issues (leakages) reducing regional pipeline efficiency. There is little to no evidence that the region has built a reliable set of practical problem solving platforms to address the pipeline dilemma. Outside of occasional press releases that highlight resource infusions (government grants) for semi organized sectors, there seems to be limited excitable opportunities that cover multiple constituencies.

Education and Training

Education and training are the cornerstones of a robust and effective talent pipeline. However, there is no common base line within the SOI region for what students learn nor is there a recognized framework pointing toward a collective education policy to prepare regional learners for existing and future global challenges. Adequately addressing this concern will demand coordination and genuine partnership building efforts that are public, transparent, and inclusive by employers, government, schools, universities and colleges and even learners.
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Leveraging Diversity

The inability to leverage diversity at the regional level is another major disconnect. With changing demographics impacting the make-up of the workforce, it is imperative that the SOI take decisive action to reframe the region as a diversity ready talent corridor.

For right now, the brand is simply a conglomeration of six counties that border two states that are engaged in collaborative economic development activities. And, in places like Kenosha and Racine, there is no mention of the SOI on any of their economic development marketing materials. Both cities identify more with the so-called Chicago-Milwaukee Corridor.

The current SOI brand alone will do very little to attract the richness of diverse talent to the region from distant places around the globe and it want be able to stop the continuation of the massive exodus of talent that leaves for greener pastures. It is important to note that there is little to no mention of the brand whatsoever on the websites of the participating counties.

SOI Brand

An exhaustive examination regarding the existing brand will force regional leaders to address questions like - what does this brand mean? What does this brand tell us about the people, the region’s unique natural features, families, attractions, and the region’s culture (values)? Also, what does the brand tell us about SOI capturing the hearts and souls of the region and how it is used as a strategic instrument to paint the regional picture for a global audience?

Employers’ Commitment to Education and Training

One of the primary disconnects is employers lack of commitment to adequately develop the workforce. Nationally, the 2008 recession saw employers engage in a game of retrenchment in terms of investing in, maintaining or expanding existing training programs.

Regional leaders in the SOI have been known to fail to listen to the voices coming from channels that are less elite and prominently well positioned as recognized power brokers. This results in environmental immaturity and prohibits robust common agendas from surfacing.

Regional workforce politics

No region can escape the inevitable trappings of politics. Why? It’s an automatic democratic birth right. Yet, when it involves issues relating to the workforce, powerful and organized interest dominate playing field dynamics. Among them include strategic
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planning, hunting workforce development resources, and designing power broker
network with significant member benefits.

Sectoral Interest

In order for the SOI region to adequately address the skills gap issue, regional leaders
will need to understand varied sectoral interest. Each sector actor has a different wish
list and they protect their lists and their interest vigorously.

For instance, employers (industry) penultimate goal is profit. Companies “bottom line”
have always and will continue to be their number # 1 interest. When it comes to dealing
with the talent pipeline, industry often needs assistance because traditional business
models do not direct their attention toward talent issues despite it being a widely
understood competitive advantage metric. With that said, there is little or no self-
organizing among industry leaders over the issue of the talent pipeline.

However, over the last several decades, industry has shown a strong interest in
innovation coming out of research universities. Realizing their significance to the talent
pipeline discussion, research universities are constantly engaged in efforts to secure
research dollars from both government and private sources.

Over the years, universities have created specialized research institutes and centers
(primarily in the areas of new and leading edge technologies) for the purpose of
leveraging academic, government, and industry stakeholders. Depending on the
institution, these units often serve as incubator space for new start-ups, spin-offs
resulting from university research, and launching pads for businesses relocating to the
area that want to be a part of the ecosystem.

With a plethora of university rankings outlets, an institution’s research reputation is the
equivalent of possessing large quantities of gold. In order to adequately resource these
institutes and centers, research universities expend a lot of energies toward attracting
key scholars and graduate students to campus.

