

GRADS *of* LIFE

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The Skills First Talent Movement is Rapidly Accelerating





“Skills Week” took place in Washington DC in April



the National Governor’s Association hosted a **Skills in the States National Meeting**. Over 20 states were represented and have committed to removing degree requirements for state jobs and instead hiring and managing talent based on their skills.



Walmart hosted **the Opportunity Summit**, which brought together leaders from the private and public sectors as well as academia to discuss creating more opportunities for American workers to grow, advance and build successful careers through a Skills-First approach.



Grads of Life organized a gathering of cross-sector leaders to discuss **the return on investment (ROI)** of a skills-first approach to talent management.

What do we mean by Skills-First?

Skills-First Talent Management emphasizes a person's skills and competencies – rather than degrees, job histories, or job titles – when attracting, hiring, developing, and redeploying talent.

This approach can help widen your talent pool, achieve greater retention and advancement, and improve access to opportunity and mobility for all.





The Challenges of Talent Management



• Hiring People With The Right Skills Is Increasingly Difficult

- Fierce competition for talent
- High talent acquisition costs
- A shortage of college graduates
- Very limited diversity in many pipelines

↳ • And Turnover Is Costly

- Repeat recruiting, onboarding & training costs
- Lost productivity
- Lost institutional knowledge
- Lower customer service & satisfaction



Talent Management Practices are Increasingly Evolving to Center Skills

62%

It has become increasingly difficult to justify a filter that disqualifies nearly two-thirds of Americans¹



18

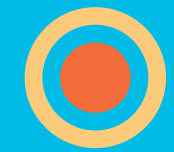
18 states have removed college degree requirements from their hiring processes²



4x

Between 2014 – 2023, the number of jobs where employers dropped degree requirements increased nearly 4x





Value of Skills-First Talent Management

Skills-First Talent Strategies prioritize a candidate or employee's skills rather than college degrees when sourcing, hiring, retaining and advancing talent

- **10x** broader talent pools, on average
- **24%** more women in candidate pools
- **98%** more likely to retain high performers
- **18%** reduction in turnover by re-credentialing roles to focus on skills

Skills-First Talent Management Roadmap



Grow Talent

- Build and expand **upskilling programs**
- Develop **clear career pathways** grounded in skills
- Create **mentorship and sponsorship** opportunities



Hire Talent

- **Train hiring teams** on skills-first hiring best practices
- Create and employ **standard interview rubrics**
- Leverage **skills-first candidate assessments**



Find Talent

- **Remove four-year degree requirements** from select roles and **create skills-based job descriptions**
- Launch or expand **work-based learning** experiences
- **Build sourcing partnerships** with diverse talent providers



Roadmap Success Factors:

1. A fully **committed CEO**
2. **Mindset and culture shift**, with a focus on **hiring managers**
3. **Collaboration** across functional areas
4. **Change management** to facilitate adoption
5. Focus on **metrics** and measurement

Poll Questions

1. As you think about the **Skills-First Roadmap to Success Factors**, which ones are present and integrated in your company:
 - A. A fully Committed CEO/Executive Team
 - B. Mindset & Culture Shift with a focus on Hiring Managers
 - C. Collaboration across functional areas
 - D. Change Management to support adoption
 - E. A Focus on Metrics and Measurement
2. Which area do **you need to prioritize** to progress your Skills-First efforts?
 - A. A fully Committed CEO/Executive Team
 - B. Mindset & Culture Shift with a focus on Hiring Managers
 - C. Collaboration across functional areas
 - D. Change Management to support adoption
 - E. A Focus on Metrics and Measurement

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Taking a Skills-First Approach to Hiring

Challenge / Context

Outcomes



- Strong executive buy-in - Had high level buy-in from CEO as one of the founding members of OneTen
- Missing out on local, diverse talent: Recognition that the organization was not tapping into the local pool of Black talent

- Since 2020, have **hired or promoted over 2,000 diverse talent within the organization** primarily utilizing a skills-first approach to hiring and advancement



- Sought to expand its hiring pool to include more **underrepresented talent**
- Strong buy-in from key executives and business unit leaders

- Started removing degree requirements from **200+ jobs, resulting in over 1,500 annual** entry-level job openings newly accessible to talent without degrees.



