



Talent Redefined

A PATH TO PROSPERITY STRATEGY

Talent Redefined

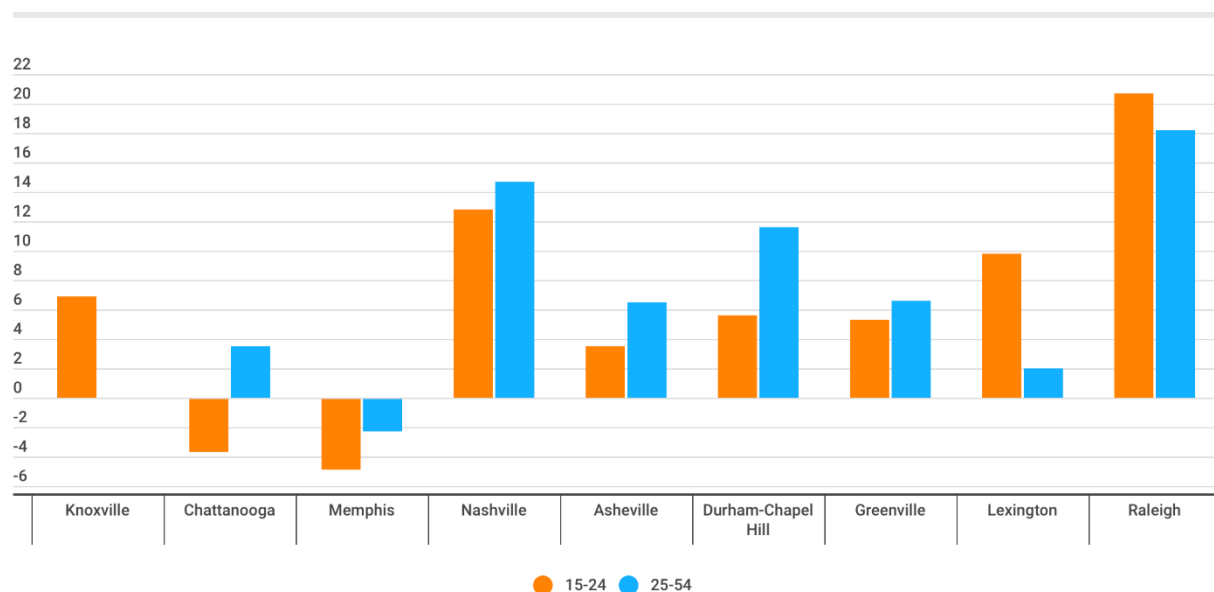
Knoxville enjoys a unique opportunity to capitalize on a pandemic-accelerated trend of working-age adults seeking the lifestyle, amenities and affordability smaller-size cities can offer. This opportunity comes as Knoxville's lack of growth among 25- to 54-year-olds – an all-important talent demographic for economic growth – is at near crisis level.

Consider:

- Between 2010 and 2019, the Knoxville region grew the 25- to 54-year-old age group by less than ½ percent (i.e., 163 individuals).
- During the same time, the region witnessed a growth of 6.9 percent in the 15- to 24-year-old age group.
- The Knoxville region had the second highest negative variation between 15- to 24-year-old growth and 25- to 54-year-old growth. (Lexington was first.) That means while Knoxville attracts significant numbers of undergraduate and graduate students to the University of Tennessee and other postsecondary institutions, they quickly move on after graduation. (As they presumably do at the University of Kentucky).
- About 37 percent of the Knoxville region's population is between the ages of 25-54, while regions successful in retaining/attracting this demographic are between 40 and 45 percent.
- Growing this group by 5 percent would equate to ~16,000 more people.

Sources: U.S. Census Bureau, Knoxville Chamber analysis

Population Growth, 2010-2019



No wonder that Knoxville area employers cite attracting and keeping talent as their number one challenge.

The good news is that opportunities exist to change that paradigm.

The pandemic's impact on densely populated metropolitan areas, including aggressive restrictions, government-ordered and self-imposed, has resulted in movement toward smaller cities and towns across the country.