A growing trend at research universities has seen faculty members become much more
interested in their laboratory projects being commercialized. This trend is also coupled
with universities placing high emphasis on building campus cultures that enhance
teaching. These institutions also sweeten the campus environment by putting in place
reward structures for faculty who develop competitive research portfolios.

Strategically, two year tech colleges have entered the ballgame of attracting external
dollars. This money is normally targeted toward specific workforce development
activities. Administrators at these institutions outreach to industry and government in
efforts to expand their coffers and reputations by promoting an accelerated workforce
education and training system that has immediate market value.
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In terms of the government sector, the bottom line is **jobs**, **jobs**, and **more jobs**. Government’s economic development plan regardless of what level is tied to achieving an invigorated and strong economy. A strong economy produces taxes allowing government to achieve their missions in education, infrastructure, and service delivery.

Government is interested in jobs for American workers in addition to helping American businesses stay globally competitive. There is no other issue (outside of national security) that unites parties and deeply divided special interest. Very few people will argue that jobs are not extremely important to the American way of life and even national security. If the issue of jobs is a problem then sustainability of citizen satisfaction becomes the number one interest of political office holders.

At the community level, civic groups are involved in communicating community interest (sometime special interest) in terms of the talent pipeline. Well established and sophisticated groups can be powerful pathways for networking and learning. These groups also serve as a point of view platform for a buffet of interest like business, labor, environmental, educational, traditionally underrepresented groups, new arrivals/immigrants and even the faith based community.

Organized interest groups are closest to the pain of severe unemployment and work disruption. These groups not only advocate for their members but also serve as an information bridge for members into other sectoral interest. Civic groups that are more organized serve their members by being pathways that demonstrate the ability to obtain public monies for talent development and other issues important to their constituents.
It is no secret that Silicon Valley is a global recognized metaphor for innovation and technology leadership. The Valley is a dynamic environment that has a history of turning innovative ideas into profitable companies. Thanks to Stanford and the University of California, the Valley is a hotbed that attracts talent from all over the world. This unique U.S. workforce (talent) is diverse and well educated and it is the fuel for the Valley’s innovation and entrepreneurial engine. The Valley has a simple formula:

\[ \text{New products} + \text{new companies} + \text{new industries} + \text{new investments} = \text{JOBS} \]

According to Elton B. Sherwin, Jr. in his acclaimed book, *The Silicon Valley Way*, this formula is viewed as modern alchemy, meaning smart people (talent) turning research and technology into gold. This gold is not only found in the Bay area of California but it has also been discovered in Austin, Texas. In its own rights, Austin, Texas has become an internationally recognized regional innovation destination.

Former legendary CBS News anchor Walter Cronkite likes to say “what happens in Austin changes the world.” Indeed his branding of Austin, Texas as a global innovation player is not only legitimate but also a fascinating hidden best practice in terms of developing talent strategies. Like Silicon Valley’s rise to innovation dominance and global respect, Austin’s journey is the result of significant role interplay by an anchor research institution of higher learning - The University of Texas at Austin.
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UT-Austin owes a lot of its impact recognition to its business school, engineering school, and other academic units that make up a highly respected and formidable intellectual educational enterprise. However, UT-Austin's regional organizational secret weapon is the Institute for Innovation, Creativity, and Capital (IC²).

IC² is a 35 year old high powered research unit with a staff of over 30 people at UT-Austin that operates with a transdisciplinary focus. IC²’s infrastructure consist of the Austin Technology Incubator (ATI), Bureau of Business Research, the Global Commercialization Group, non-degree education and training programs, Master of Science and Technology Commercialization, research programs and conferences. The Institute connects scholars from around the globe in order to engage them in collaborative research that will lay the foundation to solving economic development unstructured problems within market economies.

