

GRADS *of* LIFE



GROWING THE SKILLS-FIRST EMPLOYMENT MOVEMENT THROUGH MEASUREMENT

Skills-first employment practices have gained significant momentum among private sector employers in recent years as a means to create more efficient and agile businesses, build stronger workforces, and expand access to opportunity throughout the workplace.

Despite this traction, there are no standard guidelines for measuring the success of skills-first practices.

Anecdotally, it is clear there is a wide range of positive outcomes that investments in skills-first employment can lead to – for job seekers, for employees, for the bottom line, and for society broadly. But without standard metrics associated with the value of a skills-first talent paradigm, companies lack a way to rigorously understand the social and business impact of their investments.

To ensure current momentum continues, employers need consistent ways to measure and communicate the value of skills-first employment practices.

Grads of Life is proud to have helped catalyze a shift in the business community toward skills-first talent practices throughout the last ten years.

We are excited to have begun taking on – in partnership with some of America’s most influential companies – what we see as the next frontier of the skills-first employment movement: outcomes measurement.

“ Successful businesses know how to collect and analyze complex data – they do it every day, whether it is measuring earnings or tracking inventory. Now is the time for companies that are committed to being skills-first employers to apply that same rigor to this work. ”

– Elyse Rosenblum, Grads of Life

SKILLS-FIRST EMPLOYMENT PRACTICES TAKE MANY FORMS AND SPAN THE ENTIRE TALENT LIFECYCLE:

RECRUITING

Build diverse talent pipelines through work-based experiences.

HIRING

Eliminate degree requirements from job descriptions where possible.

RETENTION & ADVANCEMENT

Formalize mentorship and sponsorship programs for all employees.

ONBOARDING

Ensure onboarding includes on-the-job training.

Learning From the Green Movement: Corporate leadership has been a critical accelerator in the environmental movement. Through the 1980s and 1990s, Fortune 500 companies began partnering with NGOs and dramatically shifting practices to reduce carbon footprints, integrate recycling norms across their business, and shift to LEED-certified building standards. Research, case studies, and standard metrics and frameworks to help companies measure what works were instrumental to catalyzing this shift.

We are at a similar point in the skills-first employment movement. With adoption of best practices on the rise, metrics and guidelines to support rigorous measurement are critical to advancing and cementing the movement.

A FRAMEWORK FOR MEASURING THE VALUE OF SKILLS-FIRST PRACTICES

There are no common, consistent guidelines for employers to evaluate their results after implementing specific best practices for skills-first employment. Historically, analyzing the specific outcomes associated with inclusive and skills-first talent practices has been a challenge for the field given the internal barriers employers face in gathering and tracking data, and a hesitancy to share these data externally.

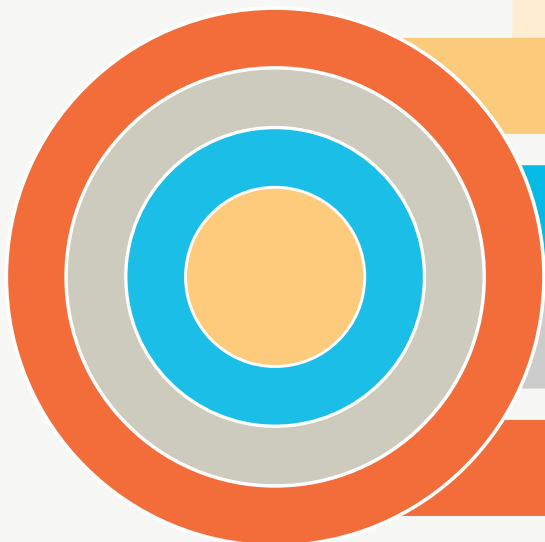
As a result, many employers do not reliably track outcomes, and many existing case studies lack the quantitative and qualitative data needed to understand the tangible value of best practices. The quality, depth, and length of case studies are currently quite varied, making it difficult for employers, researchers, and the broader field to reliably and systematically assess the efficacy of skills-first employment practices. Further, even the most sophisticated, leading employers that have implemented a significant number of best practices have difficulty concisely articulating the measurable outcomes associated with their skills-first efforts.

Leaders in the field have increasingly recognized the measurement challenge, and, in 2021, the Business Roundtable's Multiple Pathways Initiative launched a working group on metrics to explore the challenge and potential solutions. Grads of Life was selected to co-lead the group along with IBM, a pioneering employer in the skills-first space.

Over the course of nearly a year, the working group collaborated to develop an [Impact Measurement Framework](#).

The overall structure of the Framework, which we refer to as the "bull's-eye," outlines the layers of impact that skills-first employment practices can have. Within each section there are specific metrics that business leaders are using to measure the outcomes of their investments into skills-first employment practices.

- 0** First, as with any measurement effort, before diving in it is key to understand current state and set goals so that, as metrics are tracked over time, there is a clear baseline against which to evaluate progress.
- 1** **Practice Adoption:** The metrics in this section help employers apply a measurement lens to practice changes at their organizations. By tracking in detail which skills-first practices they adjust or implement at their companies, they are better able to understand their progress and connect outcomes back to efforts.
- 2** **Outcomes for Employees:** The metrics in this section help employers understand and track what could be changing for their employees as a result of skills-first practices. Things like wage changes, satisfaction and engagement at work, and career outcomes fall in this category.
- 3** **Outcomes for Business:** The metrics in this section help employers specifically explore the bottom-line value that can be generated through skills-first practices, such as representation, retention and productivity of key groups of talent.
- 4** **Outcomes for Society:** We know that skills-first practices at scale can have a big impact on society as a whole. For now, the focus of this Framework has been on the first three components because understanding the impact on society will require looking at metrics data from many companies in aggregate, which does not yet exist.



