



IMPACT HIRING:

FRAMING LESSONS LEARNED FOR FIRST JOBS COMPACT EMPLOYERS

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EXECUTIVE SUMMARY

The White House First Jobs Compact is an historic opportunity for some of the nation's largest and most innovative employers to accelerate their positive impact on opportunity youth, while advancing business goals by drawing effectively on this talent pool.

The Rockefeller Foundation, working in partnership with Incandescent, FSG, Bridgespan and a range of other grantees and employer partners, has worked over the past four years to understand the talent practices that lead to greatest success with opportunity youth, and to develop new tools and resources that will enable employers to achieve business and social impact at scale. As employers get ready for the First Jobs Compact kickoff, we have taken the opportunity to provide an overview of our findings from this work for employers taking stock of your own efforts hiring opportunity youth, as you prepare to deliver on your ambitious commitments.

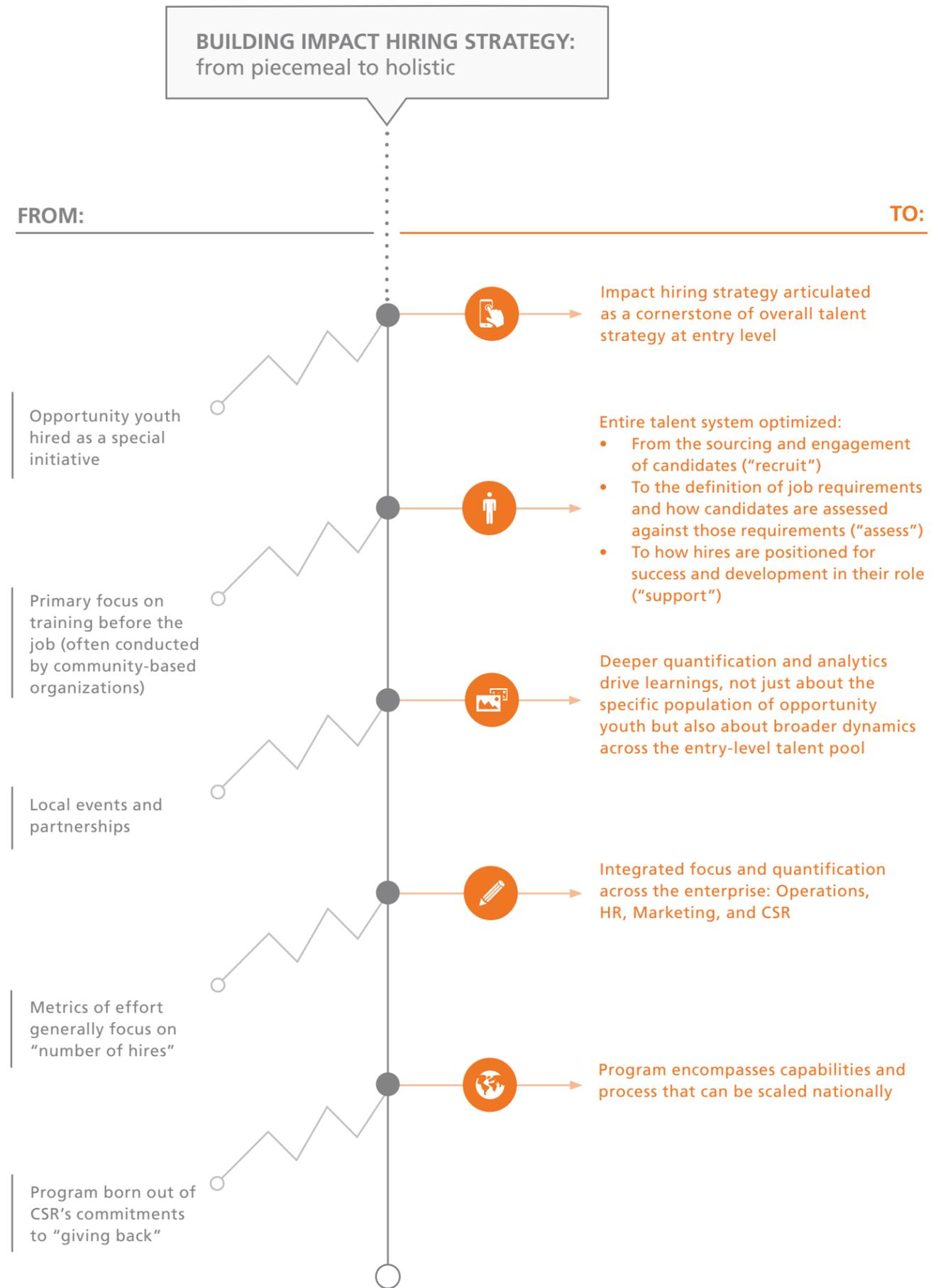
To learn more, please contact impacthiring@rockfound.org.