This think and do spirit owes it its origins to one of America’s most silent champions - George Kosmetsky (1917-2003). Kosmetsky, son of Russian immigrants and a WWII bronze star and purple heart recipient was the former dean of the UT-Austin business school, co-founder of Teledyne, and a 1993 Medal of Technology Award winner. Kosmetsky was considered to be the “godfather” of Austin’s technology fortunes. Kozmetsky was known for his curiosity about the world and how science and technology is the bridge to make global connections.

Kozmetsky was deeply admired for his insistence that regions (and countries) must reinvent their futures by developing dynamic entrepreneurship ecosystems that ultimately make a region a serious competitor. Perhaps his greatest attribute was his ability as an influencer to provide leadership that created cross segment linkages between business, government, academia, and local community interest.

In order to connect the world around his vision, Kozmetsky created the Global Fellows program at IC² in 1980. Today, there are over 200 active Global Fellows worldwide. The Global Fellows at IC² became Kozmetsky’s ambassadors who were charged with promoting their mentor’s value that science and technology can have positive impacts on economic development. Kozmetsky’s model in its own right is an equation that is hard to argue against:

\[ \text{Science} + \text{technology} + \text{wealth creation} + \text{jobs} = \text{a better future} \]

The Austin Technopolis Model under the leadership of Kosmetsky built a winning infrastructure that is anchored by a dynamic collaboration between academia, business, and government. A more modern version of the infrastructure created by Kosmetsky is called the Triple Helix III Trilateral Networks Model. The model works best when there is the intentional creation of a collaborative knowledge infrastructure and the end game is to form strategic alliances with multiple partners. These alliances result in trilateral networks that develop hybrid organizations to spur innovation. Kozmetsky knew how to use these networks to transfer inventions from laboratories to markets. And, he was
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gifted in terms of getting others to collaborate with him in making Austin a world class economic develop region.

Kosmetsky stressed creating a balance between academics (learning) with the practical real world to produce economic development results. The role of universities in entrepreneurship and wealth creation ecosystems should be devoted to revolutionizing teaching by designing new curriculum to engage the talent in a region.

The Austin Technopolis (Science City) model has always been and will always be about wealth creation, jobs, and shared prosperity. Talent is the glue that connects and energizes all three Technopolis outcomes. Entrepreneurial talent gurus who have been mentored by Kozmetsky include the likes of Michael Dell (Dell, Inc.) and John Mackey (Whole Foods). Dell attributes Kozmetsky’s guidance in management issues, workforce motivation, and technology business strategies with helping him grow Dell into a several $ billion dollar company.

Kosmetsky’s fidelity to Austin’s wealth creators is due in large to his belief that it is important to make entrepreneurs heroes. This commitment to homegrown entrepreneurship has produced close to 300 companies, assisted these companies raise more than a quarter of a billion dollars in investments, and created thousands of jobs.

The Rise of A New SOI Model

The SOI region is poised to create a new and effective model focusing on talent strategies. While there are a number of key strategies to be considered, there is none more important than a strategy to ensure the region’s talent can rapidly adjust to market needs. And, more importantly, all strategies should align themselves with progressive actions to advance the region’s middle class and untapped diversity.

Putting the Pieces Together

There are some significant key factors in building the platform to develop regional talent strategies. There must be a delicate balance across the sectors (industry, government, education, and civic) to have credibility and be effective. The focus must be dedicated to the SOI as a region. Therefore, all the issues that somehow divide the region and its key actors (like industry recruiting border wars) should be lessen to come together as a unified front.
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Second, it is recommended that a strategic engagement process be used to bring varied talent/workforce stakeholders within the region together to collaboratively come up with ideas that will communicate a broad spectrum of views/perspectives regarding regional talent. The recommended process comes in the form of an Idea Lab. This strategic planning process has several benefits:

1. Allows participants to address challenging issues/topics/concerns through an accelerated strategic planning process.
2. Participants are engaged based on the value and belief that knowledge and action is power that can shift the tide of competition and clear the pathway to collective actions and prosperity.
3. Ramp up with a tight focus to recruit, deploy, develop, and retain regional talent, and
4. Chart a series of well-coordinated courses of action to create a strong region that provides value to employers, employees, and regional SOI communities.

