



The State of Internal Mobility, Succession, and Career Development

2020 EDITION

**Leverage internal mobility, succession
planning, and career development to boost the
chances of long-term organizational success**



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Executive Summary

Talent mobility and development can make the difference between organizational success and failure. Done well, they ensure that organizations have the right people ready at the right time for key roles today and in the future. This allows continuity in leadership ranks and bolsters workforce engagement and performance.

In this study, we explore three crucial talent-focused components of talent mobility and development: internal workforce mobility, succession planning and management, and employee career development.

While all three systems require active involvement from both the organization and its employees, internal mobility and succession tend to be more top-down and career development tends to be more bottom-up.

Below are some of the key issues we explore in this report:

- the impact the Covid-19 pandemic has had on employee development
- the prevalence, importance and effectiveness of internal mobility, career development and succession management
- the barriers to effective mobility as well as factors that contribute to successful mobility
- the details of how succession management and career development are carried out
- the key differences between organizations with successful approaches to internal mobility, career development and succession management and their less successful counterparts

About this Survey

"The State of Internal Mobility, Career Development and Succession Management" survey ran from July through September 2020. We gathered 294 usable complete and partial responses from HR professionals in virtually every industry vertical. Respondents are located all over the world, but most of them resided in North America, especially the United States, at the time of the survey.

The participants represent a broad cross section of employers by number of employees, ranging from small businesses with fewer than 50 employees to enterprises with 20,000+ employees. Questions for the survey were guided by an independent panel of HR professionals and mobility experts whom we thank for their invaluable insights.



Defining “internal mobility,” “succession” and “career development”

We provided the following definitions to the survey respondents:

Internal mobility refers to the movement of employees to new jobs, roles and opportunities within the same organization. These movements may represent either permanent assignments or short-term assignments for the purposes of learning or filling in temporarily.

Succession refers to the process of replacing employees, often leaders, with other employees who can fill that role. Succession management refers to the organization, planning and administration of succession.

Career development refers to the improvement of an employee’s capabilities through the training, education, and work experience, usually with the attainment of a specific professional goal in mind. Individual Development Plans, or IDPs, are commonly used to help employees define and pursue their career goals.

ON INTERNAL MOBILITY

Major
Finding

1

Companies seem to overestimate their internal mobility capabilities and underestimate the importance of those capabilities.

- Only half of HR professionals agree or strongly agree that their organization has an effective internal mobility process, but even this may be an overestimate.
- Only one-fifth say there is considerable internal mobility in their organization, and just 38% say the organizational culture supports job mobility.
- One barrier to success may be that organizations do not attach enough importance to internal mobility. Only 40% deem it to be an important or very important issue in their organizations.
- Another barrier is that managers often impede mobility. Fifty-seven percent say managers are not encouraging of employee movement within their organizations.

Major
Finding

2

Organizations deemed effective at internal mobility are more likely than their less effective counterparts to:

- say internal mobility is important to their organization
- have managers who encourage job mobility
- provide information about open positions internally
- devote time to employee development, even since the start of the Covid-19 pandemic



ON SUCCESSION PLANNING AND MANAGEMENT

Major
Finding **3**

Most organizations are dangerously ineffective at succession management given that it is closely associated with “assuring business continuity.”

- Only 40% of respondents agree that their organizations have an effective process for managing succession, whereas 39% actively disagree that they do.
- This lack of effectiveness seems especially dangerous given that the most widely cited reasons for managing succession are assuring business continuity and preparing future leaders.
- One of the potential reasons for the lack of effectiveness is a lack of formal structure and process; in fact, only a quarter of respondents say they have a completely formalized succession management process.

Major
Finding **4**

Organizations deemed effective at succession management are more likely than their less effective counterparts to:

- have a formal succession management process
- say that a key reason for succession management is that they want to prepare future leaders
- identify candidates for key roles by using high-potential designations



ON CAREER DEVELOPMENT

Major
Finding

5

Career development programs are badly underutilized given that most employees want their organizations to provide them.

- Just 54% of HR professionals say their organization has a career development process and/or program, yet 75% agree that employees in their organizations are looking for more career development opportunities.
- Even among those organizations that have career development programs, only about half provide them to all employees. Executives and managers are the groups most likely to receive career development opportunities.
- Just 21% of respondents say their managers have the skills required to help employees develop careers.

