The New Path
Forward
Creating Compelling Careers for Employees and Organizations
Today’s careers are failing employers and employees. Three-fourths of heads of HR are concerned they won’t have the internal capabilities needed for their organizations in the next three to five years. This gap will hinder organizations’ ability to execute against business strategy in the near future.

At the same time, 70% of employees are dissatisfied with future career opportunities at their organization.

**TODAY’S CAREERS FAIL EMPLOYERS AND EMPLOYEES**

Organizations Face Capability Gaps

*Likelihood Organization Will Face an Internal Capability Shortage in Next Three to Five Years (Percentage of Heads of HR)*

- 75% Likely
- 15% Unlikely
- 10% Neutral

n = 124.
Source: CEB 2015 Careers Head of HR Function Survey.

Employee Dissatisfaction with Career Opportunities

*Percentage of Employees Dissatisfied with Future Career Opportunities at Their Organization*

- 70% Dissatisfied
- 30% Satisfied

n = 8,550.
Source: CEB 2015 Careers Employee Survey.

Note: See the Appendix for additional segmentation.
A lack of future career opportunities is the primary driver of employee attrition, topping compensation and manager quality.

This trend suggests employees don’t actually leave because of their managers but because of their careers.

## LACK OF FUTURE CAREER OPPORTUNITIES IS TOP REASON FOR ATTRITION

Percentage of Departing Employees Who Rank the Attribute Among the Top Five Most Dissatisfying at Their Previous Jobs

*Global Employed Labor Force, Q2 2015*

<table>
<thead>
<tr>
<th>Global Rank</th>
<th>Attribute</th>
<th>Percentage of Departures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Future Career Opportunity</td>
<td>42%</td>
</tr>
<tr>
<td>2</td>
<td>Compensation</td>
<td>36%</td>
</tr>
<tr>
<td>3</td>
<td>People Management</td>
<td>35%</td>
</tr>
<tr>
<td>4</td>
<td>Development Opportunity</td>
<td>31%</td>
</tr>
<tr>
<td>5</td>
<td>Recognition</td>
<td>29%</td>
</tr>
</tbody>
</table>

*n = 12,612.*

Source: CEB 2015 Departure View Exit Survey.

Note: See the Appendix for additional segmentation.
Tenure in all levels has steadily increased about 30% over the past four years.

This trend makes it more difficult for employees to progress upward, causing many to leave their organization due to a perceived shortage of future career opportunities.

**ORGANIZATIONS DO NOT SATISFY EMPLOYEES WITH UPWARD ADVANCEMENT**

Average Tenure in Position
2010–2014

The average tenure in position has increased by more than 30% since 2010.


“We have a clay layer of middle management that blocks opportunities. Our up-and-coming employees don’t see an opening. However, that large clay layer is providing good service, and we tend to prefer them for their experience.”

SVP of HR
Construction Firm

Note: See the Appendix for additional segmentation.
Most organizations have delayered their job hierarchies in the past decade, and almost 75% of heads of HR don’t anticipate adding back layers in the next five years.

Flatter organizational structures mean longer time frames associated with upward movement. The new shape of the organization will continue to change the shape of careers.

UPWARD, LINEAR CAREERS ARE UNLIKELY TO RETURN

Management Layers Will Not Be Added
Percentage of Heads of HR Who Anticipate Layers Will Be Added to Their Organization’s Structure in the Next Five Years

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree</td>
<td>27%</td>
</tr>
<tr>
<td>Disagree</td>
<td>73%</td>
</tr>
</tbody>
</table>

n = 124
Source: CEB 2015 Careers Head of HR Function Survey.

“We removed layers to realize cost efficiencies. We won’t add layers back just to give employees more promotions."

Chief HR Officer
Consumer Products Company

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Two key career derailment risks confront employees and organizations today:

- **Longer Runs**—Employees are staying in role 30% longer today. This lack of movement means they often fail to get the broad range of development opportunities they need in order to perform effectively in more senior roles. In response, some employees end up making a bad lateral move for movement’s sake.

- **Steeper Rises**—Employees often take on significantly bigger and broader responsibilities when promotions do occur. As a result, nearly half of promoted employees (46%) face a traumatic transition because they are unprepared and then underperform up to 18 months after their transition.

**TODAY’S CAREERS LEAVE EMPLOYEES UNPREPARED**

Implications of Today’s Careers

*Job Complexity by Tenure*

---

**Longer Runs**

Employees stay in role **30%** longer, limiting the breadth of their growth or prompting them to make lateral or external transitions out of desperation.

**Steeper Rises**

In flatter organizations, upward transitions are more complex. About half of transitioning leaders—**46%**—underperform during their transition.
With flatter structures, organizations can no longer support promotion-based career cultures.

In fact, over 90% of organizations say they need to adopt a growth-focused career culture—yet only less than one-third can achieve it.

**ORGANIZATIONS NEED EMPLOYEES TO FOCUS ON CAREER GROWTH, NOT JUST PROMOTIONS**

Focus of Organization’s Ideal and Current Career Culture

*Percentage of Heads of HR*

<table>
<thead>
<tr>
<th>Careers Primarily Based on Promotion</th>
<th>Careers Primarily Based on Growth</th>
</tr>
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<tbody>
<tr>
<td>Ideal</td>
<td>Current</td>
</tr>
<tr>
<td>91%</td>
<td>27%</td>
</tr>
<tr>
<td>9%</td>
<td>73%</td>
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</tbody>
</table>

Less than one-third of organizations that aspire to growth-based careers have realized their goal.

n = 124

Source: CEB 2015 Careers Head of HR Function Survey.

“The reality is that we can’t support a promotion-based culture. We want employees to start thinking about their career in terms of growth instead of narrowly focusing on how to get the next promotion.”

SVP of HR
Pharmaceutical Organization
GROWTH-BASED CAREERS PRIORITIZE EXPERIENCES OVER PROMOTION RATE

Promotion-Based Career Culture

- Lateral moves are driven by dissatisfaction and are facilitated individually.
- Employees focus on the next promotion.
- Employees typically stay within a functional or organizational silo.
- Career dissatisfaction drives career moves.
- Opportunities are the result of vacancies.

Growth-Based Career Culture

- Lateral moves are driven by organizational capability needs and employee aspiration.
- Employees focus on obtaining new experiences that build their skills.
- Employees move between different parts of the organization.
- Growth opportunities drive career moves.
- Opportunities are the result of business need.

Source: CEB analysis.
Organizations and employees agree that whereas organizations owned careers 10 years ago, employees are now responsible for their careers.

