

# The Importance of Impact Hiring

An innovative approach to tackling the economic realities of unemployment

While national unemployment rates have decreased over the past few years, economic opportunity has continued to remain out of reach for many. This opportunity gap spans all demographics. Not limited to one particular age group or ethnicity, it's an issue that's deeply felt by people across the country.

Impact hiring offers employers a new approach to recruitment, hiring and retention. It helps employers address their entry-level talent challenges. And it significantly improves employment outcomes for those who face chronic barriers to opportunity.

It is true mission-driven work. And it's easier to implement than you might think.



## What is Impact Hiring?

Impact hiring is an innovative approach for companies to recruit, support and retain entry-level talent—particularly those from groups with systemic barriers to employment. It's particularly advantageous for job hunters who identify as veterans, parents (particularly mothers) seeking to return to the workforce after time off to raise a family, ex-offenders with criminal records or the physically or mentally disabled.

Unemployment, disenfranchisement and the chronic barriers to economic opportunity faced by many of our country's marginalized groups are monumental problems with ramifications that span generations.

By developing an impact hiring strategy that helps these groups obtain economic opportunity, employers can play their part in combating some of the greatest injustices felt in our country. And in the process, they improve their own business outcomes by minimizing turnover costs, retaining talented and dedicated employees and developing safer organizations.

## Removing Barriers to Entry-Level Opportunities

When hiring for entry-level roles, employers often don't highlight the attributes that are most relevant to performance, or those that are most differentiating in terms of potential for longer-term advancement. As a result, they may rely on proxies that don't accurately predict performance. Case in point: college degrees. This approach impedes access for those who have job-relevant aptitudes but don't fulfill specific employment criteria.

Recent research conducted by The Rockefeller Foundation highlights several significant issues with these status quo hiring practices:

- Employers are concerned with finding and keeping the right entry-level talent to meet their business needs.
- Nearly half of the employers surveyed cited sourcing enough candidates as a top challenge when filling entry-level jobs.
- Screening for college degrees in the hiring process denies those with chronic barriers to economic success the opportunity to enter the workforce and learn new skills while on the job.

Nearly half of recent college graduates surveyed in this study agreed they didn't need to go to college to have the skills needed for their job. Instead, these recent graduates are learning skills on the job that help them excel in their entry-level roles. The math is clear: A college degree is unnecessary for many entry-level jobs. And by requiring a degree for employment, many employers are forcing themselves to recruit from a small and incredibly congested talent pool.



## Impact Hiring: Open to All

Organizations that adhere to impact hiring and its three essential elements—recruitment, assessment and support—generally see it as part of a broader strategy. And they generally share the following characteristics and behaviors:

- They articulate impact hiring as the cornerstone of their overall entry-level talent and recruitment strategy.
- They optimize their entire talent system to support impact hiring efforts.
- They source and engage disenfranchised candidates (recruitment).
- They define job roles and requirements—and clearly articulate how candidates are assessed against those requirements (assessment).
- They position employees for success and growth in their roles (support).
- They use data and deep quantification to drive learnings from their impact hiring strategy—not just about the specific demographics they encounter through impact hiring, but also about broader dynamics across the entry-level talent pool.
- They integrate their focus on impact hiring and the importance of a data-driven approach across their enterprise.
- They develop processes to scale their impact hiring programs to create ever-broadening impact.

## 4 Steps to Implement an Impact Hiring Strategy

It's easy to see why impact hiring works. And all organizational leaders know that putting any new framework in place requires hard work and dedication.

But getting an impact hiring strategy off the ground and incorporated into the culture of your organization doesn't have to be difficult.

In fact, it can be boiled down to four essential steps:

1. Designate a senior level, cross-functional steering group to sponsor and take ownership of the development of an impact hiring strategy.
2. Assign a motivated individual or small team to lead strategy development.
3. Establish the metrics and measurement tools needed to work an impact hiring strategy effectively, learning what works and what can be moved to scale.
4. Ensure that the strategy development team gets first-hand insight into the needs and experiences of the individuals hired through an impact hiring strategy (those with chronic barriers to economic opportunity) and into the needs of the managers who hire, guide and evaluate these individuals.