Major
Finding

6

Organizations deemed effective at career development are more likely than their less effective counterparts to:

- have a career development program or process
- provide career development programs to all employees, as opposed to only certain groups
- say their managers are skilled in developing their employees' careers



The Current State of Talent Mobility and Development

Throughout this report we analyze the three major components of what we call “talent mobility and development:”

- internal mobility
- succession management
- career development

While these three areas often operate independently and have different priorities, they tend to work best when operating together in a cohesive way. We believe that success in one area can lead to success in another.



Internal Mobility: An Underestimated Challenge

Perceived Effectiveness



Finding: Only half of HR professionals say their organization has an effective process for managing internal mobility, and even that may be an overestimate

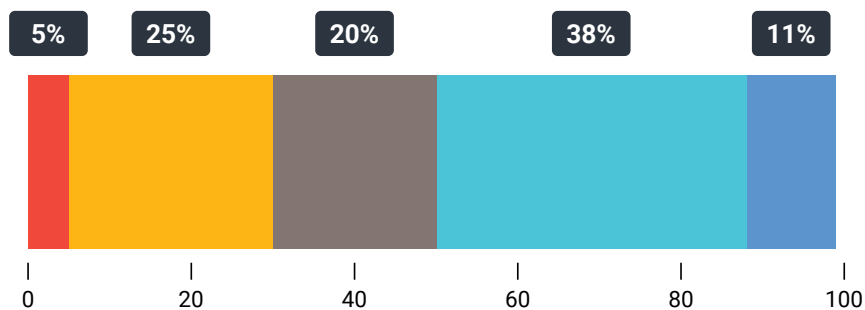
We asked survey respondents whether their organization has an effective process for internal mobility. Only half (49%) say that they do. Moreover, based on other survey findings, we suspect that some HR professionals are overestimating their organizational effectiveness in this area.



Thirty percent actively *disagree* that their organization is effective at internal mobility

Survey Statement: Your organization has an effective process for managing internal mobility.

■ Strongly disagree
 ■ Disagree
 ■ Neither agree nor disagree
■ Agree
 ■ Strongly agree





Finding: Only one-fifth say there is considerable internal mobility in their organization

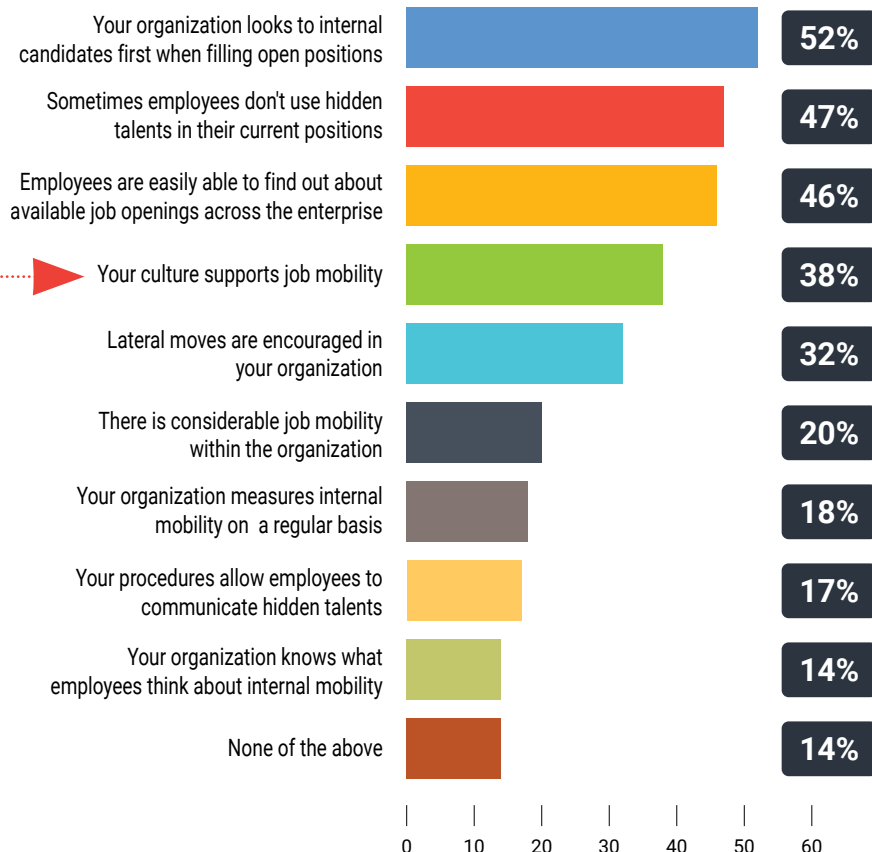
Just 20% say that there is considerable mobility within their organization, making us question whether half of organizations are truly effective in this area. Another reason for skepticism is that only 18% regularly measure internal mobility. Therefore, most organizations do not seem to have a solid grasp of what is happening in regard to internal mobility.