**ORGANIZATIONS TRY TO DRIVE GROWTH-BASED CAREERS THROUGH EMPLOYEE OWNERSHIP**

**Employee Ownership Defines Today's Careers**

*Percentage of Employees and Heads of HR Who Agree*

- **Employees are primarily responsible** for ensuring they have a career path.

**Benefits of Employee Career Ownership**

- Organizations can manage the diversity and complexity of today’s careers at scale.
- Careers can be customized to meet employees’ personal aspirations and development needs.
- Employee motivation increases due to vested interest in career success.
- Employees' perceptions of autonomy and empowerment improve.

**n = 124 (heads of HR); 8,550 (employees).**

*Source: CEB 2015 Careers Head of HR Function Survey; CEB 2015 Careers Employee Survey.*
Organizations have been engaging in a few strategies to build employee ownership of careers (e.g., providing sample career paths, internal job boards, career conversation training and tools).

### COMMON STRATEGIES TO ENCOURAGE EMPLOYEE CAREER OWNERSHIP

#### Sample Career Paths
Show employees potential ways to advance their careers.

- Senior Category Manager
- Sales Manager
- Merchandising Manager
- Product Development Manager
- Category Manager
- Key Account Manager

#### Internal Job Boards
Help employees search for jobs that meet their career aspirations.

#### Career Conversation Training and Guides
Encourage employees to plan their career and to discuss their aspirations.

Source: CEB analysis.
Employee ownership does not always align with the kind of growth-based career culture the organization needs.

These misalignments can put employee ownership of careers at odds with moving to a growth-based career culture—a culture that provides a competitive, satisfying career for employees and capability and growth for the organization.

### EMPLOYEE OWNERSHIP MISALIGNED WITH GROWTH-BASED CAREER CULTURE

**Capability Misalignment**

Required skills will change for 7 in 10 positions after five years. However, employees do not design their own careers to build capabilities that meet these changing organizational needs.

**Motivation Misalignment**

Organizations see benefits in growth-based careers, but only 24% of employees believe that career moves for growth will help them advance professionally.

**Marketing Misalignment**

Organizations have internal opportunities, but only 31% of open requisitions are filled by internal candidates.

**Manager Misalignment**

Organizations need talent sharing to enable career growth, but 59% of heads of HR indicate that their organization’s managers hoard talent.

Source: CEB 2015 Careers Head of HR Function Survey; CEB 2015 Careers Employee Survey.
CREATE CAREER PARTNERSHIPS TO ACHIEVE A GROWTH-BASED CAREER CULTURE

Transitioning to Career Partnerships

**Current Approach:** Employee-Owned Careers

- Design careers around **positions**.

**New Approach:** Career Partnerships

- Design careers around **experiences**.

**Solves Capability Misalignment**

**MOTIVATE**

- Motivate employees with **title progression**.

**Solves Motivation Misalignment**

**MARKET**

- Pull employees to new positions.

**Solves Marketing Misalignment**

**MANAGE**

- Set **expectations** for talent sharing among managers.

**Solves Manager Misalignment**

Organizations must create career partnerships to move to a growth-based career culture. To do so, they need to:

- Design careers around experiences instead of around positions;
- Motivate employees with employability instead of title progression;
- Push the right opportunities to employees instead of just pulling employees into new positions; and
- Create a talent brokerage rather than just setting expectations for managers to share talent.

Source: CEB analysis.
Career satisfaction measures the extent to which employers meet employees’ career interests compared to other employment options.

Increased career satisfaction drives employees’ intent to stay and discretionary effort.

By increasing career satisfaction, organizations can decrease skills gaps because employees want to build the capabilities the organization needs.

**IMPROVE CAREER SATISFACTION THROUGH CAREER PARTNERSHIPS TO DRIVE TALENT OUTCOMES**

**CEB’s Measurement of Career Satisfaction**

**Career Satisfaction**
The extent to which an employer meets an employee’s career interests compared to other employment options.

**Engagement**
Pride, optimism, and energy drive employee intent to stay and discretionary effort.

**Workforce Capabilities**
Employee builds portfolio of skills that aligns with the organization’s current and future needs.

**Talent Outcomes of Improved Career Pathing**

- Increase intent to stay by up to 33%, and increase discretionary effort by up to 27%.
- Reduce likelihood of internal skills shortages by up to 30%.

Source: CEB 2015 Careers Employee Survey.
## DESIGN

- From Position- to Experience-Based Careers
  - nationalgrid
    - Career Maps
  - Statoil
    - Leadership Renewal KPI

## MOTIVATE

- From Title Progression to Employability
  - LinkedIn
    - Tours of Duty
  - CEB
    - Employability-Focused Career Conversations
  - Genentech
    - Career Lab
  - Dell
    - Personal Branding

## MARKET

- From Pull to Push Strategies
  - HCL
    - Social Career Navigation System
  - CEB
    - Emerging Tactic: Job Match Tools
  - UNITEDHEALTH GROUP
    - “Raise Your Hand” Process
  - CEB
    - Credit Suisse
      - Career Risk Triggers
    - Goldman Sachs
      - Career Quiz

## MANAGE

- From Expectations to Talent Brokerage
  - Cyber Company
    - Critical Skills Portfolio
  - arrium
    - “Manager Once Removed” Talent Brokers

---

1 Pseudonym.
Organizations guide employees’ career aspirations by publishing specific career paths and providing tools to lead them to specific positions.

To encourage employees, almost all organizations also share success stories of those who have made it to the top through a specific career path.

**MOST ORGANIZATIONS GUIDE EMPLOYEES WITH CAREER PATHS TO SPECIFIC POSITIONS**

Organizations Provide Employees with Suggested Career Paths

Organizations Show Employees the Career Paths of Others

56% of organizations have career paths for some or all positions.

91% of organizations share success stories.

- **n = 124.**
  
  Source: CEB 2015 Careers Head of HR Function Survey.

- **n = 8,550.**
  
  Source: CEB 2015 Careers Employee Survey.

**Common Tools to Help Employees Define Career Goals**

- **Career paths** for specific positions
- **Competency assessments** for specific positions
- **Career mentors** to advise on career aspirations and next moves
- **Success stories** describing how senior leaders achieved their positions
Position-centric career paths are fundamentally unrealistic and become obsolete quickly. Less than 20% of organizations have a career design that effectively adapts to changing needs. In fact, some organizations complain that career paths become outdated almost as soon as they are published.

And despite sometimes-substantial investments, most employees find traditional career pathing efforts fairly unhelpful. Just over one-third of employees say they understand the organizations’ opportunities and needs.

