



MPI LESSONS LEARNED

# Measuring the Impact of Skills-Based Talent Initiatives

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# Introduction

Companies are increasingly turning to skills-based talent strategies to recruit and retain talent. The success of these strategies often, if not always, depends on data collection and reporting. Company teams spearheading skills-based talent initiatives must be able to demonstrate the positive results of their efforts to gain and sustain support for them; yet data collection and reporting are no small tasks.

The Business Roundtable Multiple Pathways Initiative (MPI) developed the Impact Measurement Framework Playbook to provide companies with a blueprint for how to measure the success of their skills-based talent strategies. This resource builds on that work by offering insights from companies that have begun collecting and reporting on data from their skills-based initiatives.

They found that a successful strategy requires:

- Aligning on goals and selecting the right metrics to achieve them;
- Enhancing internal data reporting;
- Leveraging data for strategic change management; and
- Collaborating to report success at scale.

This resource provides insights and recommendations for advancing each of these four priorities. With realistic expectations, solid data and effective change-management strategies, companies can ensure that skills-based employment strategies deliver for their people and their bottom lines.

## About This Resource

This resource provides practical insights and strategies for employers seeking to measure the impact of their skills-based initiatives. It draws on insights and experiences of the companies involved in the Multiple Pathways Initiative and OneTen Coalition's Impact Measurement Action Cohort and expands on recommendations from the Impact Measurement Framework Playbook.<sup>1</sup>

# Aligning on Skills-Based Talent Goals and Selecting Priority Metrics

## Key Insights

Goal setting is a necessary first step in advancing skills-based talent strategies, and companies often struggle with it. Those responsible for their company's skills-based initiatives need to conduct conversations with their teams to establish goals and metrics to guide their work. There is no one-size-fits-all set of metrics for a skills-based talent strategy, because every organization has unique needs, approaches and priorities.

The goals for skills-based talent initiatives should support broader human resource (HR) goals that, in turn, are driven by executive-level business priorities. Setting goals that are aligned with other business priorities, rather than in conflict, and communicating them intentionally, can build executive buy-in for skills-based talent strategies.

## Employer Experiences

### Successes

As part of its commitment to economic mobility and supporting the communities it serves, **Bank of America** has taken a holistic approach to its skills-based talent strategy. This includes a focus on better understanding the skills needed to succeed at the bank and providing education that supports an employee's current responsibilities as well as future career goals. Revising minimum job requirements and training managers were also factors for success in implementing changes across the enterprise. This approach has been championed at the highest level of leadership as teams focus on skills-based hiring, looking for teammates with a passion to serve clients and helping them develop the skills needed to build long and successful careers at Bank of America. With its industry leading benefits, the company offers all its teammates programs and services focused on physical, emotional and financial wellness, and continues to look at opportunities to provide wraparound support and career development resources to enhance the experience of teammates hired through its community partnerships.

### Challenges

Many companies are committed to skills-based talent strategies but are still in the early stages of setting goals. Other companies have adopted such a strategy but may not have considered setting goals. Some companies have informal or outdated goals that are not rigorously tracked, and others may have robust goals but limited buy-in from senior leadership.

When it comes to instituting metrics to evaluate the strategy's success, even within a single business unit, companies can struggle to identify which metrics are a priority. While, ideally, companies would track a broad range of metrics beginning with the launch of their skills-based employment program, that simply is not realistic for most companies. One useful starting point is for data teams to identify a short list of priority metrics that can demonstrate the program's success and help build internal support and momentum.

## Recommendations for Employers

We recommend following a five-step process to identify and prioritize metrics that assess the impact of skills-based talent strategies:

1. Identify your skills-based talent goals.
2. List all metrics relevant to each goal.
3. Prioritize one to three metrics per goal.
4. Build buy-in for the goal across the organization.
5. Track and iterate.

