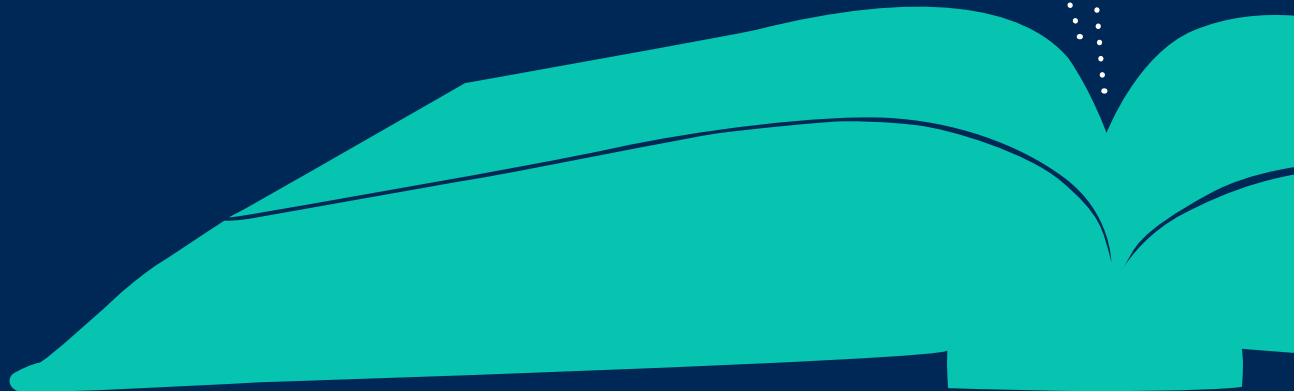# ESG Stories L&D Leaders Should Be Telling

by Kathy Cleary

Learning and development are key components of environmental, social and governance reporting. This article suggests how L&D leaders can partner with other functions to tell stories that provide a robust picture of the enterprise commitment to talent development.

Investors and other external stakeholders recognize talent development is a vital component of an organization's human capital strategy. Two primary reasons employees leave their jobs are poor manager quality and lack of development opportunities. Stakeholders therefore want to see what companies are doing to address these attrition drivers and to maintain a stable workforce.

To that end, learning and development (L&D) are also key components of environmental, social and governance (ESG) reporting. The ESG metrics most closely aligned with L&D are found in the Global Reporting Initiative framework, standard 404. These metrics and their accompanying narrative also align with the United Nations Sustainable Development Goals (see Table 1).

Table 1. Metrics Aligned With Talent Development

Global Reporting Initiative (GRI)	United Nations Sustainable Development Goals (UNSDG)
• Average number of training hours per employee, by gender and employee role categories • Percentage of employees receiving a performance appraisal • Percentage of employees receiving a career conversation	• Goal 4: Quality Education • Goal 8: Decent Work and Economic Growth

Source: GRI, UNSDG

Yet statistics such as training hours and the percentage of employees receiving appraisals and career conversations provide little information on their own. L&D leaders' contribution to an enterprise ESG report should also include a comprehensive narrative to put the numbers in context and tell a compelling story for investors.

Structure of a Talent Development Narrative

A talent development narrative in an enterprise ESG report should include:

- An introduction, often describing the general corporate philosophy and promise with regard to talent development

- An explanation of how managers are supporting employees holistically with personal and professional growth opportunities

- A summary of the current year's initiatives, how they align with the talent development strategy and any related outcomes

- Tables containing the key metrics described above

The narrative can also describe development activities for specific talent segments, the organization's approach to its learning culture, and a discussion of the ROI and outcomes of development strategies.

Leadership Development

L&D leaders will outline programming related to leadership development, including executive/senior leadership training, new manager training, emerging leader programs, high-potential employee development, new graduate rotations and other programming. A section on how the enterprise upskills managers on conducting performance appraisals and career conversations will complement the related GRI metrics.

A summary of the enterprise's leadership values, behaviors or frameworks is helpful to include, especially if these have been refreshed in the current year and new training has been designed around the refresh. In recent years, companies have added empathy, adaptivity and authenticity to their leadership competency models. With the increasing focus on sustainability, companies also need to identify elements of their leadership framework that will drive sustainability outcomes.

Key Talent Segments

Key talent segments (such as IT, supply chain, frontline or specialized roles) will vary based on industry. Consider describing the career pathing offered to employees and how this aligns with the strategic workforce plan. This is also an opportunity to expound on training and development offerings specific to individual business units and functions. Use this section to describe L&D/business unit partnerships and how those help identify emerging skills and development needs.