**CURRENT CAREER DESIGNS BECOME OBSOLETE QUICKLY**

Career Design Is Inflexible  
*Percentage of Heads of HR Who Indicated That Career Design Effectively Adapts to Changing Needs*

Career Design Is Unrealistic  
*Percentage of Employees Who Have a Real Understanding of Internal Opportunities*

n = 124.  
Source: CEB 2015 Careers Head of HR Function Survey.

n = 8,550.  
Source: CEB 2015 Careers Employee Survey.

“Three years ago, we invested in a big career path exercise. We defined every position and how to get there. Now, half of it is outdated, and hardly anybody uses it. What does a sustainable system look like?”

“We encourage employees to own their careers and design them, but they become frustrated when we can’t deliver on their aspirations. They feel like we’ve broken our contract with them. Should we provide any advice at all?”
Most career paths still focus too much on positions instead of on the capabilities employees need to build.

Career paths show a series of positions clearly linked in a linear fashion, with the focus on the destination and an implicit promise of ongoing promotions.

This progression is unrealistic in today’s environment and inflexible in the face of constant change. To grow employees with the organization and develop the capabilities needed for the future, organizations should design careers around experiences.

Careers designed around experiences emphasize the path as much as the destination, but they do not show progress as a linear, largely vertical movement. Instead, they emphasize the importance of gaining a set of key experiences (that might not be positions) to build necessary capabilities.

**Benefits of Focusing on Experiences**

- **Flexible:** Defining key experiences is easier than mapping paths through evolving positions.
- **Realistic:** Instead of implicitly promising progression, it highlights the variety of experiences and their benefits.

**Designing Careers Around Positions**

<table>
<thead>
<tr>
<th>Functional Leader</th>
<th>Functional Leader</th>
<th>Functional Leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager</td>
<td>Consultant</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Project Lead</td>
<td>Business Analyst</td>
<td>Lead Consultant</td>
</tr>
<tr>
<td>Senior Associate</td>
<td>Junior Business Analyst</td>
<td>Senior Technical Consultant</td>
</tr>
<tr>
<td>Junior Associate</td>
<td>Business Associate</td>
<td>Junior Technical Consultant</td>
</tr>
</tbody>
</table>

**Definition:** Tools and coaching based on traditional career moves help employees not only determine the positions they are interested in but also map out a path to them.

Source: CEB analysis.

**Designing Careers Around Experiences**

**Aspiration: Functional Leader**

**Key Experiences**

- Profit margin calculation
- Preparation of project risk assessment
- Leading key customer relationship

**Opportunities for Gaining Them**

- New business development role
- Operational or audit role
- Supervisor training
- Commercial role
- Mentoring by commercial leader

**Definition:** Organizations actively manage experiences that build current and future capabilities to inform employees’ aspirations and enable them to grow their careers.

Source: CEB analysis.
When careers are designed around experiences, they can drive career satisfaction by 24%, compared to 11% for careers based on positions.

Experience-based careers help ensure employees receive the guidance they need to grow with the organization, making them less frustrated about a lack of progression and more prepared when taking on bigger roles.

**DESIGN CAREERS AROUND EXPERIENCES, NOT POSITIONS, TO INCREASE CAREER SATISFACTION**

Designing Careers Around Experiences Improves Career Satisfaction

*Maximum Impact on Career Satisfaction*

$n = 8,550.$

Source: CEB 2015 Careers Employee Survey.
GENERATE INTENTIONAL MOVEMENT BY BUILDING LIMITING, NOT EXPANSIVE, CAREER MAPS

Elements of a Career Map for Critical Roles

1. Work Backward from the Goal
   Identify the skills and attributes needed for the critical role at the top of the pyramid, and then build a path backward that achieves those attributes.

2. Focus on Benefits of Lateral Moves
   Mitigate employees’ perceived risk of taking a lateral move by highlighting the value proposition of the role, as opposed to the requirements for moving into the role.

Maximize Impact by Limiting Scope
To reduce complexity and drive the importance of the maps, National Grid limits their use to only the most critical positions in the business. Criticality is determined by direct impact on business activities.

Source: National Grid plc; CEB analysis.
National Grid helps employees and managers visualize the path from the critical position backward using vertical and lateral moves.

Each career map is created during a one-day workshop attended by employees who are currently in the critical role, employees who have performed the role in the past, and HR Business Partners.

Employees map their own career paths as prework for the workshop. HR then interviews senior leaders to identify any additional required skills and paths that a candidate could take to the critical position.

Broadly mapping connector roles helps focus development conversations on broader experiences needed for the critical role.

**What is the typical career path to this role?**

1. Asset Strategy and Investment Program Manager
2. External-Facing Role
   - Broadening Role (Operational, Finance, Group Strategy)
3. Technical Analyst Role
4. Technical Supervisor (Local)
5. Back-Office People Role (National [e.g., Resource Mgt])
6. Run a Major Project/Change Role
7. Commercial/Regulatory and Finance Roles
8. Graduate, Engineering Training Program, Experienced Hire

Each of the maps revolves around a single critical role, allowing employees to more easily narrow down career options.

Connector roles are framed as categories and connected laterally to demonstrate that a traditional, linear path will not provide all experiences needed for the critical role.

The path includes entry-level positions so employees are not discouraged about their ability to move into a critical role.

Source: National Grid plc; CEB analysis.

* See the Appendix for full career map.
To clarify the value of lateral moves and to alleviate concerns about career derailment, connector roles are framed in terms of the benefits they offer. Emphasizing the benefits of lateral moves helps employees identify a career path that will provide the greatest opportunity to advance to a critical role. Employees can quickly determine which capabilities they need the most and then choose the best role to gain that experience.

Leaders and HR can use the maps to identify which potential successor is the most qualified for the critical position based on past roles. Managers can review the capabilities needed for a critical role to help direct reports navigate nonobvious moves.

1 Which leadership, business, and technical capabilities do people need to be advanced or expert in to succeed in this role?