A Pew Research survey in November 2020 found that about 5 percent of Americans had moved in the prior several months because of the pandemic — after only 9.3 percent moved for any reason in all of 2019, according to U.S. Census data.

The *New York Times* in January 2021 took note of a 33,000-member Facebook group named “*Leaving California*” and is even larger, at 51,000-member, sister group, “*Life After California*.” Among the activities the groups’ founder planned was a house-hunting trip through East Tennessee, including Knoxville.

But Knoxville is not an outlier among cities seeking to attract more talent.

The ACCE (Association of Chamber of Commerce Executives) Horizon Initiative five years ago looked at the global trends that would shape the next decade.

“Almost every chamber leader can cite businesses that complain about a lack of workforce talent,” the report states. “In representing their jurisdictions, chambers must take the lead in differentiating the benefits that their communities can offer to potential talent recruits and their families.

“They must also create an environment in which talent can migrate freely within, and be attracted to, their regions. In a global competition for talent, investment and customers, every region large or small will have to be the strongest, best positioned version of itself possible.”

While the Knoxville area needs to differentiate itself from other regions to retain and attract top talent, the Chamber benchmarked the talent efforts of several markets that have received notice for their efforts.

Research conducted by Boldsquare, a strategic communications practice charged with creating a Knoxville brand to take to market for both business and talent attraction, also steered the strategy. Key findings of Boldsquare’s peer city reviews, interviews, online surveys and Delphi panels include:

- A high priority is placed on livability by all respondents.
- Equitable economic opportunities were identified as both the number one challenge and number one opportunity.
- Knoxville needs to do a more effective job at telling the community’s story.

Lots of folks are already telling Knoxville's story.

Visit Knoxville does it for tourists, while the Chamber does it when talking with prospective employers. And there's growing grassroots media including New2Knox, a Reddit community, blogs, podcasts and a variety of social media platforms where residents define the city.

Execution of this strategy will seek to align with and leverage those efforts. It will also require bold conversation, action and innovation to create an authentic message.

Start on Campus

As service-oriented businesses know, acquiring a new customer can cost five times more, in time, effort and money, than retaining an existing customer.

That same maxim holds true for talent.

Those existing customers in Knoxville include students from postsecondary institutions, including the University of Tennessee, where enrollment has grown steadily over the past eight years. UT, specifically, represents a talent pool that is enviable among peer cities.

Consider the Class of 2023, which entered UT in 2019:

- Students hail from 88 of Tennessee's 95 counties. The top five counties are Knox, Williamson, Shelby, Davidson and Hamilton.
- Freshmen come from 46 states and 26 countries. Georgia, Virginia, North Carolina, Illinois and Maryland are the top five sources of out-of-state freshmen. Top countries outside of the United States are China, India, Canada and Saudi Arabia.
- Underrepresented minority students make up 20 percent of the freshman class.

So why aren't these students embarking on careers in the region?

The answer is multi-faceted but includes that the degrees awarded on UT's campus do not align with the careers in Knoxville.

UT, rightly so, takes pride in its nationally ranked supply chain management program, which produces close to 400 undergraduates annually – the most graduates yielded by any program. Knoxville employers, however, do not have the demand for those candidates at that scale, but they are concerned about filling their ranks with software developers and cybersecurity professionals, as well as business and data analysts.

Employers, and the Chamber, have for several years worked to build relationships with community and technical colleges, as well as secondary career and technical education leaders, to produce graduates who will have a local job waiting for them – or at least an interview – when they have completed their studies. Those efforts have been formal and informal, creating a network for systemic change.

Similar efforts should extend to the Knoxville employer community and the University of Tennessee.

No doubt that the university works to create beneficial relationships between students and large employers, particularly donors and sponsors.

Too often those efforts, however, are in silos and difficult for local medium- and small- regional employers to access. They also do not incorporate data and experiences that quantify the collective regional need for enhancing training to benefit the forecasted jobs that will drive economic prosperity.