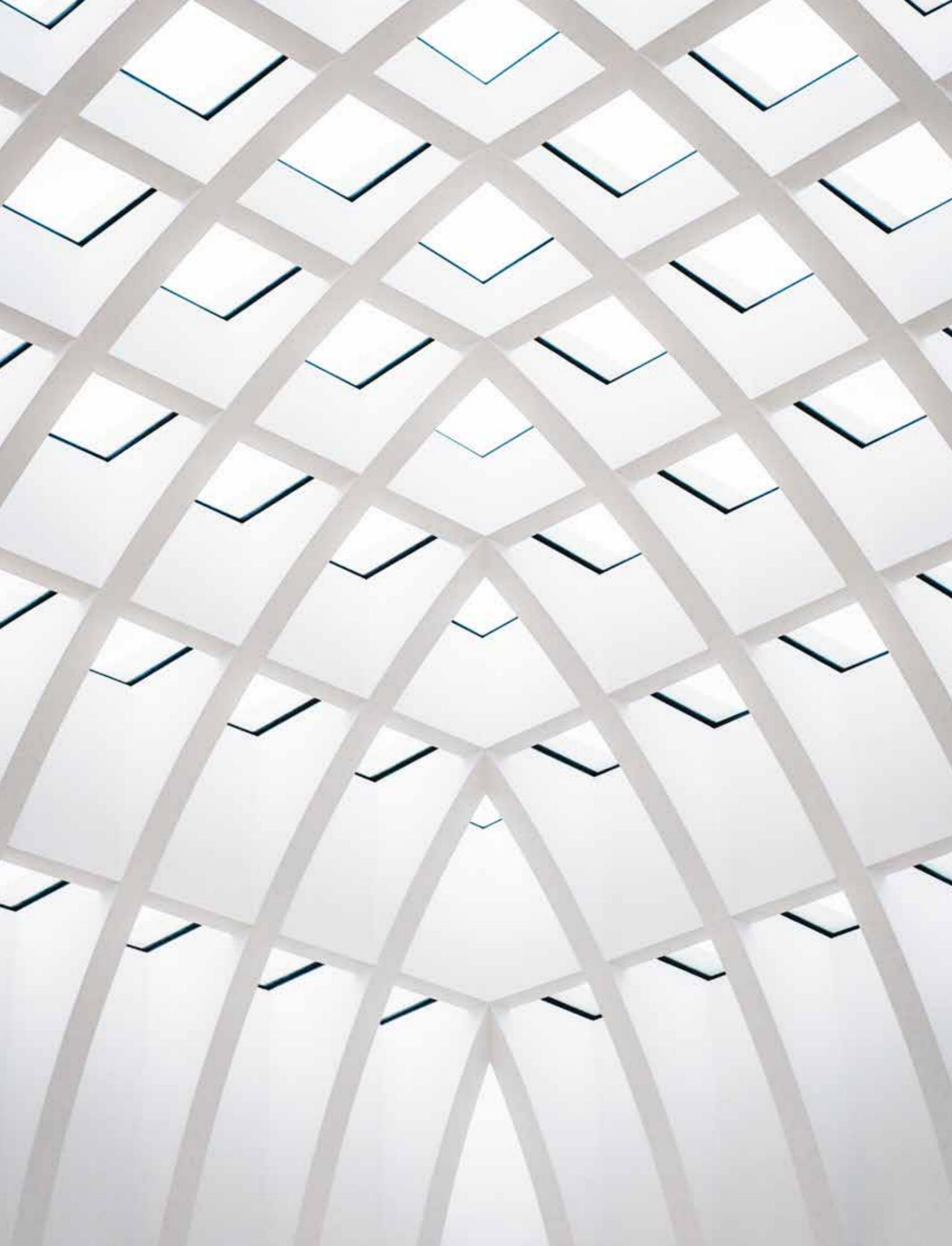
DEVELOPING AN IMPACT HIRING STRATEGY

Your company is likely among the many realizing how critical entry-level talent is to their customers and their brands.