<table>
<thead>
<tr>
<th>Conceptual Thinking</th>
<th>Building Relationships (Networker) and a Trusted Advisor</th>
<th>Governance/Control Framework</th>
<th>Commercial Acumen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic analysis and modeling</td>
<td>Change management</td>
<td>Managing an audit</td>
<td>Regulatory understanding</td>
</tr>
<tr>
<td>Quantitative skills</td>
<td>Delegates appropriately</td>
<td></td>
<td>Driving value</td>
</tr>
<tr>
<td>Thinks ahead and anticipates future needs</td>
<td>Influences strategically</td>
<td></td>
<td>Financial investment decisions</td>
</tr>
<tr>
<td>Data mining and data management</td>
<td>Strongly demonstrated NG leadership qualities</td>
<td></td>
<td>Modeling outcomes</td>
</tr>
</tbody>
</table>

2 In which roles do people gain these?

| Chartered engineer (ongoing CPD) | Resource management | Program management | Price control role |
| Economist | Operations role | Audit/business assurance role/project | Commercial/regulation |
| | Program management | | Financial analyst role |
| | | | Group strategy role |

3 How else can people develop these?

| Business school modules in business finance and economics | Global group involvement | Project role | Regulatory submission to OFGEM |
| Investment role | Global networks | - Change management | Lead an industry/regulatory consultation response |
| | Large change program (e.g., GDO) | - Organization design | |
| | | - Presenting to governance group | |

Reposition skills needed for the critical role as benefits of connector roles so employees and managers can see the purpose of moving around the organization.

Group opportunities by capability to help employees and managers make decisions based on needs.

Understand that life circumstances can limit mobility, and include other opportunities that achieve the same capabilities without involving a role move.

Source: National Grid plc; CEB analysis.

* See the Appendix for full career map.
Although it has successfully created lateral movement across business areas, Statoil has focused less on creating new opportunities in leadership levels. This gap continues to stall its plans to improve the diversity (of experiences and backgrounds) of the leadership bench.

In addition, the low levels of turnover contribute to a lack of progression opportunities for rising talent, further contributing to unwanted attrition.

**LACK OF CAREER PROGRESSION OPPORTUNITIES DRIVES ATTRITION AND HINDERS DEVELOPMENT**

Exit Interviews Point to Problematic Lack of Career Progression Opportunities

Lack of Opportunities Hinders Talent Development

"I don’t see how I can rise up here. There aren’t many new leadership opportunities."

Employee

Leader

"We need to open up positions in your area to develop other talent."

Leader

HR

Three Key Challenges

1. Unwanted attrition

2. Lack of development opportunities for rising talent

3. Difficulty increasing diversity of leadership bench

Source: Statoil ASA; CEB analysis.
In 2014, Statoil introduced a leadership renewal KPI (one of only two people KPIs) to its balanced scorecard, which the board shares with the rest of the business.

The KPI creates visibility into the creation of opportunities for future capability development, and it drives action by creating accountability to change talent review conversations.

CREATE MOVEMENT ACROSS THE LEADERSHIP BENCH

Statoil Introduced Leadership Renewal into Its Balanced Scorecard

Success Factor 1: Create Transparency on Leadership Renewal
Draw attention to future leadership capability development, not just current performance.

Success Factor 2: Drive Renewal Activities
Hold leaders accountable for creating career progression throughout the organization, not just on an individual basis.

Success Factor 3: Increase Acceptability of Downward Moves
Highlight individual and organizational benefits of downward moves.

Leadership Renewal KPI Definition
- The KPI measures the percentage of employees within the manager, executive, and senior executive bands who move downward within or out of those three bands, retire from Statoil, or leave Statoil for reasons other than retirement.
- The combined number is divided by the total number of employees in those three bands to provide a percentage of leadership renewal.
- The KPI does not measure leadership renewal within the same leadership band (e.g., an executive moving to another executive position within the business).

Source: Statoil ASA; CEB analysis.

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Statoil reports quarterly on its progress toward its goal of 10% leadership renewal to drive focus on future capability creation.

It sets leadership renewal apart from:

- Turnover, which does not differentiate between leadership and professional positions, and
- Lateral moves, which do not create new opportunities for rising talent.

Call Attention to Leadership Renewal

- Create organization-wide visibility by including it in the corporate balanced scorecard, which is shared with the board and disseminated through the organization.

- Drive, don’t just monitor, renewal by setting an objective for senior leaders, determined based on historical data (in Statoil’s case, 10%) and defining how much is too much versus too little renewal.

- Differentiate renewal from turnover or lateral moves to focus leaders on freeing up new leadership opportunities.

Source: Statoil ASA; CEB analysis.
The KPI is part of senior leaders’ performance contract, ensuring they drive renewal activities in talent and succession review conversations.

Instead of tackling blockers individually, the KPI drives continuous focus on where new career opportunities can be created by moving leaders into expert or advisory positions.

**HOLD LEADERS ACCOUNTABLE FOR CAREER PROGRESSION TO DRIVE RENEWAL ACTIVITIES**

Senior Leader Accountability for Leadership Renewal

As part of the balanced scorecard, the KPI enters the objectives of senior leaders (e.g., CEO, SVPs, EVPs of business areas).

Talent Review Conversations About Renewal

Renewal Discussion Focus

**Step 1: Open Up Positions**
- Discuss leaders with high performance/low potential. Identify positions in which the leader does not block employees with higher potential but still contributes value.
- Discuss leaders with low performance/low potential. Assess reasons for low performance and whether they have the potential to perform elsewhere or should be managed out.

**Step 2: Decide on Moves**
- Discuss which high-performing, high-potential leaders should be moved into which position.

Source: Statoil ASA; CEB analysis.
<table>
<thead>
<tr>
<th>DESIGN</th>
<th>MOTIVATE</th>
<th>MARKET</th>
<th>MANAGE</th>
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<tbody>
<tr>
<td>From Position- to Experience-Based Careers</td>
<td>From Title Progression to Employability</td>
<td>From Pull to Push Strategies</td>
<td>From Expectations to Talent Brokerage</td>
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<td>Emerging Tactic: Job Match Tools</td>
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<td>“Manager Once Removed” Talent Brokers</td>
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<td>Genentech</td>
<td>UNITEDHEALTH GROUP</td>
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<td>Career Maps</td>
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Traditionally, employees calibrate their career progression through the lens of title progression.

Unsurprisingly, their career satisfaction increases the more they see opportunity for title progression. In fact, the perception of upward career progression opportunities can improve career satisfaction by 17%.

**Title Progression Increases Career Satisfaction**

**Organizations Traditionally Show Progress with Title Progression**

*Illustrative*

**Opportunity for Title Progression Increases Career Satisfaction**

*Maximum Impact of Title Progression on Career Satisfaction*

Source: CEB analysis.

\( n = 8,550. \)

Source: CEB 2015 Careers Employees Survey.
Most organizations can’t offer the same opportunities for upward progression as they used to. Nearly half of employees agree it is more difficult to get promoted today than it was five years ago.

Heads of HR agree that upward, or promotion-based, careers are more characteristic of 10 years ago than today and that they are unlikely to return.