While there is no set or one size fits all Idea Lab structure, a generic Idea Lab has three basic parts. First, issue identification and agenda setting are very important beginning points. The region semi satisfied this requirement when the Center of Governmental Studies at Northern Illinois University canvased several key SOI stakeholders in the fall of 2013 regarding important issues to consider for the development of a series of webinar topics to be delivered between mid-January 2014 and mid-March 2014.

A grid was developed based on survey responses and carefully deliberated involving leadership in the Master of Public Administration Program at Northern Illinois University and a consultant specializing in talent development, economic development, entrepreneurship, and wealth creation ecosystems.

This round of deliberations satisfied the second stage of the Idea Lab structure which requires group discussion based on issues (developing talent strategies) identified and then the development of an agreed upon agenda for strategic deliberations which in this case resulted in a webinar focusing on developing regional talent strategies for the SOI region.

The final piece is this case study/white paper. Here, significant issues pertaining to developing regional talent strategies for SOI have been framed and it is the intent of this document to set the agenda for future dialogues on this important regional issue. The process to this point has been a preliminary mock exercise that requires a much more exhaustive Idea Lab process involving many more stakeholders. It is important post the review of this document to align its recommendations with a diverse group of
stakeholders that will be tasked with achieving extraordinary talent strategies leading to jobs and regional prosperity.

John Kania and Mark Kramer published a brilliant community collaboration engagement article in the 2011 winter issue of the *Stanford Social Innovation Review* entitled, “Collective Impact”. They discuss several approaches to achieve collaboration. However, they seriously push “collective impact” as the preferred issue problem solving tactic. Most mid-west communities use a public/private collaborative format to address economic development issues. While this tactic does bear fruit and has done so in other regional efforts it too has encountered a disruptive tactic that changes things.

As a process, collective impact allows for a regional talent development set of strategies but, with a real focus and awareness of addressing community needs. Collective impact requires a long-term commitment by a dedicated group of stakeholders from different sectors that will be committed to a common agenda for solving regional talent problems. The process suggests creating a shared measurement system, mutually reinforced activities, establishing ongoing communication, and establishing an independent backbone organization that will be administratively responsible for the initiative.

**State of Ingenuity Foundation**

In August of 2011, Kelly Galluzo, Executive Director of Growth Dimensions (the SOI economic development partner from Boone County, Illinois) and Patricia Diduch, Planning and Development Administrator for the Village of Rockton, Illinois, developed a concept paper advocating establishing a State of Ingenuity Foundation. According to them, the foundation would be catalytic to creating the SOI as America’s next regional innovation destination.

Their paper was part of a group paper requirement in PSPA 600, one of the customized course offerings specifically designed for mid-career economic development executives from the public sector, non-governmental sector, and the private sector in the region.

As a potential backbone organization for the SOI, the State of Ingenuity Foundation would be administratively responsible for project management, data management, and facilitator of activities associated with the SOI. Properly staffed and resourced, the foundation would assist regional leaders and communities move along the data-information-knowledge-wisdom continuum giving SOI a fighting chance in global economic competition.

The foundation would be the region’s champion and advocate in terms of strengthening the region’s growth industries for global competition in addition to serving as the centerpiece and conduit for rallying the troops for regional economic development action. As an advocacy organization, the foundation would lead the charge for SOI
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advocacy in Madison, Springfield, and Washington D.C. Among some of the region’s recognized growth industries include:

- Aerospace production
- Logistics
- Food processing and technology
- On and off road vehicles
- Healthcare
- Advanced manufacturing
- Value added agriculture

Galluzzo and Diduch believe a major weakness that could potentially adversely affects sustainability within these industries is “white collar flight”, meaning talent leaving after they obtain their degrees from area universities and colleges. They assert that the region has a poor percentage of college educated citizens and it is not properly organized to attract and retain talented young professionals.