This process begins with determining a few primary skills-based talent goals and mapping a comprehensive list of metrics that can help to track progress toward these goals. From this list, internal teams should work to prioritize up to three metrics per goal, based on the importance and feasibility of tracking key data points. Involving stakeholders beyond the skills-based talent team in the goal- and metrics-setting process can generate buy-in and establish clear ownership and accountability across teams and business units. Robust documentation of this process can provide a useful roadmap to build from as data-tracking capabilities mature, while also helping teams identify areas for future data reporting.

To help prioritize metrics, teams should discuss and consider each metric's importance and the feasibility of tracking it. Teams should then set baseline expectations about the metrics-gathering process, timeline, expected cadence and representation of data, and iterate as needed. They also should document and communicate their methodology and learnings to build trust, credibility and support.

To support this process, companies can use the *Impact Measurement Metrics Data Guide*.<sup>2</sup> This self-serve tool includes information about each of the metrics that make up the Impact Measurement Framework, as well as tips for getting started with measurement, considerations for prioritizing metrics and a worksheet template for those leading skills-based talent strategies.

The *Impact Measurement Metrics Data Guide* assists data teams with understanding what it takes to begin measuring skills-based talent outcomes. Metrics recommended in this guide are organized into three broad sections: 1) Adoption of Skills-based Talent Practices, 2) Outcomes for Employees and 3) Outcomes for Business. Within each of these sections, metrics are further-classified into categories such as “Leadership Buy-In & Accountability” or “Retention & Career Advancement.” A rating is assigned for each metric, to provide directional expectations for the measurement process, timeframe and frequency of tracking each metric, as defined below.

- **Effort:** This rating refers to the estimated amount of time and resources it would take to collect the data needed to report on a specific metric: high, medium or low effort. Effort will vary depending on company size, maturity, technological capabilities and other factors.
- **Timeframe:** This rating refers to the estimated amount of time before a company would experience a change in the metric, after skills-based talent practices have been adopted within a company: long (>1 year after practice adoption), medium (6-12 months after practice adoption) or short timeframe (<6 months after practice adoption). As with the adoption of any significant new practice, the timeframe for seeing outcomes may vary depending on company-specific factors including company size and the scale of the changes.
- **Frequency:** This rating refers to the recommended cadence for generating new data needed in order to track changes over time: quarterly (every 3 months), semi-annually (every 6 months), annually (every 12 months), custom (in line with your company’s internal cadence for surveys, performance reviews, etc.) or real-time (a live yes/no). Data pulls can represent cumulative totals over a time period or a point in time snapshot.

# Enhancing Internal Data Reporting

## Key Insights

Companies take different approaches to internal tracking and reporting of data related to their skills-based talent programs. Some companies create custom dashboards to reflect their progress toward goals and KPIs. Others use data to supplement their internal communications strategy. Ideally, companies can start simple and gradually incorporate additional metrics and analytics.

While off-the-shelf Human Resource Information Systems (HRIS) and Applicant Tracking Systems (ATS) do have limitations, companies are finding new ways to leverage the data from these systems and work with technology providers to embed new features that collect data aligned with their skills-based talent metrics.

## Employer Experiences

### Successes

The data reporting team at one financial services firm sought to bridge data gaps between job descriptions and their ATS and HRIS. They first evaluated the data fields that recruiters completed when developing new job requisitions. The data reporting team found that Taleo could track the degree requirements listed in job descriptions across the firm's open roles and decided to make it a required field for recruiters to complete. This simple change to the job description template allowed the firm to assess the number of open roles requiring a postsecondary degree more easily, and thus measure progress towards their skills-based talent goals.