Only 52% say their organizations look to internal candidates first when filling open positions, and just 46% say employees are easily able to find out about available job openings across the enterprise. Even worse, just 38% say their culture supports job mobility and only 32% say lateral moves are encouraged.



Just 38% say their culture supports internal job mobility

Survey Question: Which of the following statements are true in your organization? (select all that apply)



Defining Small, Mid-sized and Large Organizations

Throughout the report, we look at the findings based on company size. We deem organizations with 1-99 employees as “small,” those with 100-999 as “mid-size” and those with 1,000 or more employees as “large.”



Hindrances to Internal Mobility

Finding: One key hindrance to internal mobility is that managers do not encourage it

There are two major barriers to internal mobility cited by more than half of respondents:

- lack of positions to move into (63%)
- managers who are not encouraging of movement (57%)

The lack of open positions, of course, can hinder internal mobility; an employee cannot move into a position that doesn't exist. This point may be even more compounded due to the Covid-19 pandemic, when many organizations have had to lay off employees. In some cases, this limited the number of positions available even further.

It is important to note, however, that mobility doesn't always mean up; it can also mean lateral or even down. For example, an administrator can move from one department to another. If an organization suffers from a lack of internal mobility, it may want to consider more lateral transfers.

The issue of managers who do not encourage movement may be an even bigger problem. Managers may want to hold on to their top performers even if those direct reports would like to try other jobs in other parts of the organization. Although we can understand why managers often wish to keep their best performers, it is usually in the best interest of organizations as a whole to discourage such “talent hoarding.” An employee who has a greater number of job experiences can often be more valuable to the overall organization.

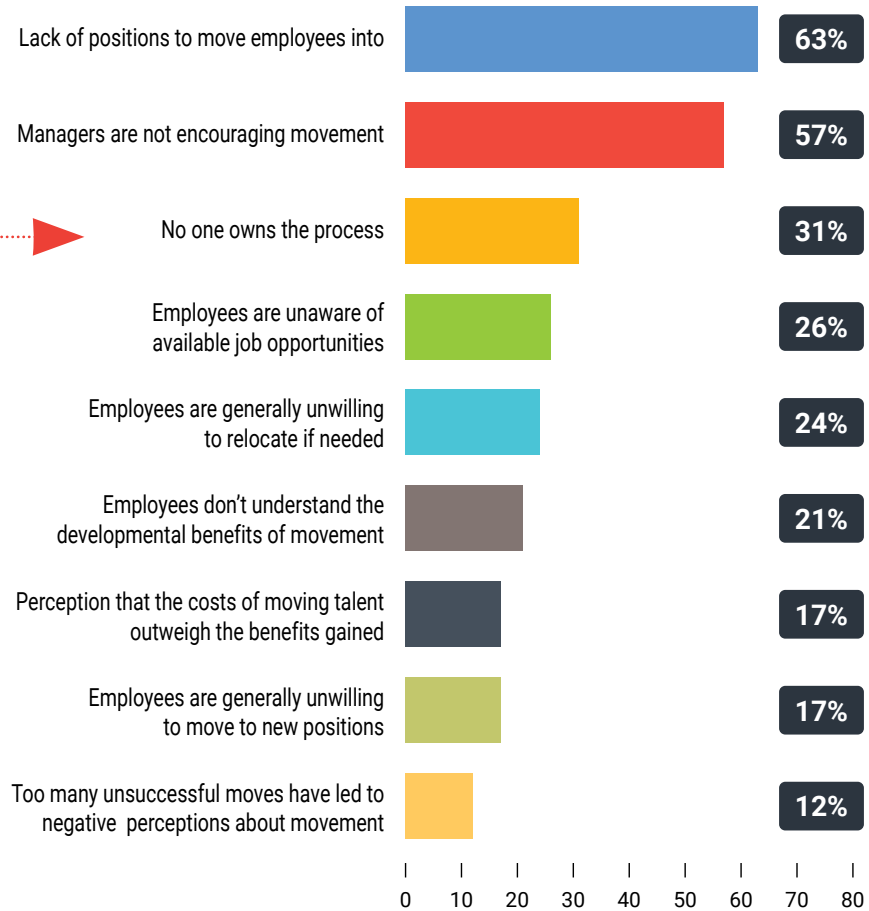
The survey data indicates that this talent hoarding problem is worse at large and midsize organizations than at smaller ones. Perhaps that's because it is harder to “hide” good employees in small organizations. People are more aware of one another's talents and performance levels, and employees are more aware of new opportunities in the organization.





