

Embracing a Skills-First Approach to Career Mobility:

A Verizon Communications Case Study

Written by Grads of Life with support from the Schultz Family Foundation

October 2023

Executive Summary

The American Opportunity Index analysis shows that Verizon is a leader in creating upward mobility for workers. Results from Grads of Life's Opportunity Identifier tool reveal a number of best practices Verizon has in place to enable an equitable, skills-first approach to talent management. Verizon continues to support employees' opportunity, performance, and internal mobility through a variety of internal initiatives, including their Talent GPS infrastructure.

Background

In 2022, Verizon Communications was recognized as a top 50 company within the <u>American</u> <u>Opportunity Index (AOI)</u> and #2 among telecommunications firms. This corporate scorecard analyzes publicly available data from job postings, salaries, and career histories to assess how well those in the Fortune 250 provide economic mobility for their workers, specifically looking at outcomes of employees in roles open to non-college graduates. The AOI rates companies across three dimensions associated with opportunity creation: Access, Pay, and Mobility. Given there is no single model of opportunity, the AOI ranks the top 50 companies looking across five different models, which include the best workplaces to advance within, the best workplaces to start from, the best workplaces to stay and thrive at one company, the best workplaces to advance without a college degree, and the best workplaces at growing their own talent.

Verizon also rated highly across several areas of the analytical tool the <u>Opportunity Identifier</u> (<u>OI</u>). Created by <u>Grads of Life</u> (GOL), the OI allows companies to self-assess their adoption of over 300 evidence-based talent practices organized by 5 key pillars that contribute to the hiring, retention, and advancement of underrepresented talent.

Verizon completed GOL's OI tool in 2021 as part of its membership in <u>OneTen, a coalition</u> of 65 companies committed to closing the opportunity gap for Black talent and others who <u>do not have a four-year degree</u>. As a leader in the skills-first movement, OneTen supports its member companies in adopting skills-first talent management practices.

This case study seeks to share initial observations about some of the best practices Verizon has in place from the OI that may have contributed to the outcomes evidenced in the AOI's metrics for Mobility, Pay, and Access. Adopting the talent practices highlighted in the OI can lay an important foundation for companies seeking to add value to their employees' experience and business.

Observations

Area of Focus for this Case Study: Job-Level Advancement

The AOI aims to evaluate how well companies are creating pathways of opportunity for their entry-level and front-line employees. Verizon ranked within the top 50 overall companies, scoring highest in categories (referred to as metrics by the AOI) related to *removing Barriers to Work, Entry-Level Hires, Job-Level Advancement, Velocity of Growth, and Promoting-out.* This case study will focus observations on the metric of *Job-Level Advancement*.

AOI Metrics

Access

- 1. Entry-Level Hires
- 2. Barriers to Work

Pay

3. Wages

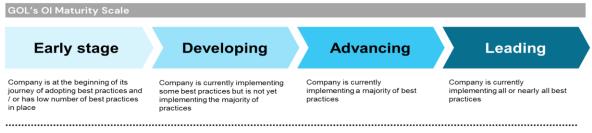
Mobility

- 4. Job-Level Advancement
- 5. Velocity of Growth
- 6. Promoting Up
- 7. Promoting Out
- 8. Retention
- 9. Home-Grown

The *Job-Level* Advancement metric calculates how far an employee has advanced after being at a company for five years.¹

The purpose of GOL's OI is to help employers understand the inclusive human capital practices and policies they have in place to manage talent. The practices captured are not exhaustive but reflect a holistic set of best-in-class practices informed by academic research that link practices to improvements in retention as well as recruitment, representation, engagement, belonging, and internal promotion. These practices also value a skills-first talent management approach (i.e., relying on a person's skills and competencies – rather than their degrees, job histories or job titles – when attracting, hiring, developing, and redeploying talent). The tool rates a company's maturity

based on the number of best-in-class practices and policies they have in place. "Advancing" and "Leading" are the two highest ratings.