Internal Mobility Through Skills

Challenge / Context

Outcomes



- Talent lacked awareness of career opportunities
- People managers lacked key skills: Managers needed access to training and experience to better support employees with career advancement

- Launched Talent GPS: a career navigation system created to provide transparency, and career opportunities for talent.
- Shifted from advancement discussions focused on degrees to discussions focused on skillsets needed for target jobs

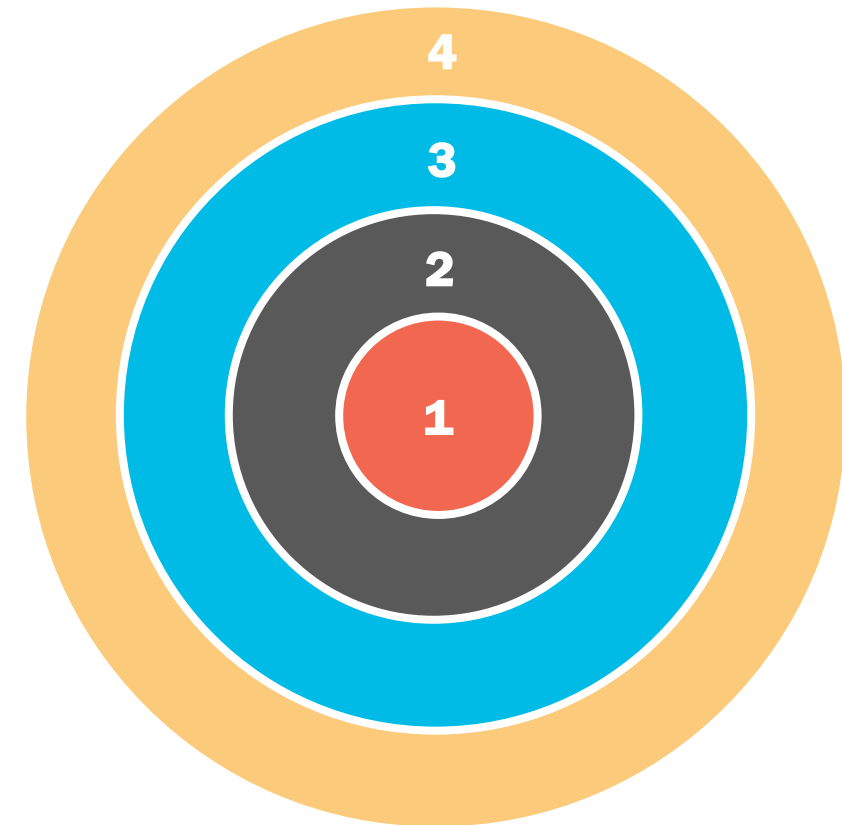


- Limited internal mobility: Employee feedback emphasized that it was increasingly difficult to advance from frontline roles into middle-skill roles

- Recredentialing: Focused on recredentialing 50 out of 300 jobs identified
- Staff training: Led trainings on skills-first hiring and inclusive culture for recruiting teams, hiring managers, and business leaders

Evaluating the Impact of Skills-First Practices

Measuring outcomes across each of these dimensions will provide a robust picture of progress toward your skills-first goals



- 0** Understanding Current State + Setting Goals

- 1** **Practice Adoption:** Change begins here. Track which practices are implemented and to what extent across your company. *Initial focus*
- 2** **Outcomes for Employees:** What changes for employees as a result of new and/or strengthened skills-based practices?
- 3** **Outcomes for Business:** What changes for the business as a result of new and/or strengthened skills-based practices?
- 4** **Outcomes for Society:** Evaluate what changes in society as a result of improved outcomes for both employees and the business

Emerging Elements of Business Case for Skills-First Talent Management

• *Costs*



- Administrative & training costs



- Technology costs



- External partnerships

Benefits



Reduced time to fill talent shortages
in high demand role



Reduced time to productivity or
proficiency among skills-based hires



Increased retention among skills-
based hires



Increased diversity among skills-based
hires



Increased employee engagement
among skills-based hires



Poll Questions

1. How can our coalition help you maximize your Skills-First efforts?

[open answer]

2. In which area of Skills-First Talent management could you offer support to others in the coalition?

[select all that applies]

- A. Skills-First Hiring Practices
- B. Mindset & Culture Shift
- C. Skills-First Retention & Advancement Practices
- D. Change Management to support Skills-First Practice Adoption
- E. Collecting Data & Measuring the Impact of Skills-First Practices
- F. Making the Business Case for Skills-First
- G. Training People Managers

3. What priority areas would you recommend for the Coalition?

[Open Answer]