**OPPORTUNITIES FOR TITLE PROGRESSION ARE LIMITED**

**Being Promoted Is More Difficult Today...**

*Percentage of Employees Who Agree It Is More Difficult to Get Promoted Today Than Five Years Ago*

- 24% Easier
- 45% Harder
- 31% The Same

\( n = 8,550. \)

Source: CEB 2015 Careers Employees Survey.

**...And It’s Not Going to Get Easier**

*HR Leaders’ Perception of Promotion-Based Careers*

- 20% More Characteristic of Careers Today
- 80% More Characteristic of Careers 10 Years Ago

\( n = 124. \)

Source: CEB 2015 Head of HR Function Survey.

“We have become flatter and flatter, so there just isn’t the same amount of promotion opportunity now as there was a few years ago.”

VP of Talent

Fortune 500 Software Company
Organizations provide employees with growth opportunities such as stretch opportunities, job rotations, or lateral moves. However, employees do not see their benefits.

Less than 25% of employees agree that career moves for growth—compared to for promotion—help them advance. Career progression through lateral moves can even seem like a step backward.

**ORGANIZATIONS WANT EMPLOYEES TO FOCUS ON GROWTH, BUT EMPLOYEES DO NOT SEE BENEFIT**

Organizations Attempt to Provide Employees with Opportunities for Growth  
Percentage of Employees Agreeing Their Organization Offers Growth Opportunities

Employees Do Not See How Growth Will Help Them Progress  
Percentage of Employees Who Believe Career Moves for Growth Help Them Advance

$n = 124.$  
Source: CEB 2015 Head of HR Function Survey.

$n = 8,550.$  
Source: CEB 2015 Careers Employees Survey.
Employability is an employee’s capabilities, skills, knowledge, experiences, achievements, and personal attributes that make him or her more valuable to an employer—and thus more likely to gain employment and achieve success in his or her career.

Employability is a worthy goal for the employee and the organization: for employees, it means job security, and for organizations, it creates a more flexible and higher-quality workforce.

Employability increases employee career satisfaction more than title progression.

**THE BENEFIT OF GROWTH IS EMPLOYABILITY**

Employability is an employee’s capabilities, skills, knowledge, experiences, achievements, and personal attributes that make him or her more valuable internally and externally—and thus more likely to achieve success in his or her career.

**Employability: An Alternative to Title Progression**

Benefits to the Employee

- **Job Security**: Ensures employee grows with the organization and/or gives the employee the option to leave when necessary

Benefits to the Organization

- **Flexibility**: Creates a workforce that can better adapt to organizational needs
- **Talent Capital**: A higher-quality workforce that is more market competitive and higher performing than competitors

Maximum Impact of Title Progression and Employability on Career Satisfaction

- **Title Progression**: 17%
- **Employability**: 22%

n = 8,550.

Source: CEB analysis.
Employability also increases employees’ intent to stay by up to 21%, more than twice as much as title progression.

**BUILDING EMPLOYABILITY BUILDS LOYALTY**

Employability Builds Loyalty to the Organization

*Maximum Impact of Title Progression and Employability on Intent to Stay*

Source: CEB analysis.
CREATE CREDIBLE INVESTMENT IN EMPLOYEES’ EMPLOYABILITY

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<tr>
<td>2018</td>
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</table>

Employment Agreement
- **Term:** 3 years
- **Organization:**
  - Clearly defines the employee’s goals, expectation, role, and connection to business impact, such as:
    - Building a new product
    - Leading a marketing campaign
    - Reworking an existing business process
  - Commits to improving employee’s market value (or employability)
  - Helps employee advance career internally or externally

Employee:
- Completes mission and positively contributes to the business

Mutual Renewal Decision
- Option 1: Renew agreement.
- Option 2: End agreement.

Organization Helps Employee Find Job Elsewhere

Tours of Duty Demonstrate Credible Commitment to Employability
- At the outset of the employee’s tour of duty, LinkedIn explicitly communicates the project an employee will complete, the impact he or she will have, and the skills the employee will gain.
- Up-front agreements hold the organization accountable for demonstrable improvements in the employee’s market value.
- Finite timelines make the employee’s progress toward original objectives clear.

“Employees invest in the company’s adaptability; the company invests in employees’ employability.”

Reid Hoffman
Co-Founder
LinkedIn


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CREATING COMPELLING CAREERS THROUGH CAREER PARTNERSHIPS

DESIGN
- From Position- to Experience-Based Careers
  - nationalgrid
    - Career Maps
  - Statoil
    - Leadership Renewal KPI

MOTIVATE
- From Title Progression to Employability
  - LinkedIn
    - Tours of Duty
  - CEB
    - Employability-Focused Career Conversations
  - Genentech
    - Career Lab
  - Dell
    - Personal Branding

MARKET
- From Pull to Push Strategies
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  - CEB
    - Emerging Tactic: Job Match Tools
  - UNITEDHEALTH GROUP
    - “Raise Your Hand” Process
  - CEB
    - Career Risk Triggers

MANAGE
- From Expectations to Talent Brokerage
  - Cyber Company
    - Critical Skills Portfolio
  - arrium
    - “Manager Once Removed” Talent Brokers
  - Credit Suisse
    - Attrition Profiles
  - Goldman Sachs
    - Career Quiz

1 Pseudonym.
Perceptions and reality do not align when it comes to internal job opportunity. Opportunities exist across organizations, but employees do not see them.

**EMPLOYEES LACK AWARENESS OF INTERNAL OPPORTUNITIES**

Opportunities Exist in Organizations

“Given the size of our organization, employees have hundreds of opportunities available to them.”

SVP of HR
Pharmaceutical Company

“With acquisitions and natural growth, we’ve doubled in size in the past decade. No matter what kind of career employees are looking for, they can find it here.”

Chief HR Officer
Financial Services Company

Employees Do Not See Opportunities Around Them

Only 29% of employees see career opportunities at their organization.

\[n = 8,550.\]

Source: CEB 2015 Careers Employee Survey.
Organizations employ a classic pull approach when marketing opportunities to employees. They rely on employees to seek out available opportunities through a variety of channels such as online job boards, networking opportunities, or job fairs.

**ORGANIZATIONS FOCUS ON PULL STRATEGIES TO BUILD AWARENESS**

A *pull strategy* relies on the employee to seek out all available opportunities through a variety of channels.

**Percentage of Organizations That Use Typical Pull Strategies**

- **98%** Online Job Boards
- **91%** Internal Networking Opportunities
- **85%** Internal Job Fairs

\( n = 8,550. \)

Source: CEB 2015 Careers Employee Survey.
Almost two-thirds of employees are open to new opportunities, but they find the information about opportunities overwhelming and unhelpful.

