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TO FILL JOBS IN A TIGHT LABOR MARKET, EMPLOYERS MAY NEED TO GET CREATIVE

A new program is helping workers recalibrate skills for a tech-driven economy, including those without college degrees

By Lauren Weber and Rachel Feintzeig
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Employers might have better luck finding workers if they approach hiring like Heather Terenzio does.

Ms. Terenzio, founder of Boulder-based software-development company Tectonic Group Inc., found one of her most surprising hires after she gave a talk to prospective computer programmers at a vocational school.

The young man she hired wasn't a student. He was a school employee who had helped to set up coffee and snacks at the back of the room. He had never graduated from high school but had taught himself some programming.

That hire became one of the models for how Ms. Terenzio now approaches recruiting: looking for potential along with basic or transferrable skills. As she looks to bring in 40 apprentices this year, she gets excited when she meets candidates like the workers from the local Verizon retail store. "They're trained in the soft skills of customer service but they also have some technical training," she says.

Employers, educators and policy makers are wrestling with the question of how best to transfer workers' current skills into digital-ready skills and then rapidly prepare them for new opportunities. Answers are urgently needed. There were 5.8 million open jobs in December, and scant prospects for filling many of them at a time when only 4.1 percent of Americans in the labor force are out of work.

One obstacle: Employers are often stuck in old ways of thinking about whom to hire, workforce experts say, as companies load job descriptions with unnecessary requirements and think narrowly about the labor pools they can draw from. Ms. Terenzio is working with a Colorado workforce-development initiative called Skillful to help other employers think more clearly and creatively about how to fill job openings.

On Thursday, that initiative will expand to 19 other states, led by Republican and Democratic governors who signed on to the program with the goal of helping workers recalibrate their skills for a technology-driven economy and developing pathways for workers without college degrees to enter middle-class jobs. The program, called the Skillful State Network, is based on the pilot that Colorado began in 2016. The multimillion-dollar effort is largely funded and coordinated by the Markle Foundation.

Workforce programs are difficult to scale up since they require communication among employers, educators, career counselors and workers. Congress passed the Workforce Innovation and Opportunity Act in 2014 to help coordinate federal job-training programs,

but the most successful initiatives tend to be long-term, local or regional collaborations, says Jack Mills, a workforce expert at research and advocacy group Insight Center for Community Economic Development.

Skillful will help states share information on how to, for example, retrain a bank teller to be a cybersecurity worker. "We have 9,000 job openings in cybersecurity in Colorado, and 60 percent don't require a college degree," says Colorado Gov. John Hickenlooper. A relatively short certification class could take a teller's skills – being numerate and precise and having an understanding of privacy and security issues – and bolster them for cybersecurity roles, he says.

"We have to get 100 times better at training people rapidly," he adds.

Construction and manufacturing firm RK Mechanical Inc.'s search for workers has reached "crisis" levels, says co-owner Jon Kinning. The Denver-based company currently spends an average of about \$270,000 on overtime each week because it can't increase its 1,922-person workforce fast enough. It has doled out two rounds of raises, totaling about \$4.5 million, over the past year in a bid to keep talent.

With help from the Skillful pilot, the company has removed requirements, such as a bachelor's degree and a decade of experience, from some job descriptions to tap new pools of workers. It has also ramped up an apprenticeship program designed for those who are completely new to the field. Some participants have come from prison or working in fast food.

"We straddle between altruism and desperation," Mr. Kinning says of his hiring and training efforts.

In 2016, the company boosted starting hourly wages for apprentices to \$16 from \$12. The four-year program currently has about 330 participants, up from about 70 in early 2016.

Michelle Brown, an RK manager who teaches plumbing classes in the apprenticeship program, says she's "surprised every day" by which participants excel in their new careers. One woman transitioned to construction after more than a decade as a bank teller; she's now a field engineer.

"Her skills from that career path directly translated to what we do," Ms. Brown says, citing organization, logical thinking and math skills.

It's not clear how much staying power the efforts to transform hiring and job training might have. Workforce-development programs get a lot of commitment and investment when employers are desperate and looking for solutions, says Anthony Carnevale, director of the Georgetown University Center on Education and the Workforce, but the appetite drops off when the economy softens.

"Training doesn't create jobs," he says. "Jobs create the need for training."