Companies can increase their level of maturity over time through greater adoption of best practices.

Verizon's OI results show that they have adopted a wide range of best practices in areas that support Job-Level Advancement, achieving Advancing or Leading practice maturity in all areas explored in this case.

¹ Job-Level Advancement is calculated as retention and average standardized job-level change at 5 years post hire. The present case study references data pulled for the 2021 AOI, which is from hires made between 2013 and 2016.

Best Practices from the Opportunity Identifier

There are many factors that contribute to employees' career mobility in the workplace. The OI suggests Verizon's approach to employee advancement is rooted in ensuring career pathways are equitable, accessible, and transparently communicated, minimizing barriers in performance evaluations, and providing on-the-job growth opportunities and access to upskilling.

Communicating to Empower Employees

Verizon recognized that to drive careers forward, employees must understand the big picture and how engaging with different career initiatives works toward their broader goals. To this end, Verizon introduced **Journey Forward** as the thread connecting the constellation of resources offered to employees to help them build their careers.² As employees interact with any area of Talent Management, they are equipped to engage with the program in a way that promotes their broader career journey, including:

- Training that helps grow and expand their skills
- Development plans to create custom paths and reach their goals
- Performance management to help remain accountable
- Programs, like Talent GPS, to help navigate internal mobility
- Verizon's Human Capital Management (HCM) system to help make progress towards their goals



Empowering an employee with the "big picture" of their career is an important inclusive practice that can help companies mature past a "check the box" portfolio of programs to reinforce broader utilization across all employee populations. Christina Schelling, Senior Vice President and Chief Talent and Diversity Officer, Verizon, summarized the company's commitment to supporting its employees and their growth and development in a <u>recent</u> <u>interview</u>:

² The practices discussed in this case study reflect offerings available to management employees across Verizon's global footprint, including both individual contributors and people leaders

Verizon's Talent GPS

Unleash enhanced career experience for employees. Grow enterprise-wide talent intelligence.

Career empowerment for employees

- Transparency
- Expanded career opportunities and talent marketplace
- Personalized development and learning

Insights for managers

- Tool to manage with transparency
- Tailored support for developing employees
- Focus on skills and capabilities to increase talent pool diversity

Talent strategy support for Verizon

- Inventory of talent and skills across departments
- Strategic workforce planning
- Cross-pollinate talent to fuel future workforce

"

At Verizon, we want to provide a broader, more

holistic employee experience – one that is meaningful and fulfilling, both professionally and personally. With a deeper connection to individual purpose, individual drivers and the employee's "why" for being, we are creating a work experience that's differentiating in the best way possible.

Transparent, Accessible Career Pathways and Internal Mobility enabled by Talent GPS:

In 2021, Verizon embarked on a journey to transform the workplace and launched Talent GPS, an initiative to <u>help employees own and navigate their own</u> <u>careers</u>,³ by providing a transparent view of jobs across Verizon with insights into the key skills required to succeed in various roles. Acting as a career navigator, Talent GPS also helps employees understand how their roles connect to the business strategy and the myriad of routes their career can take within Verizon. Since its launch, Verizon has expanded programmatic offerings and support.

As a starting point, the company developed and introduced a new job architecture with consistent job families and titles that align with market-driven classifications. This new architecture has served as a compass to guide employees and support leaders in cultivating talent on their teams. In 2022 and 2023, Talent GPS expanded to include refreshed role profiles, top skills for jobs, career path insights, and career tools to guide employees and managers in meaningful career discussions.

 $^{^{3}}$ Supplementary resources for interested readers to learn about careers and career pathing

The way this foundation supports employees with best practices for internal mobility is multifold:

- Talent GPS includes career development resources to empower employees to build development plans and pursue new growth opportunities. <u>Career pathways</u>⁴ are defined by finding trajectories of success based on historical data, as well as looking at skills as currency. By contrast, some companies develop career paths solely based on the historical movement of employees or opinions of internal SMEs, which can lead to unintended bias.
- Regardless of background or work history, the career resources for self-reflection, career research and setting career objectives help employees envision their future at Verizon and support their career growth and overall development.
- Verizon managers further support advancement by socializing the information in Talent GPS, nurturing a culture of professional development with their teams, and regularly holding career progression discussions with their direct reports.
- Employees are empowered to build development plans with their managers that helps them excel both in their current role and grow toward future career interests.

