

Racism and the Economy

focus
on **Employment**

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Title of proposal: Multiple Pathways Initiative
Emphasize Skills in Hiring and Promotion Decisions to Open More Career Pathways

Objective

“Multiple Pathways” is a business community initiative to help address racial inequities in employment by emphasizing and rewarding the value of worker skills, both in the recruitment process and in managing the current workforce — whether those skills were acquired through high school, on-the-job experience, college, professional certifications, credentials or other pathways.

Employers recognize that demonstrated skills are often a better predictor of on-the-job success than traditional resume listings, such as degrees and previous job titles. Employers are turning to approaches that can correctly identify and match an applicant’s skills to job needs.

Moreover, once hired, employers recognize it is more effective to upgrade the skills of the current workforce than rely on acquiring new talent. Helping employees acquire additional skills after hiring not only benefits career development but also boosts productivity and worker retention.

Multiple Pathways is intended to broaden economic opportunities for individuals who may not have traditional two- or four-year college degrees but possess the skills to do a job as demonstrated through experience, training, and assessments. Emphasizing skills also helps eliminate unintended biases (such as preferring degrees from certain schools). In turn, it can increase the percentage of underrepresented populations in the workforce and provide economic opportunities and a pathway for long-term professional growth. These efforts improve equity, diversity and workplace culture, which fuel innovation.

Companies engaged in the Multiple Pathways initiatives are:

- Implementing new recruitment and assessment strategies to better recognize and evaluate skills of all job seekers.
- Identifying upward career paths that employees can navigate by acquiring new and/or different skills along their career journey.
- Developing and updating training programs to help employees gain the skills they need to advance; including helping employees pay for additional training and education.

Development

The Business Roundtable Multiple Pathways initiative is based on the following principles:

- Employers know that people of color disproportionately lack traditional qualifications needed for high-quality jobs. For example, 35 percent of white adults have a bachelor's degree or higher versus 21 percent of Blacks and 15 percent of Hispanics/Latinos.
- Employers recognize that focusing on individuals' skills and competencies is as important as relying on degrees or mandated credentials in hiring and promotion decisions.
- Employers want to ensure their hiring practices do not contain include unintentional biases and instead create opportunities for individuals from a wide array of backgrounds and skill levels to enter the workforce.
- Employers understand that 60% of jobs most commonly held by Hispanic/Latino workers and 50% jobs held by Black workers are at risk today of automation, and therefore, they must be diligent in ensuring pathways to the jobs of tomorrow for workers of all colors and from all backgrounds.
- Employers believe that a diverse workforce with the proper skills contributes to higher productivity and promotes innovation.
- Employers are committed to improving and sending clear demand signals that articulate the skills and competencies needed to succeed in specific occupations.
- Providing employees with continuous learning opportunities is important to helping them obtain the experiences, skills or certifications needed to take advantage of professional career opportunities and raise earnings.

What Is the Proposal?

The Multiple Pathways initiative has two major components:

Realigning Job Opportunities to Emphasize Specific Skills. Participating companies will review their job descriptions and make changes based on the following guidance:

- Rewrite job descriptions to focus on skills needed to succeed in the job and eliminate unintentional biases in the recruitment process. Create a blind, systematic process for reviewing applications and résumés. For example, companies may explore using resume-screening software that scans only for educational fields studied and specific experience listed, and eliminates information on applicant names or schools attended.
- Review existing assessment tools and adopt new standard interview processes to screen candidates to determine whether they meet the minimum level of skills required to perform the job. Employ consistent interview questions for all candidates and require a work sample test that asks candidates to solve work-related problems. Eliminate screening processes that unintentionally eliminate candidates based on demographics, race, and educational background.
- Evaluate candidates using standardized, skills-based interview questions, assessments and demonstrations.

Providing Multiple Pathways to Career Advancement. Participating companies will be asked to:

- Develop transparent job advancement pathways for their current workforce that can be navigated by meeting specific training milestones and skill acquisitions.
- Develop and utilize training modules that allow employees to learn new skills and meet job advancement milestones. Training can be delivered through on-the-job experience (such as mentorships and apprenticeships), online learning and/or partnerships with external education and training providers.
- Develop and/or implement assessments and strategies to recognize skills acquired through company-sponsored training or on the job experience (such as awarding badges).
- Recognize and reward employees who complete credentials or certifications valued by the company.

An example of the Multiple Pathways approach is IBM's "New Collar" initiative that assesses and develops applicants' skills and matches them to in-demand job opportunities. These applicants typically do not have a four-year degree from college. However, they receive tailored training through high school programs (P-Tech), community colleges, technical schools, and on-the job apprenticeships and internships sponsored by IBM.

In addition, IBM also offers on-line training modules for current employees to learn new skills and earn badges and certifications, which can lead to advancement opportunities. This approach focuses on developing employee skills and competencies to meet new job demands, thus improving retention and employee satisfaction.

Currently, the "New Collar" approach accounts for roughly 15 percent of IBM's annual U.S. hiring.

What Would the Proposal Achieve?

Eighty-five Business Roundtable CEOs have committed to join Multiple Pathways, and we are still recruiting participation from our membership. To bring this initiative to scale, we are also encouraging our members to enlist their suppliers in the effort.

Participating companies will be asked to track and report measures that demonstrate the effectiveness of their efforts. Such measures will include employee and system metrics, as described below.

Business Roundtable will convene chief human resource officers and other stakeholders from our membership to establish metrics to show how Multiple Pathways has had an impact on workers and on systemic hiring, promotion and training practices.

Example employee metrics include:

- Number of new employees without traditional degrees or previously mandated credentials hired through skill-aligned job descriptions.
- Percentage of new hires and individuals promoted from underrepresented groups.
- Retention rates of Multiple Pathways hires after one year.
- Proportion of employees taking company-sponsored training.
- Number of badges or credentials earned through company-sponsored training.
- Number of individuals who have successfully completed training and have been promoted.
- Number of individuals who have gone on to pursue traditional degrees with employer support (tuition assistance).
- Increase in average hours in learning.

Example system metrics include:

- Number of job categories revised to reflect a focus on skills required.
- Number of assessment tools developed and/or updated for (1) initial job screening and (2) the interview process.
- Number of career pathways identified with skill acquisition milestones.
- Number of training modules developed and/or updated to support career pathways.
- Number of badges or certifications created and/or updated to recognize completion of training milestones.
- Number of private sector partners engaged.
- Number of education and training partners engaged.

We plan to share the results with policymakers to help inform public policies that can achieve greater equity and upward mobility in the workforce.