**PULL STRATEGY OVERWELMS THE SMALL AUDIENCE IT REACHES**

**Most Employees Would Be Open to New Roles but Do Not Search for Them**

*Percentage of Employees by Their Openness to New Opportunities*

- **37%** Not Open
- **16%** Actively Searching
- **47%** Open to Opportunities

\[ n = 8,550. \]

*Source: CEB 2015 Careers Employee Survey.*

**Employees That Do Search Find It Difficult to Understand Relevant Roles**

- **76%** Say prioritizing information about roles is difficult
- **75%** Say understanding information about roles is not easy
- **76%** Say weighing the pros and cons of possible roles is challenging
Instead of relying on ineffective pull strategies, organizations should push opportunities to employees by targeting the right internal opportunities to the right employees at the right time.

When employing push strategies, organizations need to:

- Filter opportunities based on employees’ interests and aspirations,
- Market them to passive, not just active, internal candidates, and
- Build awareness of opportunities before the employee is dissatisfied and actively looking.

Only about 6% of organizations currently employ push strategies.

**PUSH STRATEGIES ENGAGE EMPLOYEES WITH THE RIGHT OPPORTUNITIES AT THE RIGHT TIME**

Progressive Organizations Market Opportunities to Employees

A push strategy delivers targeted internal opportunities to employees, building awareness before employees actively look for a job.

**Right Opportunity:** Match employees with opportunities based on their skills, interests, and aspirations.

**Right Audience:** Focus career messaging on passive as well as active candidates.

**Right Time:** Discuss career opportunities when employees are reevaluating their careers.

Only 6% of all organizations employ push career strategies.

\[ n = 8,550. \]

Source: CEB 2015 Careers Employee Survey.
Employees say lack of career growth is one of the top reasons for leaving HCL. Not knowing what internal career opportunities exist and what skills the organization values causes employees to pursue careers outside the organization.

INCREASED CAREER VISIBILITY REDUCES ATTRITION AND HIRING COSTS

Increasing the Visibility of Internal Opportunities Is the Best Insurance Against Talent Loss at One End of the Organization... ...And the Hiring of Candidates with Similar Skill Sets at a Higher Cost at the Other End

Are there any opportunities here for me to grow my career?

User Interface Designer, Development

Recruiting Manager, Engineering

Barriers to Effectively Managing Career Opportunities

- **Employees** do not have a direct line of sight into opportunities outside their business unit and do not understand which skill sets the organization values.
- **The organization** does not have a direct line of sight into employee aspirations or a robust mechanism to direct their aspirations toward the business’s future talent demands.

Source: HCL Technologies Limited; CEB analysis.
Instead of deploying a traditional, vertical career path, HCL’s new career system channels employee aspirations toward strategic business needs. It helps employees identify and work toward their career aspirations that align with the organization’s goals.

The system is housed on HCL’s Career Connect portal, which was established in 2013 and continues to evolve.

**ALIGN CAREER ASPIRATIONS WITH BUSINESS NEEDS**

**Traditional Approach: Vertical Career Path**

1. Inform aspirations and development plans.
2. Push opportunities to employees based on aspirations.
3. Increase awareness of strategic skill needs.

**HCL’s Career Design: Channel Career Aspirations to Ensure Employees Grow with the Business**

- Opportunity Aligns with High Business Growth Area
- Communicate Business Opportunity
- Pursue Individual Aspiration
- Senior Developer
- Junior Engineer
- Junior Tester
- Pursue Individual Aspiration

Source: HCL Technologies Limited; CEB analysis.
HCL’s Career Connect portal supports its career navigation system. Employees can select and manage their career aspirations and development plans, and the business can target employees with relevant aspirations or market its opportunities broadly to everyone in the organization.

HCL’S CAREER CONNECT PORTAL SUPPORTS ITS SOCIAL CAREER NAVIGATION SYSTEM

Source: HCL Technologies Limited; CEB analysis.
HCL’s career system is founded on employee aspirations that are developed in accordance with organizational needs, not just individual ambitions.

First, employees identify initial aspirations. Then counselors from across the organization pressure-test these goals to ensure they are realistic, and they help employees create achievable development plans.

Counselors also advise employees on the availability of opportunities based on knowledge of growth bets or high turnover.

EMPLOYEES PRE-IDENTIFY ASPIRATIONS WITH COUNSELOR FEEDBACK

Process for Career Aspiration Development

CHALLENGE | PRACTICE OVERVIEW | SOLUTION HIGHLIGHT 1 | SOLUTION HIGHLIGHT 2 | SOLUTION HIGHLIGHT 3 | RESULTS

Select Career Aspiration
- Employees select up to two roles as aspirations.
- Employees choose counselors among direct and skip-level managers, HR, and functional experts.
- Counseling focuses on a reality check of aspirations, availability of opportunities, required skills, and experiences.

Schedule Counselor Discussion
- Employees confirm or select new aspirations based on the feedback received and on business demand.

Finalize Aspiration
- Employees prepare a career development plan with counselor input and sample plans collated by functional experts.
- Employees post development plans so that they can be improved and re-used by colleagues.

Create Development Plan
- Employees gather input from counselors and peers who have the expertise to guide them toward their aspiration.
- Counselors from across the organization provide unbiased, experience-based feedback and steer employees toward needed skill sets.

Source: HCL Technologies Limited; CEB analysis.

See the Appendix for HCL’s Career Landscape.
ALIGN EMPLOYEES WITH NEW OPPORTUNITIES BASED ON ASPIRATIONS

Process for Targeting Employees for Specific Opportunities

1. Identify Emerging Capability Needs
   Business notifies HR of emerging skill needs and resulting new opportunities.

2. Identify Related Aspirations
   HR and business leaders identify relevant skill sets and related aspirations.

3. Contact Employees
   Employees who have selected these aspirations are contacted and notified about new opportunities.

4. Retag Aspirations
   Employees select new aspirations and create accelerated development plans.

By knowing who would be interested in specific opportunities, business units can directly target employees to fill the business’s immediate talent needs.

For example, when HCL identified an urgent need for technical architects, HR and business leaders were able to identify employees with related aspirations, contact them, and accelerate their relevant capability development.

Software Engineering needed 50 technical architects in a niche domain area to bid for a contract, but these skills would take too long to find externally and come at a high cost.

Using existing position profiles and specified skill requirements, HR and business leaders identified related aspirations and contacted employees with these aspirations.