While overall unemployment levels have decreased over the past several years, economic opportunity has remained out of reach for some—including large numbers of youth. As the labor market has tightened, competition for entry-level talent has increased among employers. These factors underpin the value of impact hiring: talent practices that create business advantage through hiring and developing individuals who face barriers to economic opportunity.

The landscape of impact hiring is changing. We are seeing an evolution from companies hiring small numbers of opportunity youth in special programs, such as internships from a specific community-based organization, to companies integrating impact hiring into a broader strategy to make entry-level talent a competitive advantage. Examples from leading impact hiring practitioners like Chipotle and Gap Inc. illustrate an important pattern that we urge all First Jobs Compact members to reflect upon: the power of weaving the three elements of “Recruitment,” “Assessment” and “Support” into an integrated impact hiring approach.





RECRUIT: Building Brand, Channel and Partnerships

Opportunity youth are systemically disconnected from employers, role models and the many resources that could help them navigate professional and personal challenges.

Companies that excel at impact hiring overcome these barriers and make it easy to connect.

Great talent **brands** are built with the same clarity, emotional resonance and consistent experience at every touchpoint that are at the heart of great consumer brands.

Talent flows into companies' pipelines through a range of **channels**: through referrals and word of mouth, through direct digital channels like their website and third-party platforms, through events and partnerships, and through engagement at the point of sale. Even small changes to how these channels work can make a big difference in the way opportunity youth engage.

The right **partnerships** can help companies source opportunity youth talent that fits their needs. While community-based organizations range from small neighborhood programs to national organizations like YouthBuild, taken together as a sector CBOs have broad reach and deep engagement with youth.

ASSESS: From Intuition to Evidence

As so many fields have in recent years, entry-level hiring must transition from relying on human intuition to leveraging the power of evidence-based processes.

An assessment approach delivers value when it predictably matches the right person to the right role—you don't want to miss out on great talent, nor do you want to burden your talent team with a surplus of the wrong candidates. This requires directing attention to each stage of the recruiting process and employee lifecycle, not unlike the rigorous focus on continuous improvement that has made functions like supply chain management and marketing so much more productive in recent years. Specifically, this includes:

- Identifying talent requirements by making the best inferences from performance data of current employees—rigorously determining which combinations of traits and abilities drive practical results on the job
- Leveraging technology to evaluate candidates in ways that deliver valid, unbiased signals for the characteristics most critical to job performance
- Measuring performance on the job in a granular, repeatable, and systematic way—and feeding this data into both job design and the predictive signals that drive hiring systems