In addition to supporting employee advancement, these practices enable leadership across the global organization to develop strategic workforce plans and business strategies. Verizon's annual planning cycle leverages the skills data in Talent GPS to define roadmaps for talent, identifying what talent is currently in place and the skills needed to support future growth.

Skills are central to internal movement. Too often across industries, non-degree holders are welcomed into an organization and eagerly take advantage of upskilling opportunities, only to be told they are not eligible for promotion due to their lack of degree, even if they demonstrate the required skills for the role. Some best practices captured by the OI:

- At Verizon, degree requirements do not pose a barrier for most roles when considering internal candidates for promotion, which is imperative for equitable promotion.
- Verizon provides hiring managers with structured interview guides and requires interview training to reduce the potential for bias in hiring decisions.
- Also key to Verizon's success is their work to internally communicate all of this critical information, including what competencies are necessary for career progression, which also influences promotion eligibility.

Underpinning all in this case study is Verizon's long-standing commitment to DEI, which spans beyond Talent Management into a multitude of areas (examples available in <u>Verizon's</u> <u>Environmental, Social, and Governance Report</u>). This is an important foundation for cultural readiness for companies looking to mature into more skills-first processes.

⁴ Supplementary resources for interested readers to learn about career pathways and progression.

The power of leveraging skills as currency

At the heart of this work is the foundation of skills, Verizon recognizes that skills are an enabling "career currency." At a time when companies worldwide are considering their approach to skills and HR technologies, Verizon has taken a flexible and evergreen strategy to crawl-walk-run:

"

At Verizon, we believe that sometimes you must 'slow down to speed up' -- and that

is exactly the philosophy we are applying to skills. By revisiting our job taxonomy, adopting a flexible and ongoing strategy for skills, and ensuring our team and leaders are on board and informed at every stage, we've crafted an agile yet informed approach. This results in a robust and ever-improving experience for our employees.

- Sam Hammock, Executive Vice President, Chief Human Resources Officer, Verizon

Beyond employee experience and engagement, a company's skills infrastructure behind the scenes is also important. Verizon's evergreen approach to skills includes embracing phased progress, prioritizing an eco-system that cares for the dynamic nature of skills, working to understand what skills mean for jobs and for employees, utilizing technology to empower employees, and operating with guiding principles that promote human decision-making amidst rapid industry development in skills-technology capabilities.

Fair Performance Evaluations:

GOL's OI additionally captures practices that are critical to minimizing barriers in performance evaluations, which is a contributing factor to fair and equitable Job-Level Advancement. As outlined above, performance management is an important component of Verizon's *Journey Forward* career philosophy. For example, through performance evaluation, development planning, and upskilling processes, employees build an understanding of their strengths and where they have opportunities to grow. This is powerful knowledge for Job-Level Advancement when paired with <u>clearly defined skills-based career pathways</u>⁵ for all roles across the organization. Verizon ensures employees are empowered in this way through Talent GPS and all of the other tools and resources that are part of *Journey Forward*.

Key to employee performance and development – both understanding growth within one's current role and skill development to prepare for new opportunities – is receiving regular,

⁵ Supplementary resources for interested readers to learn about feedback and performance.

<u>unbiased feedback</u>⁶. At Verizon, teams work to remove subjectivity and bias by using <u>clear</u> and <u>consistent evaluation</u>⁷ structures that leverage data and continuous feedback.