A major threat to this superbly novel idea for a foundation is the lack of regional collaboration across the board. A SOI Foundation will be ineffective if collaboration is absent. This fear was also expressed by a PASCAL International Observatory consultant who visited the region in October of 2011. During a dinner held in Chicago with senior executives from Northern Illinois University and the Chicagoland Area Chamber of Commerce, the consult stated that he found very little evidence while traveling throughout the SOI region that there were signs of collaboration that had real teeth.

The Way Forward

If the SOI region is going to achieve “next regional innovation destination” status using talent strategies as the backdrop, then there will need to be a series of systems in place and worked par excellent by a group that is dedicated to ensuring the region mirrors other regions that have enjoyed success in developing high performing regional talent. Moving forward, the author recommends six talent strategies for the region to achieve destination status.
1. Answering The Leadership Challenge

When James Kouzes and Barry Z. Posner penned their ground breaking treatise, *The Leadership Challenge*, they stated that the essence of leadership is:

“Having credibility, having a sense of direction, confidently express an attractive image of the future, and demonstrate that they have the ability to take us there.”

The leadership practice of George Kosmetsky in building the Austin Technopolis Model is a leadership template standard bearer just like Frederick Terman, former Provost at Stanford University who was instrumental in laying the ground work for the rise of Silicon Valley. Terman was a major influence on David Packard of Hewlett-Packard, a company known worldwide for its management style and electronic products.

The pioneers of these recognized knowledge corridors pushed a system of talent development that others still attempt to emulate even today. So a question for the SOI region is how do you get to be Austin Texas and Silicon Valley?

The answer is leadership. This leadership will come from higher education, business, government, and civic leaders who are at the table as senior and not junior partners. The common thread among all of these sectoral leadership platforms will be in the form of influencers/connectors who are legitimate ecosystem savvy agents.

Influencers like Kosmetsky and Terman were equipped with a toolkit that is a prerequisite for others involvement. First, whatever their status is within powerful networks, they must have genuine interest in the future of the region. Second, they must be both visionaries and implementers who understand the game of accountability.

Third, they must have the time to devote to lead the region and be visible and supportive. And, their time must be spent in the pursuit of grand community challenges like talent strategies. Fourth, they must have legitimate influence that transcends beyond their segment of networks. Lastly, they must have access to financial and human capital resources to be recognized king-pins among other significant actors charged with the responsibility of doing regional business.

It is important for these SOI influencers to display new behaviors to drive new talent strategies. And, display similar behavioral traits that will allow for collective action. One of the major traits vital for the region’s success is the willingness to join forces with other influencers. Kosmetsky was successful in Austin Texas because he brought together other influencers to work with him like Hans Mark the former UT System Chancellor, William Cunningham the former President of the University of Texas at Austin, Glen West a leader in the Greater Austin Chamber of Commerce, and many more.
Another behavior is acting as the region’s alignment adjusters. Alignment must be geared toward SOI principles like a shared vision (regionalism), talent recruitment and retention, promotion and support of entrepreneurship, and first class technical assistance. And, most importantly, being a place where the convergence of ideas, intellect, investigation, and investment foster economic opportunity. The Technopolis Wheel created by Kozmetsky in Austin, Texas and his visionary colleagues in the 1980s has been modified with the role of influencers as central to aligning key sectors to act on one accord for the purpose of wealth creation and jobs creation.

Another important trait is the ability to mobilize talent, knowledge, and know-how that will spark participation and create the appropriate synergies to position the SOI to attract, retain, and deploy next level human capital. The leadership displayed by influencers in Austin Texas and Silicon Valley produced undeniable results. Not only were jobs created but jobs that increased individual incomes sufficient to generate sustainable economies. While no region is void of poverty, these ecosystems achieved a reasonable reduction in poverty and nihilism.
2. **A New Region for New Leaders**

Yes, leadership is a critical piece to ensuring the region solves the talent problem. On the other hand, the appropriate set of influencers will never surface until there is a reason for them to extend themselves. That reason could be a region willing to invest in the future by reinventing itself.