Interested employees retagged their aspirations and were guided through their career development plan by expert talent champions acting as mentors.

Result
31 technical architects developed in less than 6 months

Source: HCL Technologies Limited; CEB analysis.
INCREASE AWARENESS OF EMERGING CAPABILITY NEEDS TO BUILD THE TALENT PIPELINE

Business Units Advertise Growth Areas to All Employees

Employees Update Aspirations Based on Business Need Marketing

Business units can also advertise their skill needs to direct longer-term employee aspirations to their future skill priorities and to build their talent pipelines.

After receiving mentor feedback or moving positions, employees can select new aspirations. Knowing where the organization is making investments and which skills are needed in the future helps employees make informed decisions.

BIG DATA has arrived and it can take you places. Do you want to catch the flight? Select aspired role: Senior Developer

Business units advertise for skill sets required for their growth areas on Career Connect to encourage employees to select related aspirations and learn about required development.

Source: HCL Technologies Limited; CEB analysis.

Source: HCL Technologies Limited; CEB analysis.
Employees’ job search activity increases when they are dissatisfied with their career. Only one-third is likely to look when they are satisfied, but almost 7 in 10 will look when they are highly dissatisfied.

Pull strategies, which rely on employees looking for information, reach employees too late. Once employees are actively searching for new jobs, they are nearly as likely to look outside their organization as in it.

**ACTIVE JOB SEEKERS ALREADY DISSATISFIED WITH THEIR CAREERS**

Employees Are More Likely to Be Active Job Seekers When They’re Dissatisfied with Their Career

Percentage of Employees Actively Looking for a Job, by Level of Satisfaction

![Graph showing the percentage of employees actively looking for a job by level of satisfaction](image)

n = 8,550.
Source: CEB 2015 Careers Employee Survey.

Nearly Half of Active Seekers Look for Jobs Outside Their Current Organization

Percentage of Employees Who Look for Jobs Outside Versus Inside Their Current Organizations

![Pie chart showing the percentage of employees looking inside versus outside their current organization](image)

n = 8,550.
Source: CEB 2015 Careers Employee Survey.

By the time employees become active job seekers, they are more likely to leave their organization.
Active job seekers should not be the primary focus for internal marketing opportunities because competitors also target passive candidates. In fact, 65% of passive job seekers have been contacted by a recruiter in the past six months.

Passive candidates are generally higher performers than active candidates. Nearly 9 in 10 have met or exceeded their performance expectations in their past performance review.

Push strategies, therefore, must target passive as well as active candidates. This two-fold push strategy will enable organizations to appeal better to their workforces: nearly 6 in 10 employees are passive job seekers and are not likely to engage in a hands-off pull strategy.

Organizations do not target the majority of their workforce: 57% of employees are passive job seekers. To compete, organizations must appeal to all employees, not just those actively looking for a new job.
Given the challenges posed by the changing health care industry and its own growing organizational complexity, UnitedHealth Group set out to help employees pursue internal careers.

In particular, UnitedHealth Group sought to improve its internal hiring ratio at both the mid-level and leadership levels because employees struggled to identify these relevant opportunities.

**INCREASE INTERNAL HIRING RATE OVER TIME**

**Internal Hire Rate Below Desired Level**

UnitedHealth Group’s Internal Hire Rate in 2013, by Level

<table>
<thead>
<tr>
<th>Level</th>
<th>Internal Hire Rate</th>
<th>External Hire Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-Level</td>
<td>34.8%</td>
<td>65.2%</td>
</tr>
<tr>
<td>Leadership</td>
<td>50.9%</td>
<td>49.1%</td>
</tr>
</tbody>
</table>

Source: UnitedHealth Group Inc.; CEB analysis.

Make It Easier for Employees and Passive Internal Job Seekers to Pursue Internal Opportunities

- The organization is so complex. I’m not sure what types of jobs exist.
- What am I qualified for?
- Do I really want this?
- The job I want isn’t open.
- How can I use my skills for a different role?
- How will I raise this with my manager?
- I don’t know where to look.

Source: UnitedHealth Group Inc.; CEB analysis.
When active and passive employees can more easily signal their interest in positions, they have more time to spend on more value-added career activities.

Employees can express interest in up to three roles, whether they are open or not, by checking a box next to the job profile. After employees “raise their hand” for a role, the talent acquisition team is alerted of their interest. If employees are interested in future positions, they receive an alert when one becomes available.

EASIER FOR PASSIVE INTERNAL JOB SEEKERS TO EXPLORE OPPORTUNITIES

Employees Use “Raise Your Hand” to Express Interest in Future Positions

**Make It Easier to Search**

- While browsing opportunities, express interest in positions regardless of availability.
- Employees can raise their hands for up to three jobs.
- Employees have time to learn about the role before applying.
- Receive job alerts when the position opens.
- Employees do not need to expend the effort to regularly search through job boards.

**Source:** UnitedHealth Group Inc.; CEB analysis.
At most organizations, career conversations occur at preset times during the performance review process, not when employees seek or need career guidance.

Although career satisfaction tends to drop slightly around performance review time, job search activity actually decreases.

Career conversations, therefore, shouldn’t happen only as part of the formal cycle; managers should also time career conversations with career risk triggers.

**CAREER CONVERSATIONS ALIGN ONLY WITH HR PROCESSES**

Career Conversations Follow Standard Schedule and Align with Performance Management

- **Performance Review**
  At most organizations, career conversations coincide with reviews and compensation changes.
- **Mid-Year Review**
  Managers and employees talk about the employee’s career plans in relation to mid-year performance.
- **Development Plan**
  Managers and direct reports discuss career aspirations and progress as they set goals and build individual development plans (IDPs).

**Career Conversations Are Poorly Timed**
Although career satisfaction decreases by 2% just before performance reviews and compensation changes, employee job search activity also decreases by 6%-13%.

Source: CEB analysis.
Career risk triggers can include when an employee celebrates a birthday, when tenure in role reaches one or two years, or when an employee’s manager or responsibilities change.