### Challenges

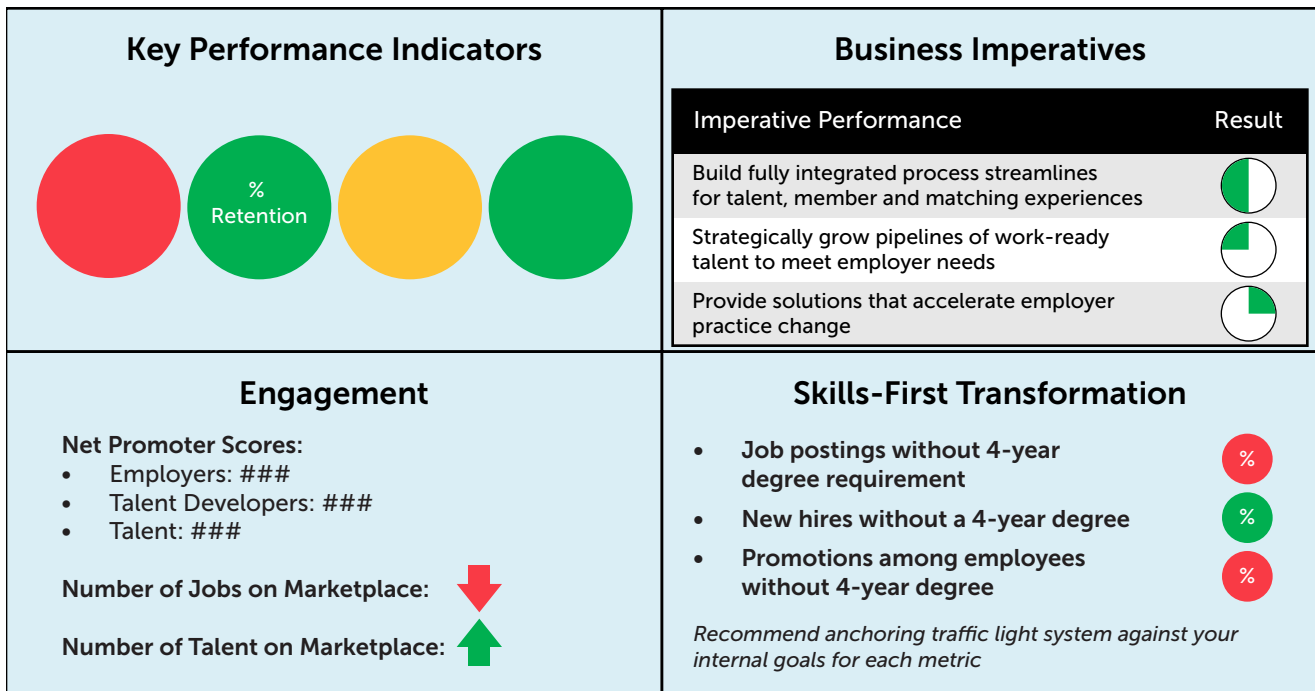
When introducing skills-based talent strategies, employers typically must implement and evaluate the success of this new approach using their existing HR data systems. These existing systems may not have the integrated features that enable routine tracking of key data points, so many organizations must rely on manual tracking, which can be tedious and less accurate. For example, some companies have implemented campaigns to encourage employees to self-report their level of educational attainment, which can yield incomplete results.

# Recommendations for Employers

Leaders of skills-based talent strategies should consider setting up internal processes, systems and reporting tools that support measurement of skills-based talent practices. Below are specific recommendations:

- Partner closely with your HR technology team to determine ways to collect and analyze data that can be used to measure the company’s progress toward its skills-based talent goals. Also, potentially engage directly with the technology provider to integrate new data collection and analysis features into the company’s existing systems.
- Create scorecards, such as the example below, as internal reporting tools to make data accessible to all key stakeholders. Visualizations can be incorporated into existing HR dashboards and reports and leveraged in check-ins with leadership.

## Sample Balance Scorecard





# Leveraging Data for Strategic Change Management

## Key Insights

Strong data bolsters the business case for skills-based talent practices, helping teams leading these changes to sustain and scale them across their organizations. However, it can take time for data to reflect the full impact of this new talent practice. While clear data tracking and reporting makes it easier to identify challenges and adjust, initial results (positive or negative) are not always cause for concern. Implementing skills-based talent strategies requires long-term commitment and intentional change management, including the embrace of incremental progress.