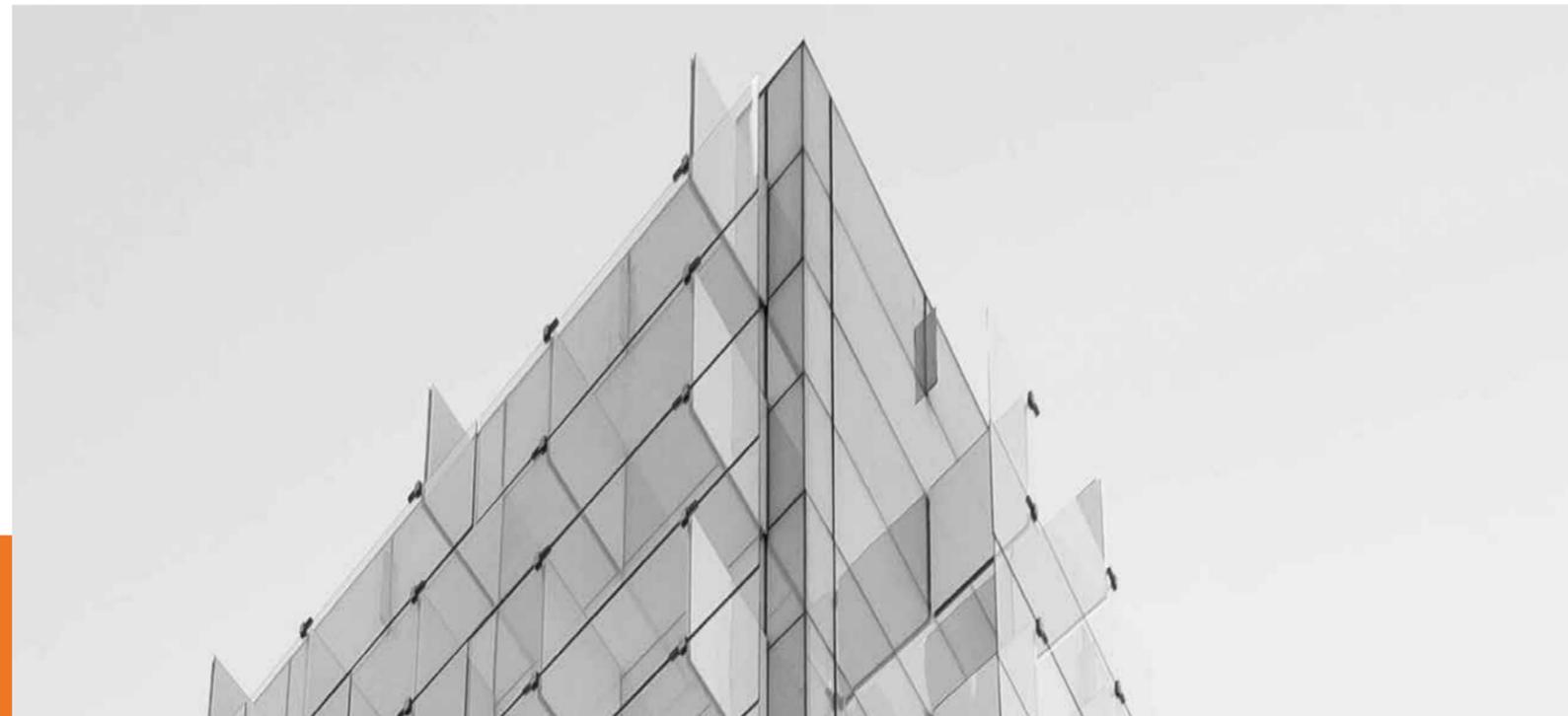


SUPPORT: Shifting the Curve on Retention and Performance

Many of the most valuable opportunities for evolving people practices exist in the experience employees have after they are hired.

Attrition rates in many front-line roles are astronomically high. When you succeed in moving the needle on how you support, retain and develop employees, a virtuous cycle develops in which standards rise and “net promoter” dynamics lead to better employee and customer referrals. An environment develops in which it is all the easier to retain and develop others. From our work with employers, we recommend:

