



Fuel50 Global Talent Mobility Best Practice Research

Internal Recruitment Practices & Internal Talent Mobility

Part 3/6



Fuel50 conducted best practices research on current talent mobility experiences, best-in-class talent mobility, and the imperatives for talent mobility in the future across high-performing organizations around the world.

This report is the third of a six-part series detailing the key findings from our research study and extensive analysis of workforce and talent mobility trends.

The goals of the study were as follows:

- To understand current trends in internal talent mobility and workforce reskilling across the globe
- To learn what best-in-class career growth and talent mobility looks like today
- To ascertain the key imperatives for talent mobility in the coming decade

Read more about our research design and audience [here](#).



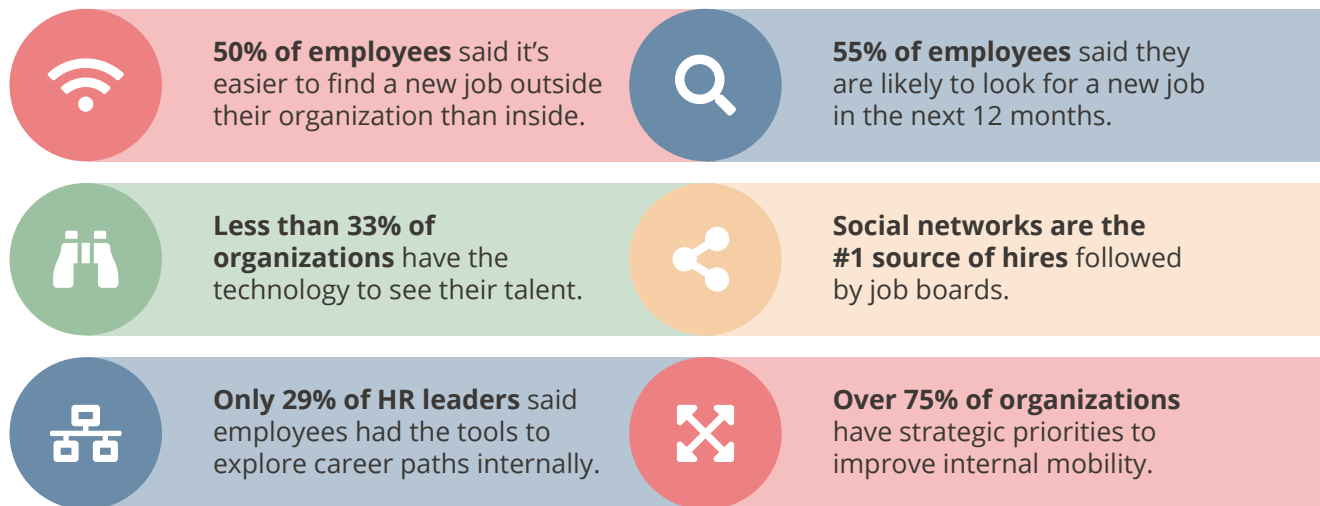
Internal Recruitment Practices & Internal Talent Mobility



Internal recruitment, career development, and upskilling are all absolutely in demand right now. People are willing to learn more within their current organization and even their current role. People are actively looking to grow and develop and are seeking opportunities to move forward in their careers.

As explained in our [Best Practice Guide to Internal Talent Mobility](#), “Driven employees want transparency into opportunities to learn new skills, take on different assignments, shadow on projects, find mentors and volunteer opportunities, and work with different teams and managers -- looking internally for personal growth journeys and new challenges.”¹