Conversations, both formal and informal, need to begin at all levels to create a more significant role for UT, and other higher education institutions, in the region's talent pipeline.

An obvious place to begin is an introduction to working in Knoxville through internships.

Online resources should support the creation and enhancement of regionally located internships, while also working with the larger community to increase awareness among secondary and post-secondary students of those opportunities.

Creating more work-based learning opportunities for students will create more opportunities for retention, an easier sell than attracting those unfamiliar with the region.

Likewise interns from out-of-town institutions working in Knoxville for the summer represent a retention opportunity.

The Chamber has developed a series of experiences for these young adults to help them learn what Knoxville has to offer. The series, "Explore: Life Redefined" will include special events showcasing Knoxville's assets, promotions from restaurants and retailers, and the use of local social influencers, students returning home for the summer, and local students attending regional post-secondary institutions to help tell the story of Knoxville.

But why wait to welcome students until they get here?

Talks are underway on how Knoxville can welcome students at freshman orientation and even before they arrive to UT.

Those types of partnerships represent a win-win for UT and the regional economy. Students who are more engaged and happier with their surroundings are more likely to stay in school and earn degrees. That engagement can also give Knoxville a better shot of retaining a highly educated working-age adult.

Recommendation: Increase talent pipeline between Knoxville-area employers and local postsecondary education institutions.

Components:

- Strengthen alignment between local employment needs and degree programs of local postsecondary education institutions.
- Develop an array of online resources that support the creation and enhancement of regionally located internships (mirrored in Workforce Redefined)
- Develop a summer internship engagement program
- Engage incoming postsecondary students prior to arriving on campus

Broaden Knoxville's Horizons

Diversity matters to those between the ages of 20 and 56, and plenty of surveys and studies attest to it.

For Gen X, the oldest of the sought-after talent demographic who are currently between ages 40 and 56, diversity ranks at the top of their motivation and worldview, according to Purdue University Global.

Diversity is even more important to the generations that follow, known as Millennials and Gen Z. The consulting firm Deloitte reports that they are significantly more likely to be engaged in workplaces with an inclusive culture.

Knoxville's room to grow in this landscape is reflected by the fact that "diversity and inclusion" ranked number one among opportunities for the region in surveys of all individuals of all ages by Boldsquare.

"Knoxville needs to invest in its own diverse community before recruiting it from the outside," one respondent told Boldsquare. "Until the Knoxville Latinos, African Americans and Asians are fully invested in for economic growth, Knoxville will not retain transplants."

Regional employers are stepping up their efforts around these issues, recognizing the outsized impact diversity, equity and inclusion has on talent retention and attraction.

These resources need to be leveraged for the wider community, particularly medium- and small businesses unable to make the same investments.

A local network of DEI executives can lead the conversation, provide resources, and model what is necessary to improve practices in all workplaces, including transparent internal career pathways, professional growth opportunities and onboarding processes.

That Knoxville is perceived as a place that strives to embrace diversity and promote inclusion is as important - if not more so - than the promise of any one employer.

Collectively, Knoxville can more authentically become the diverse and inclusive city that attracts and retain talent than the individual efforts of any one organization working solo.

Recommendation: Grow the impact of diversity, equity and inclusion efforts at regional employers to the wider community

Components:

- Support the creation of a network of DEI executives at regional employers
- Promote more resources, group conversation and mentorship opportunities for small- to medium-sized businesses
- Encourage employers to have transparent internal career pathways, professional growth opportunities and onboarding processes to help with retention (mirrored in Workforce Redefined)

Fish in Other Ponds

The pool of talent that has never been to the Knoxville region, or even heard of it, is too big to ignore for its potential contribution to regional prosperity.

The technology- and data-driven tactics the Chamber is leveraging as part of its business attraction campaigns can also be adapted to efforts to recruit talent.

The information technology and healthcare sectors are two prime candidates for these campaigns, as these jobs have traditionally been clustered in major metropolitan areas. A growing demand exists for these individuals, while an increasing number of them can work remotely, desire a better work-life balance and seek an amenity-filled smaller city.