## Employer Experiences

### Successes

Launching a skills-based hiring pilot enables a company to test a new strategy and collect initial data on its successes and areas for improvement. For example, **Berkshire Hathaway Energy** developed a recredentialing pilot program to generate more buy-in for expanding the company's skills-based hiring initiative. Berkshire Hathaway Energy worked with Grads of Life and the OneTen Coalition to recredential three IT roles, removing degree requirements. The program leaders prioritized measuring outcomes, supplemented by anecdotes and lessons learned on hiring non-degree candidates for these roles.

### Challenges

Realizing the full potential of a skills-based talent strategy often is a gradual process, with any number of factors affecting the duration of time before companies see measurable results.

For example, one large employer recently underwent a merger that diverted significant internal resources. This large-scale change drastically limited staff capacity that otherwise could have been allocated to the team's skills-based talent work, thereby delaying adoption and implementation efforts. However, the team driving this employer's skills-based talent work saw this gradual change as an opportunity. As they began aligning internally on priority metrics, the team paid special attention to building data points that could tie into the company's overarching talent priorities, such as addressing workforce shortages, upskilling and expanding talent pipelines.

## Recommendations for Employers

Implementing a company-wide skills-based talent strategy can be a significant adjustment that requires intentional and data-supported change management. Leaders of skills-based talent strategies can use data to support their ongoing internal change management needs, including by:

- **Articulating the value proposition** for skills-based talent, emphasizing how the strategy can help achieve business goals.
- **Aligning leaders on a vision** for company-wide implementation of a skills-based talent strategy for appropriate roles and equipping them with data to advocate for the strategy throughout the organization.
- **Communicating the benefits** of skills-based talent strategies through targeted messaging to different stakeholder groups, such as hiring managers.

# Collaborating to Report Success at Scale

## Key Insights

While companies with skills-based talent strategies embrace the importance of measuring outcomes for internal learning and improvement, many are apprehensive about sharing quantitative skills-based talent data externally. Companies early in their skills-based talent journeys may be hesitant to publicize metrics, particularly if they have not had adequate time to generate positive results at scale. Companies that do share data may struggle with a range of data requests from various coalitions and partners, which requires data managers to interpret what data the company already tracks, identify strategies to capture missing data, propose proxy data when other data is not available and translate data into a desired reporting format. Additionally, variation in externally reported metrics complicates benchmarking progress against peers and documenting change over time.

## Recommendations for Employers, Coalitions and Other Partners

- **Standardize External Data Reporting:** Coalitions like the Business Roundtable Multiple Pathways Initiative, OneTen and the NY CEO Jobs Council are helping companies identify common metrics, regardless of company size or industry, but more work is needed.
- **Clarify the ROI:** Each employer creates its business case and understanding of the return investment for skills-based practices. Collaboration between employers on an aligned approach to quantifying the business case and financial value of skills-based talent strategies can help advance these strategies across the business community.
- **Develop and Disseminate Success Stories:** Quantitative data collection can help companies communicate about the value of their skills-based talent strategies, but the data can be strengthened with qualitative proof points and success stories. Companies that can provide case studies and testimonials will help others seeking to bolster internal support to launch their own efforts, particularly if quantitative impact data does not yet exist.

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# Endnotes

- 1 Business Roundtable Multiple Pathways Initiative. (2022, September). Measuring the impact of skills-based talent practices. Retrieved from <https://s3.amazonaws.com/brt.org/Business-RoundtableMultiplePathwaysInitiativeMeasuringtheImpactofSkills-BasedTalentPractices.pdf>
- 2 Grads of Life. (2023, October). Skills-first impact measurement data guide. Retrieved from <https://gradsoflife.org/wp-content/uploads/2024/06/Skills-First-Impact-Measurement-Metrics-Data-Guide.pdf>