Why Organizations Need Internal Talent Mobility Right Now



Source: Fuel50, Global Talent Mobility Best Practice Research

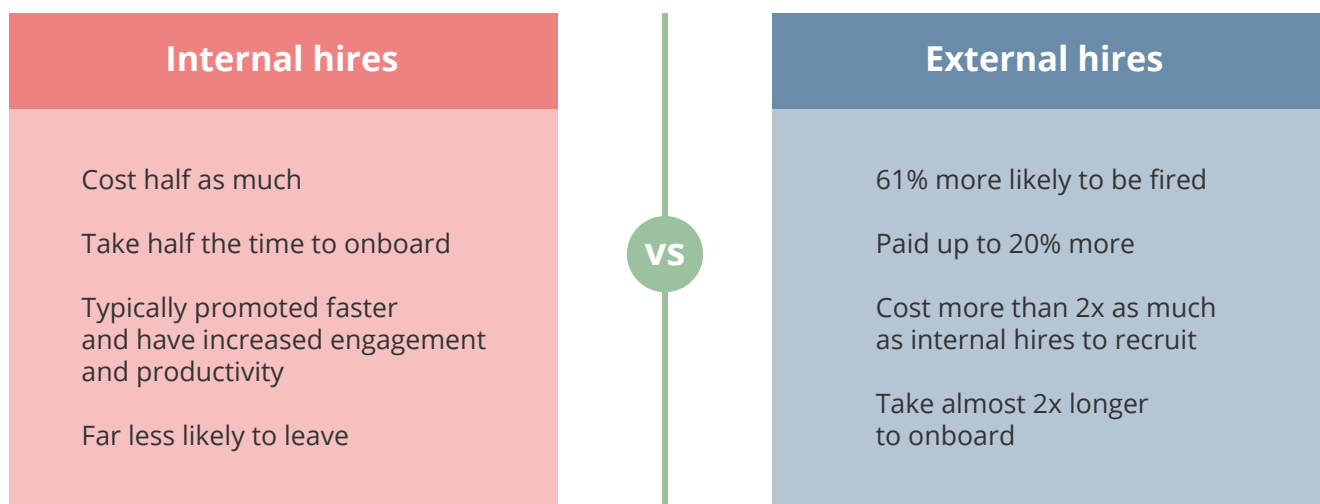


Here is what we know about why internal talent mobility is high on the agenda for organizations everywhere. 55% of employees said they are likely to look for a new job in the next 12 months,² with social networks being the #1 source of hires, followed by job boards.³ And only 29% of HR leaders said employees were exploring career paths internally.

50% of employees said it is easier to find a new job outside their organization than inside. Plus, less than 33% of organizations have the technology to see their talent, despite over 75% having strategic priorities to improve their internal talent mobility initiatives.

The business benefits of internal recruitment and talent mobility are incredible. Internal hires cost half as much, take half the time to onboard, and are typically promoted faster. Plus, they have increased engagement and productivity and are far less likely to leave. On the other hand, external hires are 61% more likely to be fired, are paid up to 20% more, and take almost 2x longer to onboard. Not to mention they cost well over 2x as much as internal hires to recruit.⁴

The Bottom-Line Benefits of Internal Recruitment & Talent Mobility

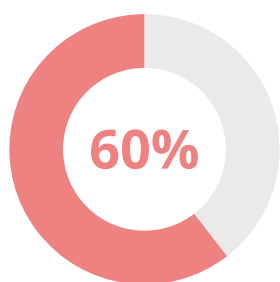


Source: Fuel50, Global Talent Mobility Best Practice Research

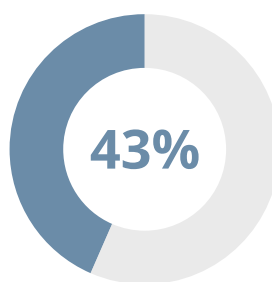
The Current State of Talent Mobility and Recruitment Strategy

Our research has confirmed that internal mobility is one of the top strategic HR priorities for all organizations across the globe right now. 60% of respondents said internal talent mobility is extremely important in their organization, with 43% stating that reskilling is a top strategic priority.

Internal Talent Mobility is a Top Strategic Priority for HR



60% of respondents said internal talent mobility is extremely important in their organization.



43% of respondents stated that reskilling is a top strategic priority for their organization.

Source: Fuel50, Global Talent Mobility Best Practice Research

However, while respondents *said* that talent mobility is a top strategic priority for their organization, our findings show they don't have the numbers to suggest it is happening across the business. Respondents said that reskilling is a top priority, but they can't quantify how many people have made an internal move.

When the pandemic first hit, it shook the world of work. Business confidence dropped, uncertainty rose, and HR's immediate response was to freeze external recruitment until levels of clarity and confidence began to rise again.

With external recruitment on hold, it would be fair to assume this would have created a strong catalyst for recruitment teams to focus their efforts on mining their internal talent to fill critical roles. But our research suggests this wasn't the case, with only 25% of respondents agreeing that they had seen a shift in recruitment ratios with their organization filling roles more via internal recruitment vs. external recruitment over the last 18 months.

“As we enter this new world of work, and “as organizations globalize and compete aggressively for top talent, the importance of internal, enterprise-wide talent mobility has become paramount. Organizations can no longer expect to source and hire enough people with all the capabilities they need; they must move and develop people internally to be able to thrive.”⁵

Current Rates of Internal Recruitment

Our findings indicate there is significant room for improvement when it comes to internal recruitment and internal talent mobility. 58% of respondents said they look internally first when filling open positions, and 35% said most senior leadership roles are filled internally. But actual rates of internal movement across all organizations are still surprisingly low.

