



# Appendix

U.S. Chamber of Commerce Foundation Talent Pipeline Management™ (TPM)  
TPM Academy™

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# Key TPM Terms and Definitions

To distinguish TPM™ from previous workforce efforts that have not resulted in the intended outcome of connecting learners with promising career pathways, the Chamber Foundation team has developed language to reorient its partners to a workforce system that is both employer led and demand driven.

Some terms are new; others are commonplace, but with little consensus on how they are used in a workforce development context. To eliminate potential misinterpretation, this glossary contains definitions of even the most basic terms. These terms and definitions appear throughout the curriculum as part of the introductions to the respective strategies in which they are first used.

## **Applicant Tracking System**

A software application that manages employee recruitment data, including job postings, applicant tracking, screening and scoring, interview management, and hiring.

## **Back Mapping**

A TPM process that helps employer collaboratives identify the major sources of qualified talent on which employers currently rely.

## **Baseline Analysis**

A review of prior information that has been gathered to set a starting point from which the employer collaborative can benchmark to determine the best opportunities and measure progress.

## **Baseline Cost**

The total cost incurred by employers, measured in dollars relative to their starting position, prior to undergoing the TPM process. An example of a baseline cost is the cost of a hire prior to engaging in a talent supply chain solution.

## **Benefits Achieved**

The value derived by employers over and above the cost of implementing a solution, which can be measured, for example, in dollars, such as reduced cost in filling a position, or in time, such as a shorter onboarding process.

## **Bottom-Line Measure**

The talent-related performance measures that have the most direct and highest impact on the overall profitability and performance of the business.

## **Business Function**

The type of business or economic activity that is critical in making products or providing services at one or more establishments (see **Establishment** definition). It may or may not be defined as a primary activity for purposes of North American Industry Classification System (NAICS) coding of business establishments, and it may be carried out by one or more occupations. Examples include logistics planning, warehousing, machining, engineering, and nursing.

## **Capture Rate**

The percentage of talent coming from the talent pipeline (identified providers) that is hired and retained by employers from the employer collaborative or employers within the same industry or geographic area over a designated time period.

### **Competency**

What someone should know or be able to do in a particular job as demonstrated through tasks performed; tools and technologies used; and knowledge, skills, and abilities applied.

### **Continuous Improvement**

A structured process to improve performance over time. Continuous improvement approaches in the business world include Lean Six Sigma and others using the five-step DMAIC (define, measure, analyze, improve, and control) process.

### **Continuous Improvement Team**

A team established by the employer collaborative or an individual employer to carry out an improvement project and report results for a specific period of time based on the agreed scope and goals.

### **Cost of Engaging in a Collaborative**

The total cost in terms of time spent and resources committed when working as a member of an employer collaborative. This calculation is needed to compare total cost versus total benefit to calculate an employer's return on investment.

### **Credentials**

Documents attesting to qualifications and the attainment of competencies, usually in the form of education degrees and certificates, industry and professional certifications, badges, and licenses.

### **Demand Driven**

A focus on skilled jobs that are in demand, based on labor market information.

### **Demand Planning**

The process of developing annual or short-term projections of job openings based on a set of assumptions and a time period chosen by an employer collaborative.

### **DMAIC**

A widely accepted, data-driven continuous improvement process that includes five major steps: (1) **d**efine, (2) **m**easure, (3) **a**nalyze, (4) **i**mprove, and (5) **c**ontrol.

### **Employability Skills**

Essential workplace skills needed to be successful in any job, including what are commonly referred to as “soft skills,” such as problem solving, critical thinking, communication, and teamwork.

### **Employer Collaborative**

A partnership organized by employers, for employers to collectively address shared workforce needs. The collaborative is bolstered by management support provided through a new or existing employer-led organization of the collaborative members' choice. Employer collaboratives are different from most public-private partnerships in that they are organized and managed to maximize responsiveness to employers as end-customers and to deliver an employer return on investment.

### **Employer Return on Investment**

A measure that calculates the returns that employers receive from investments, usually expressed as a ratio of total dollar benefits compared with total dollar costs.

### **End-Customers**

Employers that are developing and implementing a talent supply chain to address a workforce need that results in a measurable return on investment.

### **Establishment**

A single physical location (e.g., plant, office) of a company that may have multiple locations or facilities. Establishments carry out business or economic activities as typically defined under NAICS. More detailed examples of business or economic activities include industrial machinery manufacturing, computer systems design and related services, and specialty surgery and primary care.