Frontline Workers

L&D leaders should include a section on how frontline workers are engaged in learning opportunities. Progressive firms are improving frontline employees' loyalty and retention by providing career counseling and planning to help transition them into higher-paying positions. An integrated talent management effort for frontline workers will include transparent career pathing, career coaching and guidance, and benefits to support education. It will also consider any barriers that might prevent employees from accessing these programs. Solutions to address these barriers may include flexible scheduling, childcare support, transportation and tuition prepayment policies.

Other data points that add value to this story might include absolute numbers and percentages of employees enrolled in a corporate university, internal mobility and promotion rates, and changes in salary over time. Employee testimonials are also impactful.

Learning Culture

L&D leaders should describe their learning culture and how employees are motivated and equipped

to learn effectively. Since the main metric is the average number of hours spent on learning/training per employee annually, the narrative is an opportunity to describe training and development that might not be counted in this number. Learning hours not typically tracked may include on-the-job learning, mentorship and sponsorship programs, social/peer-based learning, and training or development external to the enterprise.

Consider differentiating between compliance training hours and hours spent on development. Employees should be engaged in both the necessary corporate compliance training and development or upskilling to help them deliver on current and future role expectations.

Measuring the Impact

Stakeholders are interested in talent development strategies and programming because these correlate with positive talent outcomes, the stability of the workforce and ultimately whether the enterprise will meet its critical objectives. Measuring the impact and ROI of L&D programs helps provide a comprehensive picture to stakeholders. In addition to compliance and satisfaction, consider including learning application rates, behavior change and business outcomes. Talent outcome measures might include engagement, performance, changes in proficiency levels, and retention and internal mobility rate changes over time based on the talent segments outlined.

Partnering With Other Functions

L&D leaders will need to collaborate with partners within HR and throughout the organization in ESG reporting (see Figure 1). These partnerships help ensure the talent development narrative is thorough and complete, and that the report reflects the impact of development on other ESG metrics.

Communications and Talent Analytics

Communications leaders typically have ultimate accountability for delivering the ESG report, collecting both the necessary metrics and the accompanying narratives. Talent analytics leaders are responsible for generating and validating the data used in external reports. L&D leaders will work with these teams to ensure talent development metrics are accurate and all necessary details are included.

Diversity, Equity & Inclusion (DEI)

L&D leaders should partner with DEI leaders to integrate the organization's DEI training strategy into the DEI and talent development narratives. This should include how the enterprise is delivering role-based DEI training to different employee cohorts. Potential areas of interest to external stakeholders include how the enterprise is working to mitigate bias in internal processes, inclusive leadership, courageous conversations and allyship programming.

Health and Safety

L&D leaders will partner with occupational safety and total rewards colleagues to develop the narrative for the health and safety section of the ESG report. Mandatory safety training and new training developed as a result of employee injury or work-related illness should be described. This section of the report will include well-being training activities designed to support employees' physical and emotional health and wellness. Companies will use this section to explain how they are keeping employees safe in light of COVID-19 and other emerging public health concerns. A link to the organization's human rights policies should also be included.

Figure 1. L&D's Cross-functional Partnerships in ESG Reporting

Source: Gartner

Legal and Compliance

L&D leaders will also assist legal and compliance colleagues in preparing the nondiscrimination section of the ESG report. This section should outline how the organization delivers and tracks compliance with nondiscrimination, anti-harassment, active bystander, code of conduct, ethics, and speak-up training modules. We also recommend including links to the code of conduct, ethics policies and other relevant policies in this section.

Sustainability

Sustainability training and development are important stories to tell. These activities may include:

- Enterprise sustainability training
- Business-unit-specific upskilling
- Commercial staff training on product enhancements stemming from sustainability improvements
- Sustainability innovation labs
- Employee resource groups focused on sustainability or green initiatives

Technology

L&D leaders will partner with technology colleagues to craft the narrative around learning management system (LMS) and learning experience platform (LXP) investments. The story will describe how these investments are intended to translate into better talent outcomes. These are often multiyear strategies, so consider briefly outlining the intended goal as well as the progress made in the current reporting year.

Questions to consider answering include:

- Status of adoption of talent marketplaces and/or skill inventories. How are these intended to add value to the talent development strategy?

- What content has been curated from new sources? What are those sources? What drove decision making around those choices and investments?

- Have new L&D roles been adopted related to enhanced technology? Are predictive data or AI tools being utilized?

- Is recommended content being pushed out to employees based on role or persona?

Conclusion

As this list indicates, L&D intersects with many aspects of the ESG report, and L&D leaders will partner with many functional leaders to build out a comprehensive talent development narrative for their organization. The ESG reporting process provides an opportunity for L&D leaders to showcase enterprise investments in talent development and demonstrate the value of these investments to shareholders. At a time when skill building and career growth are as essential as ever and organizations are under sustained pressure to demonstrate positive societal impact, L&D has a vital story to tell.

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