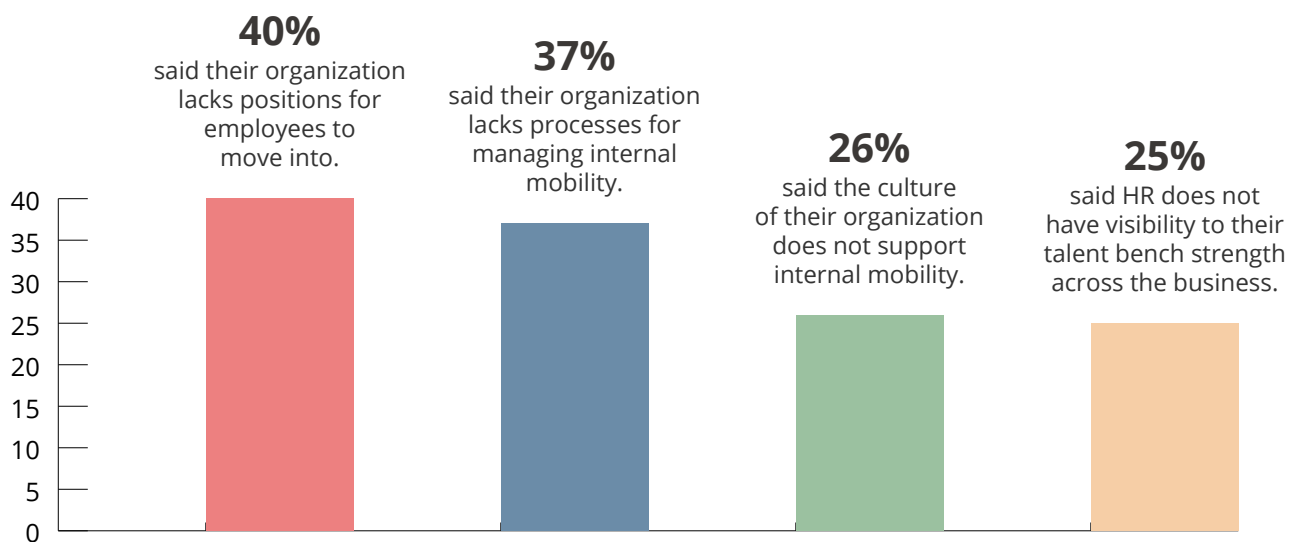
A third said their overall internal hires are less than 25% compared to external recruitment, and 22% said that less than 5% of their people participated in a lateral move last year.



Even more surprising is that 35% of respondents said they do not know their internal recruitment ratio. A quarter of respondents said they do not know what range internal hires sit within in their organization, and 50% of organizations do not track the impact of talent mobility practices against objective criteria. As a result, internal recruitment and internal talent mobility metrics are not captured or reported.

This discovery led us to question what is stopping organizations from having well embedded internal recruitment practices. And why are organizations still relying so heavily on external recruitment, particularly when they already have people internally who can fill the role with their current skills or grow into the role with minimal training and development?

What is Stopping Organizations from Achieving Internal Mobility?



Source: Fuel50, Global Talent Mobility Best Practice Research



Top Blockers to Internal Talent Mobility

With 50% of employee respondents saying it is easier to find a role outside of their organization than inside, there is a pressing need for organizations to review and improve their internal recruitment practices. And, particularly as we now face “The Great Resignation,” internal talent mobility is a valuable tool to support talent retention.

Employees leave organizations when they do not see a developmental path, and they go to organizations where they can see a clear future.⁶ People want visibility to internal opportunities for career development, and many are ready and willing to jump ship to gain it.

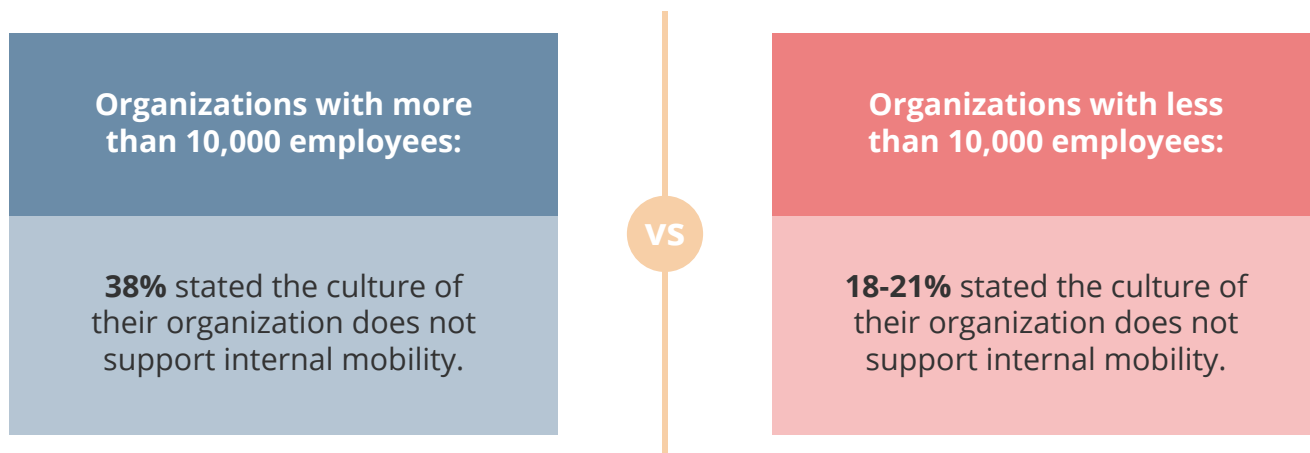
Here are four of the top blockers to internal mobility, as highlighted by our research, and some actionable suggestions for how to overcome them:

An organizational culture that doesn't encourage internal mobility.