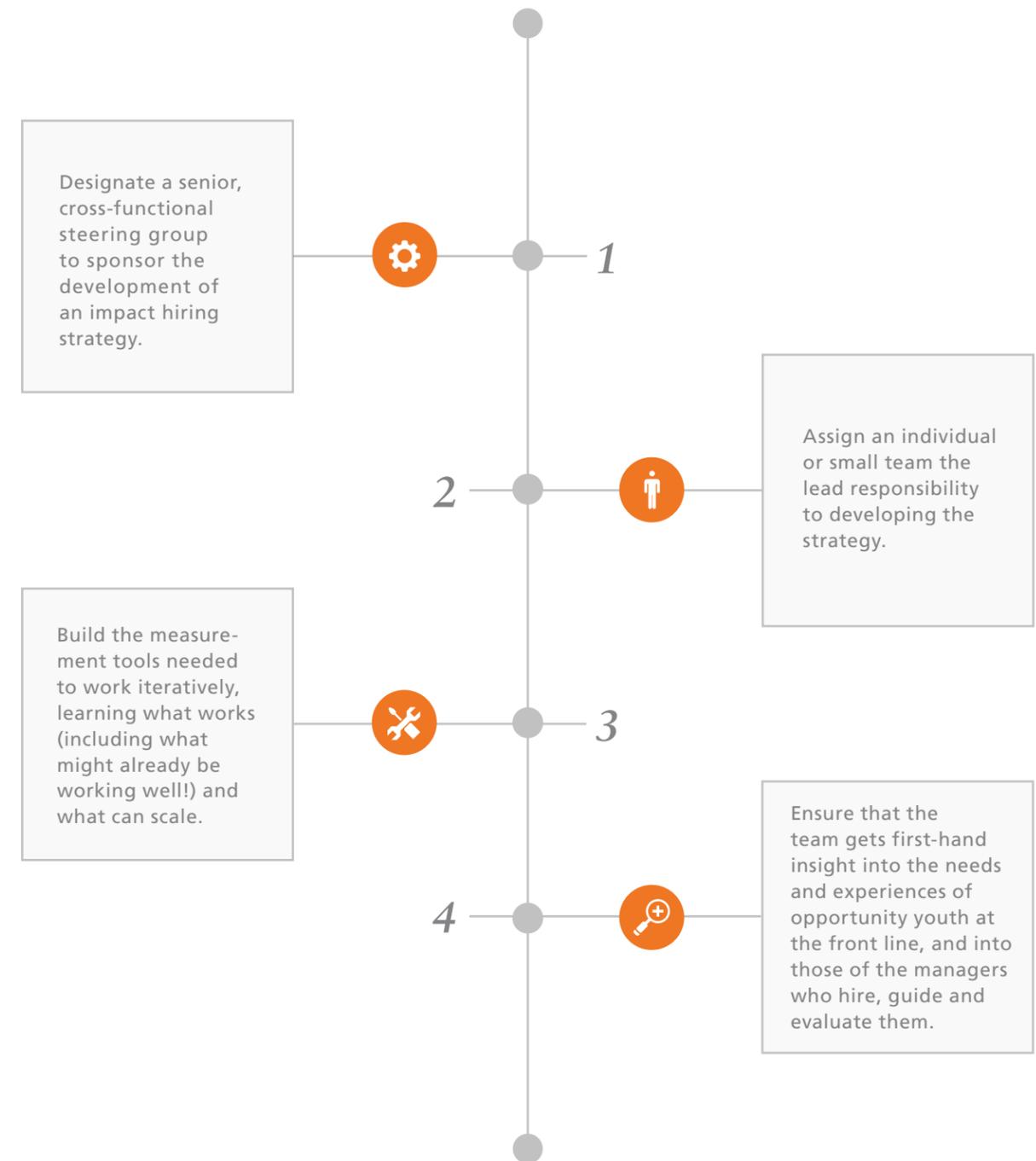
- Building a deeper understanding of your current picture of attrition and retention. Many companies measure attrition with the blunt instrument of a single “annualized attrition” number that doesn’t expose the underlying drivers.
- Understanding manager performance as a support driver. Every company has “exemplar” managers who—facing all the same constraints faced by their peers—deliver distinctive employee experiences and strong operating results. How can you build a vivid description of “what good looks like” from a richer understanding of your own exemplars?
- Investigating other dimensions of post-hire support like: job design and career pathing that create a strong sense of being developed, scheduling systems that create both flexibility and predictability, and benefits that young people clearly understand and value.
- Employers sometimes focus too narrowly on the experiences front-line team members have on the job. For opportunity youth, barriers “off the job” can derail what would otherwise be excellent performance as an employee. Lack of access to reliable transportation, childcare, or affordable housing can cause absenteeism or negatively impact productivity.



ORGANIZATIONAL ALIGNMENT: Empowered Champions and Engaged Operators

Realizing the business opportunity of impact hiring requires developing strategies that integrate the elements of recruitment, assessment and support—which in turn often requires working across functions in a large organization.

The figure to the right highlights some of the best practices for getting started, or scaling existing efforts, that we've identified in our employer partnerships to date.



The White House First Jobs Compact is designed to share more about the lessons learned from work with employers, as well as research and innovation work in the emerging field of impact hiring. We believe the field is at a pivotal moment, in which there is now a critical mass of knowledge for employers about practices that work, and tremendous value—business value and social value—from proving out and scaling emergent solutions.