Finally, the online presence that promotes the region must be authentically attractive. The region should consider its needs for retaining and attracting this working-age demographic as it invests in “civic furniture” and quality-of-life assets.

Nashville’s rise to the “it city,” as the *New York Times* called it in 2013, began quite deliberately after the Music City was omitted from a 1989 *Wall Street Journal* article on rising cities in the South.

Then-Mayor Phil Bredesen, later Tennessee governor, sought to revive downtown Nashville with what he called “civic furniture,” starting with the Bridgestone Arena, now home of the National Hockey League’s Nashville Predators and hundreds of special events annually, and kicking off a downtown building boom.

While honest people can debate the level and type of investment local government makes into the civic furniture, no doubt exists that it plays an important role in regions’ economic success. Remember the entire country is competing for much of the same talent – educated, skilled and in-demand.

Just as amenities are important, so are the basics – like housing. Knoxville’s margin of affordability is evaporating, as its housing inventory shrinks and prices rise. While efforts to improve that inventory have focused on affordable and workforce housing, a concerted effort needs to be made to increase housing of all types to provide options for new residents.

Recommendation: Position the Knoxville region as a long-term destination for 25 to 54-year-old professionals.

Components:

- Execute a targeted recruitment/awareness campaign in key geographical markets
- Create an online presence that promotes the region’s assets
- Support the development of “civic furniture” projects and quality-of-life initiatives within the Knoxville area
- Promote the need for proper housing availability for the 25- to 54-year-old demographic

Create Competitive Advantages

The Knoxville region is home to employers who are seeking world-class talent for a range of needs from senior leadership roles to dozens of high-skilled workers in a variety of positions. Talent is key to their organization's innovation, growth and success.

Likewise, new business recruits are increasingly predicated their choices for new location on the availability of such talent.

To meet those needs, the Chamber is developing a suite of professional recruitment and engagement services. Those will include customized surveys on employee interests and preferences for relocation; presentations; company-specific website for recruiting and social media support; and tailored engagement experiences.

UT-Knoxville Chancellor Donde Plowman has urged Knoxville leadership to create an employer consortium that would commit to providing priority review of resumes and qualifications of professionals whose partners are being recruited to leadership roles, which is an element of these professional recruitment and engagement services.

Knoxville's size works against it when recruiting these executives, but the region can regain an edge through collaborations like these.

And we know the best storytellers are the people who love living in Knoxville now.

A digital ambassadors program can connect newcomers to local subject-matter experts and volunteers who can share their Knoxville experiences on a range of topics.

Talent attraction is a team sport.

Recommendation: Assist with the recruitment and engagement of professional-level talent.

Components:

- Create a suite of customizable recruitment and engagement services for job candidates and their partners
- Develop a digital ambassadors program that will connect newcomers with local subject-matter experts/volunteers
- Develop a Knoxville Defined program with the goal of helping newcomers learn about the region

Conclusion

The war for talent is a decades-old phrase, and later book, coined by a McKinsey executive to describe the competition for a shrinking number of workers needed to backfill the jobs held by the Baby Boomer generation.

The Great Recession of 2008-2009 interrupted the war's visibility, but the following gains in automation and technology by U.S. companies has laid it bare. Talent is now key to competitiveness in a fast-changing global economy.

The Knoxville region has a head start in winning this war.

Thousands visit as tourists, enroll as students and move as spouses to Knoxville each year. They represent ripe marks to convert to full-time residents.

The community brand work that was recently completed needs to be an authentic message to these prospects that Knoxville is a place where they can chart the course for personal and professional happiness. The region must live up to its potential of being a community where all are wanted, included and satisfied.

To be in the running for educated, skilled and in-demand talent, the Knoxville region will need to continue to rank high in livability, with housing in different settings at many price points, unique amenities to fill leisure time, an infrastructure that supports growth and a diverse, inclusive and equitable community that is willing to invest in its talent.