22% of respondents said that lateral moves are not encouraged in their organization. When exploring how organization size affected responses, 38% of organizations with more than 10,000 employees stated the culture of their organization does not support internal mobility, versus 18-21% of organizations of varying sizes below 10,000 employees.

One factor that could be contributing to this block to internal mobility is talent hoarding by leaders and managers. As Gallup explains, the problem may be with your managers. Your managers -- knowingly or unknowingly -- may be hoarding your top talent. As a result, they may be inadvertently sending your best people to your competition. Managers should be advocates for their employees. They should help personalize roles and career paths in a way that makes sense with an individual's dreams, strengths, and priorities. Like a coach who always thinks about the next game, managers should direct conversations toward future performance and its rewards.⁷

Lateral Moves are Not Encouraged



Source: Fuel50, Global Talent Mobility Best Practice Research

Recommended Solution

An effective tactic for creating an organizational culture of internal mobility is to reward and recognize leaders and managers for supporting internal mobility statistics (i.e., the number of team members they develop that then move onto other areas of the business), or for attracting talent into their team from across the organization (i.e., talent magnets).

As Larry McAlister, VP of Global Talent at NetApp, says, “[Managers] should be a net exporter of talent. That’s a great goal to spread your influence around the organization with people that you have managed who are now in different areas of the business.”

There are some habits that leaders can develop to become true talent magnets. As Harvard Business Review outlines, “Talent is the make-or-break issue for business success. Few great entrepreneurs and CEOs of our acquaintance would contest that statement. If you are a leader who’s serious about improving your capacity to attract the best talent, you need to develop the habits of a true talent magnet. (...) Our recommendation: cultivate the best talent you can, and keep these individuals apprised of your work, purpose, and ongoing mission. Let them know who you are as a person. Best talents have lots of options. Don’t be surprised when they say ‘no’ to you. Never give up. Keep coming back over a number of years and when these talents are finally ready to move and know how you are different, they will come to you.”⁸

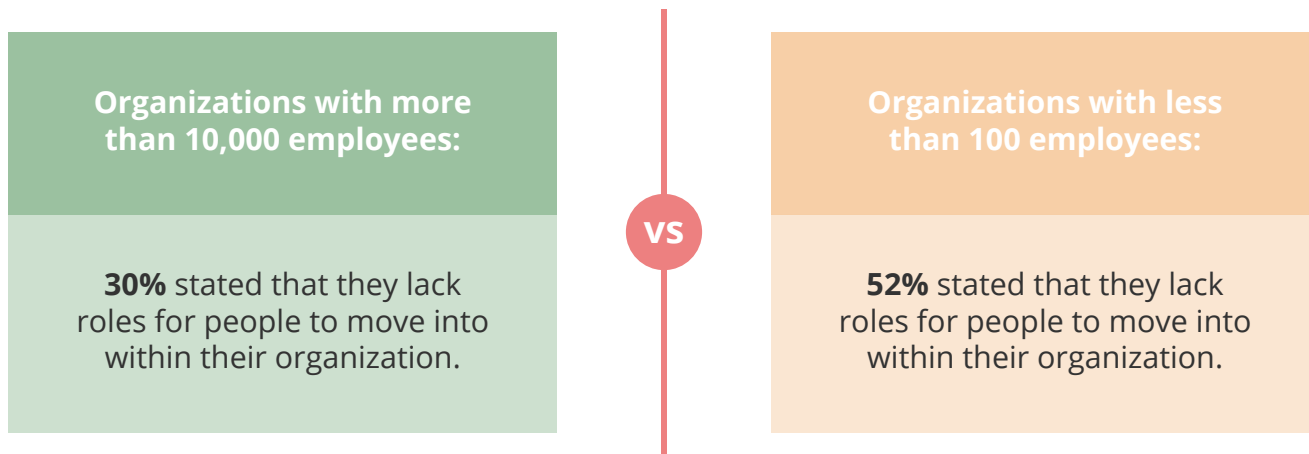
“ Reward and recognize leaders and managers for supporting internal mobility statistics.

A lack of positions for employees to move into.

40% of respondents stated that their organization lacks positions for employees to move into. When exploring how organization size affected responses, 52% of organizations with less than 100 employees said they lack roles for people to move into, versus 30% of organizations with over 10,000 employees. This finding is intuitive as we would anticipate smaller organizations to be leaner in roles and opportunities.