### **Feeder Schools**

Education or training providers that are known to transition individuals receiving education or services to another provider before reaching employers. For example, in TPM, Tier 2 providers transition learners to Tier 1 providers.

### **Full Productivity**

The point at which an individual has reached expected levels of productivity in a destination job. In TPM, time to full productivity can be tracked as a performance measure to ensure individuals are managing transitions and being effectively onboarded into employment with minimal time lost.

### **Hiring Requirements**

The competencies, credentials, work experience, and other characteristics (e.g., ability to pass a drug test) used for making hiring decisions for one or more jobs related to a business function. Hiring requirements can be preferred or required.

### **Host Organization**

The entity that houses and provides the staff and management support for one or more employer collaboratives. Host organizations are different from traditional intermediaries in that they are business member organizations (e.g., chambers of commerce, industry sector-based associations) or economic development organizations dedicated to business growth and competitiveness. Host organizations are chosen or affirmed by the employer members to manage and staff employer collaboratives.

### **Human Resource Information System**

An information technology system that captures all aspects of human resources data in a centralized place and supports employee recruitment, hiring, performance, and benefits management.

### **Incentives**

Financial and nonfinancial rewards provided to recognize results and to support continuous improvement. Financial incentives include anything that has a monetary value, including equipment donations, work-based learning opportunities, and access to staff. Nonfinancial incentives include designations such as preferred provider status that can be marketed by a program or institution for recruitment purposes.

## Industry

The type of primary business or economic activity carried out in a business establishment as typically defined under NAICS. Examples include manufacturing, healthcare, and information technology.

## Knowledge

What a person should understand in terms of facts, theories, principles, concepts, and procedures related to general or specific domains, including disciplines and professions.

## Labor Market Information

Quantitative or qualitative data related to employment and workforce trends in national, state, regional, and local labor markets.

## Leading and Lagging Measures

Leading measures are short-term, intermediate measures (e.g., credential attained) that address actions that are major determinants and predictors of longer-term, bottom-line measures (e.g., reduced onboarding and training cost), otherwise known as lagging measures.

## Leakage Rate

The percentage of talent coming from the talent pipeline (identified providers) that is not hired or is hired but not retained by employers from the employer collaborative or employers within the same industry or geographic area over a designated time period.

## Lean Six Sigma

An improvement methodology used to identify and eliminate waste and optimize performance.

## Occupation

The type of job or job family that is typically used to classify workers into occupational categories based on the Standard Occupational Classification system (commonly referred to as SOC code) or another classification system. Employers use a variety of job titles that can be crosswalked to one or more occupations. Examples include registered nurse, machinist, and engineer.

## Performance Measures

Quantitative indicators of outcomes that are expressed in terms of rates, ratios, or percentages addressing one or more critical variables, all of which contribute to improved business performance and competitiveness.

- **Quality**, in the context of TPM, refers to whether individuals have the right mix of competencies to successfully perform work for critical business functions and jobs.
- **Time** addresses maximizing efficiency in value-adding activities, reducing time spent in non-value-adding activities (e.g., irrelevant training), and minimizing the wait time between value-adding activities (e.g., employee trainings).
- **Cost** refers to the dollars spent in producing quality outcomes, including the reduction of opportunity costs (e.g., reducing forgone earnings).

### **Performance Scorecard**

A visualization tool used to communicate the major performance indicators that have been prioritized to tell employers and their stakeholders how effective partnerships have been in managing key transition points and achieving intended outcomes.

### **Preferred Providers**

Providers of talent sourcing and development services—including education and training providers and staffing organizations—that are recognized by an employer collaborative based on their ability to meet employer requirements, such as ability and proven track record for supplying qualified talent for jobs.

### **Primary Labor Market Information**

Labor market information provided directly by employers and other participants in labor markets (e.g., workers). TPM uses primary labor market information from employers in a collaborative regarding their level of workforce demand.

### **Projections**

In the context of TPM, projections are quantitative estimates of future employment by industry and occupation. Projections can be short- or long-term, which are defined differently depending on the originating source making the projections.

### **Provider**

The role education and workforce training partners play in providing services designed to deliver talent for employer end-customers in a talent supply chain.