For example, leaders have systematic tools (e.g., 2+2 conversations and coaching) to track progress and enable discussion throughout the year on performance and development goals. Furthermore, all Verizon employees must participate in unconscious bias training (as a new hire, and the training is reinforced again throughout the employee lifecycle for newly promoted and tenured leaders) to foster a work environment of fairness and sensitivity. Verizon takes this one step further by providing managers with reminders regarding mitigating unconscious bias before they conduct performance reviews.

In addition to emphasizing an individual employee's achievements and career progression, Verizon understands the importance of implementing broad-scale strategies in performance management. These strategies highlight the significance of "how" employees work in tandem with what they accomplish. Integral to this approach is reinforcing a company culture and workplace norms that foster DEI, creating an environment for every employee to thrive. A prime illustration of this is how Verizon integrates concepts like "Leading with Integrity" and "Fostering Inclusion" into its leadership principles, performance agreements, and performance ratings. This integration provides clear expectations and behavioral examples for both employees and leaders, aligning them with consistent goals around how they work. It opens avenues for constructive and continuous feedback for growth and improvement, as well as recognizing strides made in these areas. Collectively, these initiatives forge a comprehensive ecosystem of cultural norms around DEI and performance expectations. This structure not only complements individual achievements but also paves the way for employees to progress in their performance, development, and career paths - it paves the path for them to Journey Forward.

Upskilling & Development Opportunities:

Of course, in addition to effective performance evaluation and promotion processes, advancing within an organization <u>requires that employees build skills</u>⁸ over time as they prepare for their next role or promotion.

As reported in the OI, Verizon offers a number of opportunities for all employees to build their skills and gain exposure to new parts of the organization and types of work, including:

- DEI career councils and mentorship opportunities led by Verizon's Employee Resource Groups (ERGs)
- Tuition assistance pre-paid directly to the degree granting institution
- Free access to internal trainings and upskilling resources

⁶ Supplementary resources for interested readers to learn about feedback and performance.

⁷ Supplementary resources for interested readers to learn about feedback and performance.

⁸ Supplementary resources for interested readers to learn about skills

- Reskilling and/or outplacement support for people in roles that are phased out
- Multi-source development feedback tools in which employees and their managers can request feedback from other employees to support their development and help identify skills to continue to strengthen and build

Public Recognition for Fostering Career Mobility

Verizon is consistently recognized for its commitment to employee growth and development. The firm has earned top honors from some of the best measures of the industry, including TIME Magazine's inaugural list of the <u>World's Best Companies</u>, <u>LinkedIn's Top Companies</u>, <u>Forbes' list of Best Workplaces in the U.S.</u>, <u>Military Times Best for Vets</u>, <u>G.I. Jobs Military Friendly</u>, the <u>Disability Equality Index Best Places to Work</u>, and more.

Conclusion

There are many contributing factors influencing the career mobility of employees. Verizon shows one factor that positively impacts advancement rates is investing holistically in employee growth and development. From transparent communication, to giving employees a clear understanding of their skills and how to build on them to reach career milestones to macro efforts to elevate leadership and culture, Verizon provides employees the support they need to meaningfully advance within the company.

Looking Ahead

Verizon continues refining its approach to talent management, with the next phase focusing on advancing cross-functional internal mobility through talent marketplace capabilities. Furthermore, Verizon will continue leveraging skills to inform business strategy and draw stronger connections between its skills-first approach to advancement and DEI strategy. Verizon recognizes that when skills are the currency, more employees see more equitable opportunities for advancement. By openly sharing its successful practices for embedding DEI, Verizon is not only enhancing outcomes for its own employees but also establishing itself as a thought leader in this space. This leadership role demonstrates the significant impact that prioritizing skills and inclusive practices can have across numerous organizations.

At the heart of Verizon's approach is not just a DEI program, but a seamlessly integrated practice. From board to leadership to employee, we are committed to growing an inclusive environment that empowers employees to navigate their careers successfully. I believe that companies can never truly arrive at a 'final state' for DEI and Talent Management, so our goal is to energetically pursue and celebrate the 'journey forward'.

--Ashley Walvoord, Director of Talent Management, Verizon