Often when an organization lacks positions for employees to move into, there is either little awareness and marketing of new roles and opportunities across the organization, or employees are not frequently directed to or reminded of internal job boards (if they exist at all). If internal job boards exist, they are old, outdated, and not user-friendly or engaging, turning employees off.

Not Enough Open Roles to Support Employee Mobility



Source: Fuel50, Global Talent Mobility Best Practice Research

Recommended Solution

If organizations don't have open requisitions, it is still critical to offer employees opportunities to develop their skills. Gigs and stretch assignments are exceptional tools for boosting talent retention in the absence of open positions. And project-based work gives employees the opportunity to learn and grow whilst the business harnesses the internal skills and talents they already have.

As discovered by our [research on Career Agility](#), 86% of employees think they have skills and talents today that are not being used by their organization. Companies need to create transparency to be able to join the dots between the untapped skills and talents that employees have, and that the organization needs.⁹

Fuel50's Gigs functionality gives employees access to career growth and stretch assignments. Leaders across the business can post a gig, promote it, review and assign applicants, and follow up with Feedback to support organization-wide career development and talent-harnessing. Gigs are suggested to employees based on their skills and talents they wish to develop, supporting their career growth goals.



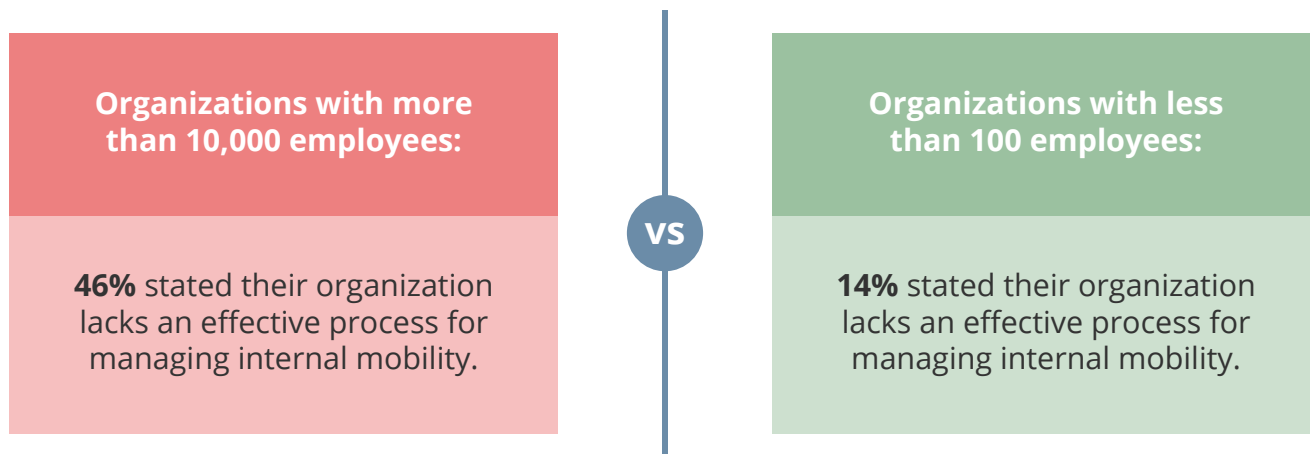
One of the world's leading BioTech companies, who were also the first to release a COVID-19 test, used Fuel50's Gigs functionality to deliver over 1 million hours of unlocked productivity. In just six months, 1 million gig experience hours were taken across the business. As a result, their workforce was ready to pivot and respond to the unprecedented circumstances brought about by the pandemic.

Poor processes for managing internal mobility.

Our research found that 37% of all respondents said their organization lacks effective processes for managing internal mobility and 35% of HR leaders said their employees face challenges moving into new positions when there is an opening and/or learning opportunity.

Not only that, 50% of respondents do not track the impact of talent mobility practices against objective criteria. When exploring how organization size affected responses, 46% of organizations with more than 10,000 employees stated their organization lacks an effective process for managing internal mobility, versus 14% of organizations with less than 100 employees.

Organizations Lack Effective Internal Mobility Processes



Source: Fuel50, Global Talent Mobility Best Practice Research

Recommended Solution

Organizations with poor internal mobility processes would benefit from running focus groups with employees, to better understand how internal mobility processes could be improved. These focus groups should cover areas such as:

- i. *Access to information:* How easy is it to find information about open roles across the organization? Are employees notified of these, or do they have to find them? Where is this information housed, and how frequently is it updated?
- ii. *Ease of application:* How easy is it to apply for open internal positions? What information is typically requested? How long does the internal recruitment process take?
- iii. *Ideas for process improvements:* How could internal recruitment processes be improved to make them easier and more user friendly?