There are several choices for a region to consider in terms of creating a playing field that encourages new leadership action. For instance, Enrico Moretti, in his book, *The New Geography of Jobs*, argues that there is a “Three America Dilemma” for regions:

I. **Brain Hubs**  
Workers are the most productive, creative, and best paid on the planet!

II. **Former manufacturing capitols** (like Detroit, Cleveland, Akron, Gary, Pittsburg) lost jobs and residents

III. **Somewhere In The Middle**  
The reality of going either way

Candidly speaking, for the SOI, there is no other choice that supersedes becoming a brain hub or something real close. Like the common characteristics of influencers in successful regional economic development ecosystems, there are common assets inside environments that ignite a dynamic leadership. At the top of the list of importance in a brain hub is human capital (talent).

Human capital is seen as the greatest asset in this type of region. Education and training is heavily focused in high tech disciplines and the environment is proliferated with innovative activity. Brain hubs are magnets for smart people. These hubs welcome ideas and talent from outside the region. Someone once told me that “great ideas attract money.” Now I know where they borrowed that saying from. Brain hubs are known to be magnets for venture capital.

There are no absolutes in life (except taxes and death) but there can be some expected outcomes when a model has been tried and tested several times. For instance, brain hubs produce trader sectors which create jobs locally. The multiplier effect is an array of social benefits in addition to connecting regional learners to local industry and start-up companies.

According to Moretti, you don’t have to be a scientist or an engineer in a brain hub region to benefit. Local services employee’s standard of living also rises when wealth and jobs are created in a brain hub. Furthermore, brain hubs create opportunities that
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link technical challenges with varied sectoral goals that enhance the region’s competitiveness.

3. **Contract with Regional Talent**

It is no national secret that every region, state, county, city, small town, and unincorporated hamlet wants its talent to be competitive and possess the right set of competencies. What will separate the SOI from other regions is having knowledge in terms of what its talent (workforce) thinks. A job is critical and the life line to maintaining families, but there are other needs that rank high in the psychic of Americans. Employees want to feel appreciated and that they are a part of something.

For instance, the SOI region has a top performing company listed in the 2013 Top Workplaces in Southeastern Wisconsin. J.P. Cullen & Sons, Inc. was listed # 41 among the top small workplaces in Southeastern Wisconsin. Located in Janesville, Wisconsin, the company is a family-owned, 50 employee, full service construction firm that specializes in tough jobs. The contract with its talent starts with Cullen’s belief that their employees have integrity, hardworking, and are dedicated to the community, safety, and service.

Employees at the company say they felt appreciated and valued. Employees get a chance to interact with each other and feel like they are a part of something big. Young employees at Cullen get a chance to be a part of exciting projects like the 2011 installation of the score board at Miller Park (home of the Milwaukee Brewers). However, one employee summed it up best when they said:

“The Cullens care as much about their employees’ learning and growing as they do about the bottom line.”

In addition to a varied list of needs are the fears that lay trapped beneath individual’s abilities to openly communicate them in venues for fear of being looked upon as weak and incapable of significant contributions. Lastly, having knowledge of talent goals allow for joint attainment relationship building that could have enormous rewards.

However, no legitimate contract with the region’s talent can be crafted without doing an assessment of the texture of employer and employee relationships. In other words, what does the marriage look like and what keeps it fresh and meaningful. While the entire country is experiencing some sort of partial economic recovery, the larger question for the SOI is how can the region retain its talent in times of recovery? One answer might be to replicate a top workplaces model like the one used in and around the Milwaukee region and other larger regions.
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4. Balancing Supply and Demand

This is a major issue when focusing on developing talent strategies. Balancing supply and demand is extremely problematic for less organized regions still in discovery. Supply and demand requires titer totter (balancing) strategies that can be aggregated across the SOI region as agents of change in addition to raising productivity within the region is essential to growth industries.