### TIME CONVERSATIONS TO COINCIDE WITH CAREER RISK TRIGGERS, NOT JUST HR PROCESSES

<table>
<thead>
<tr>
<th>Career Risk Trigger</th>
<th>Δ Career Satisfaction</th>
<th>Δ Job Search Activity</th>
<th>When to Schedule Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birthday</td>
<td>-4%</td>
<td>+12%</td>
<td>Just before birthday</td>
</tr>
<tr>
<td>Tenure in role</td>
<td>-3%</td>
<td>+9%</td>
<td>In role one or two years</td>
</tr>
<tr>
<td>Tenure in organization</td>
<td>-4%</td>
<td>+6%</td>
<td>In organization one or two years</td>
</tr>
<tr>
<td>Lack of recent development opportunity</td>
<td>-3%</td>
<td>+7%</td>
<td>Two months since last development opportunity</td>
</tr>
<tr>
<td>Change in manager or responsibilities</td>
<td>-3%</td>
<td>+17%</td>
<td>Immediately after change</td>
</tr>
<tr>
<td>Major gathering of friends/classmates</td>
<td>-2%</td>
<td>+16%</td>
<td>Immediately after gathering</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Not a Risk Trigger</th>
<th>Δ Career Satisfaction</th>
<th>Δ Job Search Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance review</td>
<td>-2%</td>
<td>-13%</td>
</tr>
<tr>
<td>Bonus</td>
<td>-3%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

Source: CEB analysis.
# CREATING COMPELLING CAREERS THROUGH CAREER PARTNERSHIPS

<table>
<thead>
<tr>
<th>DESIGN</th>
<th>MOTIVATE</th>
<th>MARKET</th>
<th>MANAGE</th>
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<tr>
<td>From Position- to Experience-Based Careers</td>
<td>From Title Progression to Employability</td>
<td>From Pull to Push Strategies</td>
<td>From Expectations to Talent Brokerage</td>
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<td>nationalgrid</td>
<td>LinkedIn</td>
<td>HCL</td>
<td>CYBER company</td>
</tr>
<tr>
<td>Career Maps</td>
<td>Tours of Duty</td>
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<td>Critical Skills Portfolio</td>
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<tr>
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<td>“Manager Once Removed” Talent Brokers</td>
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<td>Leadership Renewal KPI</td>
<td>CEB</td>
<td>“Raise Your Hand” Process</td>
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<tr>
<td>Genentech</td>
<td>Genentech</td>
<td>UnitedHealth Group</td>
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<tr>
<td>Career Lab</td>
<td>Personal Branding</td>
<td>“Raise Your Hand” Process</td>
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1 Pseudonym.
HR helps managers identify critical skills, rather than critical individual employees, based on their team’s specific needs.

Managers sometimes struggle to identify critical skills, so HR provides guidelines that managers can use to determine whether a skill is truly critical to the enterprise. Managers are responsible for cataloging 10–25 critical skills within their teams.

Identifying critical skills helps managers focus on skills instead of talent, not determine the objectiveness or comparability of skills across the organization.

CATALOG CRITICAL SKILLS, NOT PEOPLE

HR’s Guidelines for Managers to Identify Critical Skills

Are the skills...

- Imperative to current and future business?
- Difficult or lengthy to develop internal proficiency or acquire externally?
- Dependent on having more than seven years of on-the-job-experience?
- Necessary for distinctive product or service delivered to customer?

Implementation Tip: Managers often focus on critical talent, rather than on the underlying skill, within their team. Ease managers into focusing on critical skills, not people.

- HR: “Who, if they left, would leave you in big trouble?” Manager: “My team couldn’t stay afloat without Sally.”
- HR: “What is so critical that Sally brings to your team?” Manager: “She works with our key algorithm.”
- HR: “What are the critical skills that Sally has that allows her to work with the algorithm?” Manager: “She is an expert in image processing design.”

Rather than cataloging Sally as critical talent, the manager logs “image processing” as a critical skill.

Guiding managers to identify team-specific, not centrally defined, critical skills gives them control over relevant skill sets.

Managers are more willing to accept their peers’ assessment of skills when it is not filtered through a central, HR-led assessment.

Source: Cyber Company; CEB analysis.

1 Pseudonym.
Managers log skills and assess their teams against those skills to better understand the gaps in their own portfolio.

They identify experts and protégés on their team, creating self-awareness around maintaining the right balance in their portfolio.

Cyber Company’s system then highlights critical skill risk areas to help managers visualize their exposure and generate urgency if necessary.

Cyber Company’s Skills-Logging System

<table>
<thead>
<tr>
<th>Total Skills Portfolio of Manager’s Team</th>
<th>Skills at Risk Within Manager’s Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Skills</td>
<td>Number of Experts</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Team A (Manager: Hanson, John)</td>
<td>8</td>
</tr>
<tr>
<td>Team B (Manager: Smith, Alicia)</td>
<td>25</td>
</tr>
</tbody>
</table>

Managers are responsible for inputting:
- The number of critical skills they have identified on their team,
- The number of skill experts on their team, and
- The number of protégés (i.e., members of the team with skill experiences who have not yet mastered the skill).

Cyber Company’s system automatically calculates whether a critical skill is high, medium, or low risk by matching skills against a minimum number of experts and protégés. The system visually highlights the risk for managers associated with the critical skills they have identified.

Cyber Company’s system determines risk based on the following ratios:
- Low Risk = Minimum number of experts and protégés identified for mission
- Medium Risk = Insufficient number of experts and protégés identified
- High Risk = No experts or protégés

Source: Cyber Company; CEB analysis.

1 Pseudonym.
Managers assess critical skills risk separate from what Cyber Company’s system auto-creates, and they record their justification for a change in risk rating.

By logging risk assessments, Cyber Company can conduct a gap analysis for targeted development planning and hiring.

Managers’ assessments of critical skills risk are shared with executives and peers, and high-risk areas are flagged to drive managers to action.

**DRIVE URGENCY TO IMPORT TALENT**

Manager Critical Skills Risk Assessment

<table>
<thead>
<tr>
<th>Skill</th>
<th>Manager</th>
<th>Skill at Risk?</th>
<th>Risk Rating (Auto-Derived)</th>
<th>Skills @ Risk Assessment</th>
<th>Comments/Status</th>
<th>Manager Risk Rating?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Image Processing</td>
<td>Alicia Smith</td>
<td>Yes</td>
<td>Medium</td>
<td>Skill has one expert.</td>
<td>The skill rests solely on one expert with no protégé ready in the pipeline. Manager upgrades this to a “high” risk level.</td>
<td>High</td>
</tr>
</tbody>
</table>

“We noticed your risk was calculated as medium for image processing skills, but you marked it as high…”

“As you can see, although we have one expert, there are no protégés in the pipeline, so this is a high-risk critical skill for my team.”

Managers justify changing the system’s automatic risk assessment by asking the following questions:

- If there are no experts, are strong protégés working on that skill (75% or higher competency)?
- Is there already a replacement in the pipeline for that skill?
- Is there a plan in place to mitigate the risk by tasking potential new protégés or experts on relevant projects?

Source: Cyber Company; CEB analysis.

1 Pseudonym.