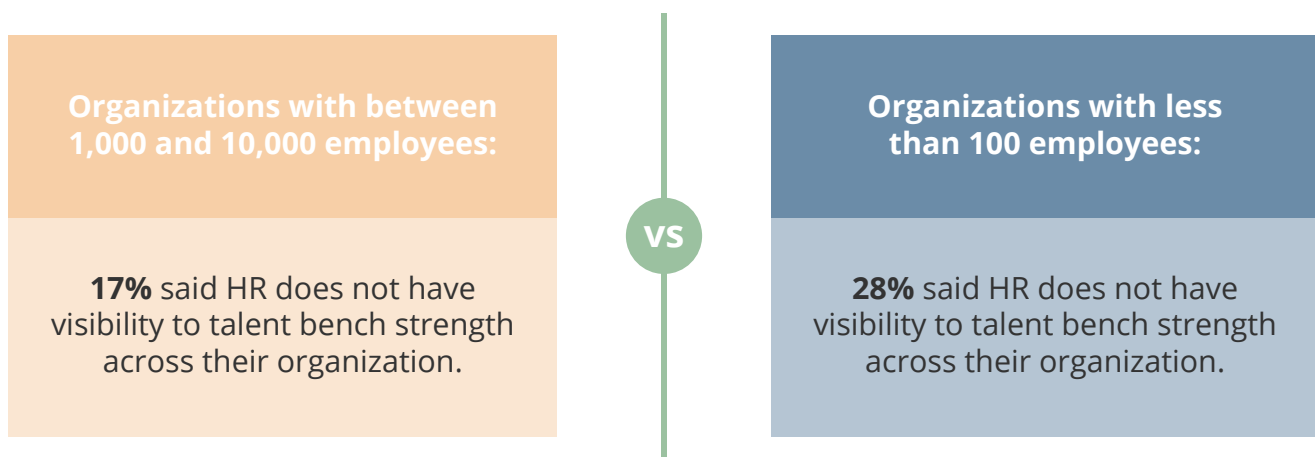


HR do not have visibility to talent bench strength.

A quarter of respondents said their HR teams do not have visibility to the talent bench strength across their organization. When exploring how organization size affected responses, 17% of organizations with between 1,000 and 10,000 employees said that HR does not have visibility to the talent bench strength across their organization, versus 28% of organizations with less than 100 employees. Ironically, smaller organizations appear to have less visibility to their internal talent.

As we know, talent visibility is a crucial component to talent mobility and the future of work. And there are clear business benefits to having high visibility to talent bench strength. These include lower voluntary attrition, lower recruitment costs, lower unfilled positions, higher internal mobility, higher employee productivity, and higher training and development spend, as best-in-class organizations invest more in training and development to achieve these gains.

Lack of Visibility to Talent



Source: Fuel50, Global Talent Mobility Best Practice Research

Recommended Solution

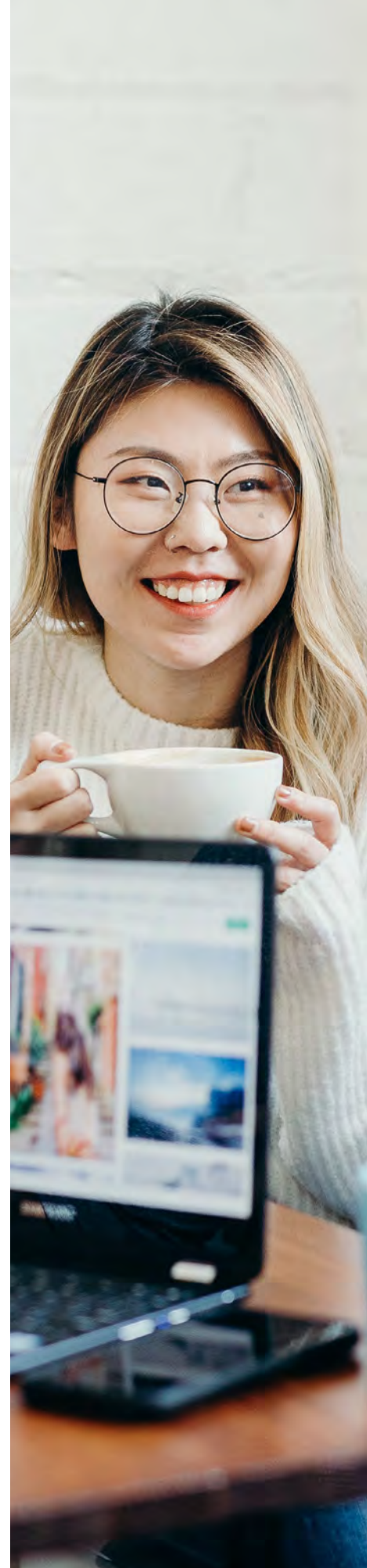
In our [Best Practice Guide to Internal Talent Mobility](#), we highlighted that internal recruitment practices and talent mobility are going to be essential in this new era of work and “a talent marketplace solution is required to apply this talent operating model in a sustainable and scalable way.”¹⁰

Today’s best-in-class talent marketplaces are aiming to connect people to the opportunities within their existing organizations. Not just jobs but also mentors, learning experiences, stretch assignments, and all the other elements that we need to grow our careers and maximize our talent in an organization.