### **Provider Roles**

The types of services delivered by talent providers within the employer collaborative value stream, from career awareness and exploration to employee advancement and retention. Providers can play one or more roles in one or more tiers, although most play a predominate role in a single tier. For example, a Tier 1 provider that is a staffing agency can provide pre-employment training and onboarding services while also offering a small career preparation program for youth (see **Provider Tiers** definition).

### **Provider Tiers**

The position of providers within talent pipelines in relationship to the employer end-customer. Tier 1 providers (e.g., colleges, staffing agencies, other employers) deliver talent directly to employers, and Tier 2 providers (e.g., high schools) deliver talent to Tier 1, whereas Tier 3 providers (e.g., middle schools) deliver talent to Tier 2.

### **Real-Time Labor Market Information**

Aggregated job openings and skills data generated by using web technologies to capture and analyze job postings from job boards and websites. Real-time labor market information also includes supply-side analysis using resumes and job board worker profiles.

### **Root Cause**

Those conditions or factors that directly cause a performance problem.

### **Root Cause Analysis**

A process to identify factors that directly cause a performance problem and can be addressed in a continuous improvement process.

## Secondary Labor Market Information

Information and analysis about the level of workforce demand by industry generated through reviewing labor market information reports (e.g., state occupational projections) or through aggregating job posting data (e.g., real-time labor market information).

## Shared Pain Point

A common area of need across employers that have come together to form an employer collaborative. A shared pain point should provide the starting point for defining the focus of an employer collaborative.

## Shared Value

The value that is created for employers, education and training providers, and the learners they serve—along with society in general—when employers play an expanded leadership role as end-customers of talent supply chains.

## Skills

Capability to apply knowledge and perform work tasks.

## State Occupational Projections

State government projections of short-term (e.g., two-year) and long-term (e.g., 10-year) job openings resulting from new jobs and replacement of existing jobs. State occupational projections are based on government-defined occupational classifications and are produced at the state and sub-state levels.

## Survey

Employer collaboratives conduct two types of surveys:

**Needs Assessment Surveys** address employer projections of job openings through demand planning (as presented in Strategy 2) and competency, credentialing, and other hiring requirements (Strategy 3).

**Talent Flow Analysis Surveys** identify the actual specific sources of talent from providers (also called back mapping) and supply the basis for linkages with other data for more comprehensive talent flow analysis to analyze the capacity of providers to supply needed talent (outlined in Strategy 4). For example, these surveys might show that a company's welders consistently come from a particular community college program, or that most of its recent engineering hires graduated from a university in a neighboring state.

## Talent

Individuals who have the skills and credentials that drive competitive advantage within a company and industry.

## Talent Flow Analysis

A TPM process that helps employer collaboratives work with government agencies and other data providers to analyze talent inflows and outflows to strengthen their talent pipelines. This includes all existing and potential sources of talent where data are available.

## Talent Inflows

The number and characteristics of people hired by an employer, an employer collaborative, employers within the same industry or industry sector of the collaborative, or employers within the major geographic area defined by the employer collaborative for recruiting talent.

### **Talent Outflows**

The number and characteristics of people previously hired but no longer working for an employer, an employer collaborative, employers within the same industry or industry sector of the collaborative, or employers within the major geographic area defined by the employer collaborative for recruiting talent.

### **Talent Pipeline Management (TPM)**

An end-to-end talent management approach that is implemented by employers to source and develop talent for jobs critical to their competitiveness and growth.

### **Talent Supply Chain**

An end-to-end talent management process made up of employers as end-customers and education and workforce partners as providers, with each playing key roles in adding value to the development of talent. Talent supply chains can be developed by individual employers or by multiple employers acting together as employer collaboratives.

### **Tools and Technologies**

Essential technologies used to perform work tasks and skills, including software and equipment.

### **Transition Measures**

The key performance measures at each point of transition.

### **Transition Point**

The moment when an individual moves from one program or service to the next, which can occur within or between providers. For example, in TPM, transition points occur when someone moves from a Tier 2 provider, such as a feeder high school, to a Tier 1 provider, such as a university.

### **Value Proposition**

The unique value and benefits achieved for key stakeholders based on following the TPM process.

### **Value Stream**

The process that a product or service goes through from beginning to end, with each step adding incremental value until the product reaches the end-customer.

### **Value Stream Map**

A visual tool used to show, in sequence, the major activities and roles that make up a value stream.

### **Work Tasks**

Work performed in carrying out job roles, functions, and responsibilities.

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