Another strategy aimed at balancing supply and demand is importing workers. People come to this country because America has a history of rewarding effort, skills and talent. Foreign born smart people flock to U.S. college campuses in droves seeking educational opportunities that will provide them with a competitive edge and access to influential networks that allow them to leverage unique professional and economic opportunities. Achieving “next regional innovation destination status” will also require the region to become a recognized preferred destination for highly skilled immigrants.

5. Expanding Opportunity: Leveraging Diversity

Before one of the Chicago Megacity’s most famous residents became the nation’s 44th President, Senator Barack Obama was invited to visit Google in Silicon Valley. He was impressed touring the technology giant’s facilities and chatting with the highly talented staff. However, his keen sense of observation caused him to examine what he noticed was the absence of African Americans and Hispanics among Google’s employees.

Senator Obama noticed that the staff was primarily foreign born Asians and whites with Eastern European last names. When he asked a Google official about what he witnessed the reply was “we’re trying to find African Americans engineers but it is hard”. Google’s leadership acknowledged that it might be hard for the next Google or new start-ups to attract math, computer science and engineering talent from China and Indian because Mumbai and Shanghai are now successfully competing with Silicon Valley as brain hub destinations. But an even more daunting task is to locate U.S. minority talent in these fields.

While the aforementioned strategy of importing foreign born talent is important to balancing supply and demand it cannot and should not be done at the expense in investments in traditionally U.S. underrepresented groups. The moral of the story that President Obama found himself in clearly suggest that decisive action has to be taken in order to leverage diversity in brain hubs.

As a newly created region, the SOI should use diversity as a regional competitive advantage. Every region in America struggles with this issue. With that in mind, the SOI region has a unique opportunity to leverage diversity while other regions struggle with the idea. Regional leaders should establish the SOI as a healthy living, learning, and vibrant working environment that addresses workforce needs, issues, and concerns of people from diverse backgrounds and differences.
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As part of the region’s recommended new system of leadership accountabilities, influencers should initiate and champion workforce diversity efforts. Influencers should also provide transformative education and training experiences that promote the region as a national best practice in terms of the expansion of diversity in the workforce.

This effort requires holding regular information gathering sessions that lead to problem solving sessions and ultimately decisive action. Also, this effort requires influencers to be responsible for connecting diverse communities with other key regional leaders who can and will do something to assist the region’s diverse talent pursue and obtain the American Dream.

6. Strengthen the Pipeline

A prerequisite for strengthening the pipeline in the SOI region was offered in the form of developing a transparent system in which sectoral interests are known. However, it is just as important to suggest that the SOI encounter paradigm shifts in the region. Among these shifts include:

1) K-12 education
2) Post-secondary education
3) Employment and training
4) Worker support
5) Employer supported training
6) Labor exchanges
7) Research and data
8) Outreach
9) Strategic planning
10) Entrepreneurship

There are no magic potion suggestions to completely revolutionize the way SOI leaders currently go about their business in any of the suggested shifts. And, in reality, these shifts will not take place at the same time. The art of “moving the needle” or “achieving small wins” along the way can have great results that can cause other desired breakthroughs to occur. The shifts depend on leaders operating with different
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mental models that are driven by seeing things happen within the region beyond zero sum gains.

A simple illustration of a paradigm shift might see the region embed its growth industries educational opportunities within the region’s career counseling infrastructure. More effective career counseling within the region’s schools will expose students to career pathways that are in sync with ever-changing market opportunities.