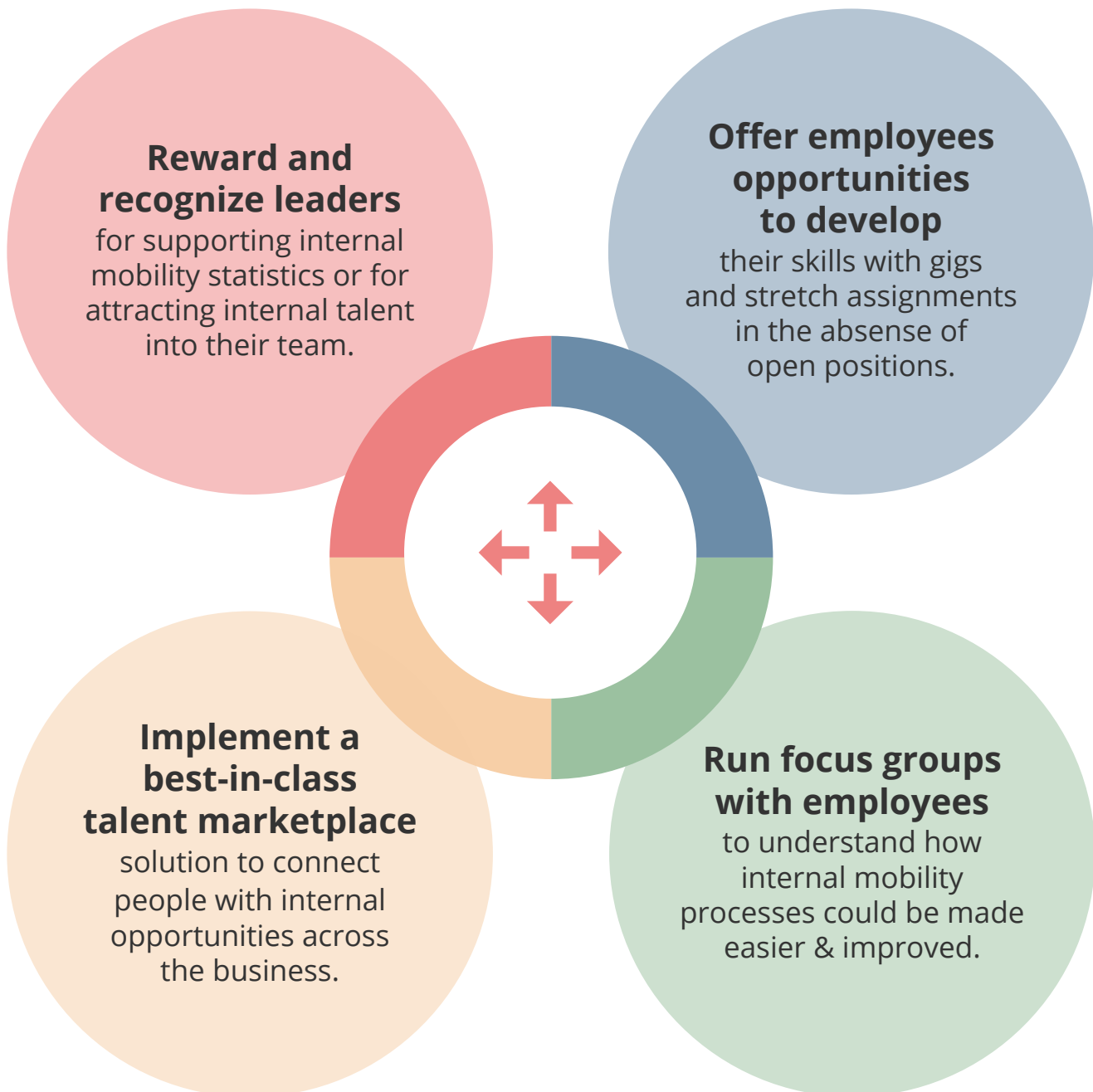
We are at a time when talent optimization and internal mobility are more critical than ever for business agility and even business continuity. Companies that have full visibility to all the different types of talent at their disposal, with a true line of sight to how work is getting done, by whom, with what skills, performed where and at what value, will have an immediate and significant competitive advantage.