0 Understand The Current State

1 **Practice Adoption:** Change begins here. Track which practices are implemented and to what extent across your company.

2 **Outcomes for Employees:** What changes for employees as a result of new and/or strengthened skills-first practices?

3 **Outcomes for Business:** What changes for the business as a result of new and/or strengthened skills-first practices?

4 **Outcomes for Society:** Evaluate what changes in society as a result of improved outcomes for both employees and the business.

THE MPI METRICS WORKING GROUP

The working group that created this Framework, led by Grads of Life and IBM, included representatives from:

Medtronic

VISTRA

Walmart



PEPSICO



accenture

IBM



CFIndustries

JPMORGAN CHASE & CO.



THE WORKING GROUP LAUNCHED IN 2021, SEEKING TO ANSWER KEY QUESTIONS:

Is there a common set of metrics that can holistically capture the potential outcomes of an employer's skills-first talent practices?

What common systems and processes need to be adjusted in order for employers to capture key data related to skills-first practices?

Is there a standard cadence for data collection that companies should follow?

What support do companies need to begin tracking data in new ways, and what will incentivize them to increase data transparency?

“ We're giving this work and these metrics longevity – we're using them to talk to our leaders and measure their success in developing their teams. This is how we're thinking about our business – we're not in this to check a box. ”

- Carrie Kirby, Vistra

Because this working group was created as part of the Business Roundtable Multiple Pathways Initiative (MPI), its initial goal was to answer these questions in order to help MPI members, and MPI as a whole, understand impact. The universal need and potential application of this work became immediately clear.

Over the course of one year, the group met seven times to collectively define the metrics that ultimately became the Impact Measurement Framework. Members used their own experiences implementing and assessing skills-first talent practices as well as examples from leaders in the field to develop the metrics.

Additionally, Grads of Life and IBM met with each company individually to get detailed input and feedback on the metrics and the practical implications of leveraging them. Members of the group tested the feasibility of potential metrics within their own companies by searching for relevant data, exploring existing systems, and seeking feedback from key internal stakeholders.

The final Framework of metrics represents the wide range of positive impacts these companies know skills-first practices can have.

CURRENT STATE

To date, many employers have leveraged the Framework to think differently about the impact of their skills-first practices.

Despite the interest and buy-in, there remain significant barriers to scale. First, many companies struggle with building the internal alignment and infrastructure necessary to collect and track the necessary data. Additionally, because there is such momentum behind skills-first employment, several employer coalitions dedicated to skills-first practices have emerged, and each requires different metrics and data tracking as part of companies' commitments. This hinders the standardization necessary to understand impact at scale. Similarly, different industries have different priorities when it comes to skills-first employment, so employers also need further guidance and direction regarding which metrics to prioritize based on their specific needs and goals.

The development of this Framework was a key first step to what must be a much larger effort involving employers, nonprofits, funders, investors, and tech vendors.



LOOKING AHEAD

Work needed to advance this field falls into three primary areas:



Movement building and awareness



Tactical support for employers



Metrics standardization

Grads of Life is continuing to invest heavily in this space. To support movement-building, we will increase our presence at national conferences and convenings to educate employers about skills-first employment practices and the need to measure their value. Within the realm of tactical support, Grads of Life is working to tackle common challenges that hinder employers' ability to track key metrics. Namely, employers often do not track their employees' levels of education. We have piloted solutions to this challenge with individual employers, and are now working with key partners to explore broader technology solutions that might facilitate easier tracking of this critical data point. Finally, to move the field toward standardized metrics, Grads of Life is consistently leveraging our role as a field-builder to help others, including employers and employer coalitions, understand the importance of standardized metrics and supporting them in moving in that direction.

Further, we at Grads of Life want to be explicit that we do not see the Framework presented here as the end-all, be-all of impact measurement. We hope it is a useful resource for employers, and that it serves as one critical input to achieve the ideal future state of field-wide standardized metrics.

Funders, other nonprofits, employers, employer coalitions, and employer-serving organizations have major roles to play in building awareness and buy-in for measuring the impact of skills-first practices. Storytelling and strategic communications will help to get more employers involved, and accelerate the standardization of metrics in this space. Further, these players each hold tremendous potential to fund and implement solutions to common employer challenges that are greatly hindering progress.

All these players and more have come together over the last decade to build the skills-first employment movement that is now finally seeing mainstream attention. The next frontier to tackle together is applying a standard, rigorous measurement lens to cement skills-first employment as an innovative, effective, proven talent management paradigm.



ABOUT GRADS OF LIFE

Grads of Life (GOL), an initiative of Year Up, works with leading employers to create skills-first talent strategies that deliver both business benefits and social impact, and provides employers with the insights, tools and partnerships to address talent needs while expanding access to opportunity throughout the workplace. For more information, visit www.gradsoflife.org or find us on [LinkedIn](#) & [Twitter](#).

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Implement the Framework and start evaluating the impact of best skills-first talent practices. [Contact](#) us today!

ABOUT THE AUTHOR

Kelly Graham, Director of Thought Leadership and Content, leads the development of Grads of Life's original research and insights to support employers in implementing skills-first and equity-driven talent practices.

The research included in this report was made possible through funding by Walmart. The findings, conclusions and recommendations presented in this report are those of Grads of Life alone, and do not necessarily reflect the opinions of Walmart.