A welcomed paradigm shift might see different organizations get involved in the career pathways outreach game. Very few if any communities utilize faith based infrastructures in low wealth communities to be key “get the word out” agents. However, it is becoming more apparent that these organizations are more than just places for worship and spiritual guidance but places where people share information and places that build systems to promote and facilitate self-help among their parishioners.

School systems must see themselves as pipeline fixers as opposed to being part of the leakage problem. Schools and school leaders must demonstrate that they are on the frontline of preparing students for the new economy. And, they must be first responders in terms of inspiring students toward new pathways and careers, especially in STEM fields. Teachers in the region must teach like they have never taught before. School districts should reward teacher efforts that support the region’s talent strategies agenda and hold these efforts up as champion models.

School systems in the region should also give equal attention to other growth industries beyond the focus of an advanced manufacturing pipeline. And, the new focus should also ensure that diversity is not an after-thought but linked to the region’s broader participation efforts.

For instance, healthcare is an identified growth industry. Programs should be structured to meet the needs of diverse students along every juncture of the healthcare professional career pathway. Helping diverse students image a future in healthcare is important to the industry’s growth in the SOI region.

A major part of the education and training shift might move toward system adoption of a certification competency, student-centered, learning-out-come based model starting as early as middle school. Competency based programs offers alignment with educational programs and real-world skills.

The mental shift says, “where you get your education is secondary to what you know and are able to do.” By taking on this new way of thinking, the region would be openly supporting institutions like Gateway Technical College and Blackhawk Technical College by making the educational experience at Gateway and Blackhawk as important to an education at UW-Whitewater or Northern Illinois University.
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George Kozmetsky believed that education is knowledge an individual must convert to value; whereas, training is knowledge with immediate market value. In the SOI, both models have to be respected and implemented regardless of complicated and conflicting attitudes either in support or non-support for such a system.

This case study/white paper has advocated for a unique and critical journey toward expanding participation in regional talent strategic planning. There are many more voices, ideas, and geniuses to engage if the region is serious about recruiting and retaining first rate talent. A shift in who participates is central to the region’s future.
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Summary

This case study/white paper offers new directions for the SOI region on the issue of developing talent strategies. And, at the same time, creates an extended dialogue that explores multiple issues that ultimately impact solving the talent problem. The extended dialogue suggests that regional leaders define their customers differently and that the ultimate bottom line is re-thinking talent and visibly doing something about it. This requires using new tools, new approaches, new mental models, new metrics, new partners, new commitments, new politics, and yes, even new leaders.

Getting a handle on developing effective talent strategies will pressure leaders to search for collaborative ways to achieve success one small win at a time. Enrico Moretti is correct when he said that there is an unprecedented redistribution of jobs, population, and wealth in America. This divergence favors those regions who:

- Connect talent with regional talent strategy.
- Get regional talent involved in regional competitiveness goals.
- Communicate and keep regional talent informed about how they are contributing to regional goals, and
- Display a dogged determination to create a regional work culture second to none whereby there is an appreciation of talent and a sense of community.

A major task for SOI leaders is to take the region to places the region has never been. These places can be simple but yet important milestones like becoming less fragmented, more responsive to the talent across six counties, less bloated organizationally and more nimble and agile with results as the end goal, and less resistant to change. Moretti asserts that change is upon us whether we want to confront it or not. Ideas forwarded in this case study/white paper can potentially increase the region’s talent square footage. However, it want happen unless talent is unleashed to increase the region’s potential global sphere of influence and be on the right side of the winners vs. losers economic development dichotomy.

Regions that are recognized brain hubs are innovatively interesting and rare. Yet, their recipes to economic development can be replicated with the right team that knows how to steer and bring different plans together to work for the collective. The team must be transparent about issues that impede regional growth and willing to share information with the intentions of creating collective regional expertise that will do things to help the entire region. It is important to do due diligence on other regions but the most important task is becoming knowledgeable regarding the region’s unstructured talent problems and give serious thought about how to solve them using a mix of interdisciplinary theme-based partnerships.
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