What the [Fuel50 platform](#) achieves, and what we think is the future of talent enablement and talent optimization, is employees that are entirely enabled to drive the utilization of their talents. Put that into the talent marketplace, and that will drive talent optimization across the organization so that you do have the right skill and capability where you need it when you need it and in an agile way.

Trane Technologies, a global Industrial Manufacturing organization, had an internal recruitment rate of 38.7% when they introduced the Fuel50 platform. Just two years later and internal recruitment rates across the business had risen substantially to 55%. This was an incredible achievement for Trane Technologies and their people, not to mention a huge saving on time-consuming and costly external hires.



How To Improve Internal Mobility in Your Organization



Source: Fuel50, Global Talent Mobility Best Practice Research



Best-in-class organizations that champion internal talent mobility are more likely to retain their top talent

Despite being high on the agenda of top strategic HR priorities for organizations everywhere, there is significant room for improvement to internal recruitment practices and internal talent mobility. Stay ahead of the game to retain your talent.

As we face shifting talent supply dynamics, there is an urgent imperative for organizations to improve their rates of internal mobility and ensure that internal recruitment and internal talent mobility metrics are being captured and reported. There is an opportunity right now for those that prioritize this to improve talent retention, boost their employer brand, and stand out against the rest.

To win the war on talent and significantly improve talent retention statistics, organizations should provide their people with a long-term vision of their evolving role, what other opportunities exist within the organization, and which of those opportunities align with their interests and talents.

HR teams and leaders must also work to understand the goals and aspirations of each of their people and help make them happen. The more people feel supported in their individual goals, the more they will be engaged and feel the organization is doing everything possible to offer them growth experiences, help build their career, and, ultimately, keep them on board.

About the Authors



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Anne Fulton the author of *The Career Engagement Game* (a blueprint for workforce agility), worked 20 years as an Organizational Psychologist, and is currently founder and CEO of Fuel50. Josh Bersin, Global HR Industry Analyst, describes Fuel50 as the leader in its thinking, conceptualization, and execution of the Talent Marketplace. Anne is recognized as a talent futurist, with her team supporting some of the world's leading organizations and brands like United Nations, Verizon, HPE, Coca-Cola and CVS, and many more who are innovating on the employee career experience. Anne is a true thought-leader in the HR space - and has been described by SIOP as "one of the best keynotes I have heard over the last three decades of attending conferences in our field."



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Marija is an Industrial/Organizational Psychologist and leads Fuel50's team of Workforce Architects. Marija is responsible for Fuel50's career architecture design approaches, and ensuring they drive business outcomes. Marija supports across Fuel50's clients, leading the design and delivery of career architecture. Marija's experience spans over 15 years of high impact consulting working in organizations such as IBM (London & Auckland), Kenexa, Imperial Tobacco and more. Marija is a sought-after speaker in the well-being, career management and organizational change space.

Research Design

Fuel50's Global Talent Mobility Best Practice Research was conducted to understand current talent mobility practices, best-in-class talent mobility, and the imperatives for talent mobility in the future across high-performing organizations around the world. We invited both HR Leaders and Employees to complete the survey via social media posts, direct email reach outs to Fuel50's valued community of clients and thought leaders, and by asking attendees at our virtual FuelX Conference in April 2021 to respond.

Within the sample of HR Leader respondents, the largest proportion worked for organizations within the industries of Professional, Scientific, and Technical Services (25%), followed by Finance & Insurance (9%). 37% of the HR Leaders were from organizations with over 10,000 employees. The majority of respondents organizations had a presence in North America (74%), followed by Europe (44%) and Asia (42%).

Within the sample of Employee respondents, 41% have been in paid, full-time employment for over 20 years, with 35% identifying as being in an Individual Contributor/Specialist role and 29% as a Senior Specialist. Most respondents (41%) worked in the industries of Professionals, Scientific, and Technical Services.

More than half (53%) of the sample were in North America, with the remainder located in Australasia (Australia and New Zealand) 17%, Europe 11%, Asia 11%, and the rest of the world 9%. [Click here for more details on the research design.](#)



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Thank You

This report is the third of a six-part series detailing the key findings from our research study and our extensive analysis of workforce and talent mobility trends.

We would love to hear from you. If you have any questions, suggestions, or feedback, please contact us at hello@fuel50.com.

We look forward to sharing more learning with you!

Fuel50 is the AI Talent Marketplace solution that delivers internal talent mobility and workforce reskilling.

With hyper-personalized AI and a deeply embedded commitment to diversity and inclusion, Fuel50 activates your talent. Fuel50's ethical AI matches your people to opportunities in real-time, automatically maps your workforce architecture, and provides deep data insights for predictive talent and workforce planning.

Over 80 organizations around the globe saw immediate impact since deploying Fuel50, with up to 65% increase in lateral movement, 35% increase in internal recruitment, and 60% reduction in employee churn.

Fuel50 powers the workforce of the future.

Learn more: www.fuel50.com