Nearly a third say no one owns the internal mobility process

Survey Question: In your organization, what hinders internal mobility? (select all that apply)

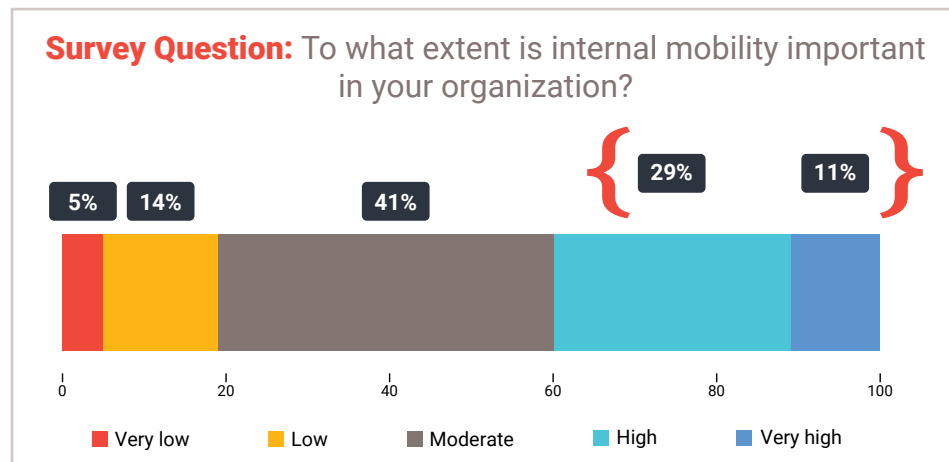




Finding: Many HR professionals do not view internal mobility as being of high importance, an issue potentially driving down effectiveness

Only 40% say that internal mobility is highly or very highly important. On the other hand, 41% say it is moderately important, meaning that about eight-in-ten believe internal mobility is of at least moderate importance. This relatively low perceived importance may help explain why so few corporate cultures support internal mobility.

These views vary by size of organization. Just 17% of small organizations say internal mobility is highly important compared with 43% of mid-size and 45% of large companies. This makes sense. Larger organizations tend to see more internal movement because there are more employees and more positions for these employees to move into.



Drivers of Internal Mobility



Finding: A majority say it is easy for skilled employees to move into a new positions, though this may refer to administrative rather than cultural issues

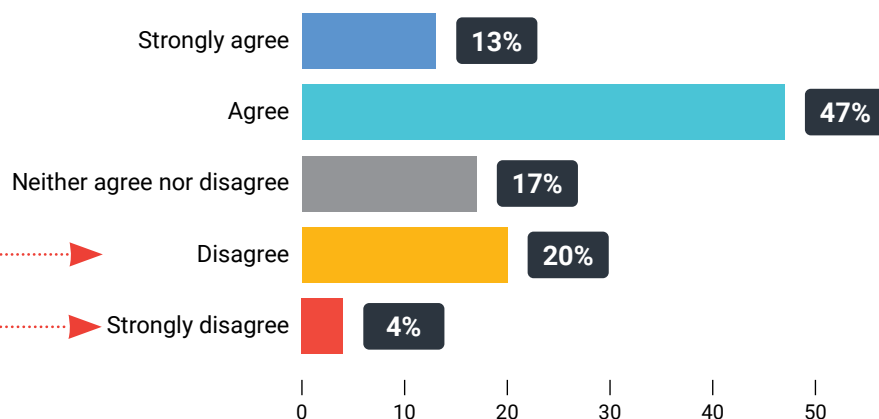
More than half (60%) agree or strongly agree it is easy for a skilled employee to move into a new position when there is an opening and/or learning opportunity. However, this finding seems to conflict with some other findings, such as that managers and the overall culture do not encourage job mobility in most organizations. Therefore, we interpret this to mean that if employees become aware of another job and if their supervisor doesn't try to discourage their movement, then it is logistically easy for HR to move employees into a new position.

About a quarter (24%) of respondents actively disagree or strongly disagree that it is easy for a new employee to move into a new position. This may be an indication that administrative red tape and bureaucratic hoops sometimes hinder mobility. Indeed, this bureaucracy explanation is supported by the fact that the larger the organization, the harder it is for skilled employees to move into new positions. Such moves are seen as "easy" in 69% of small organizations compared to just 54% of large ones.



About a quarter actively disagree that internal movement is easy

Survey Statement: In your organization, it is easy for a skilled employee to move into a new position when there is an opening and/or learning opportunity.



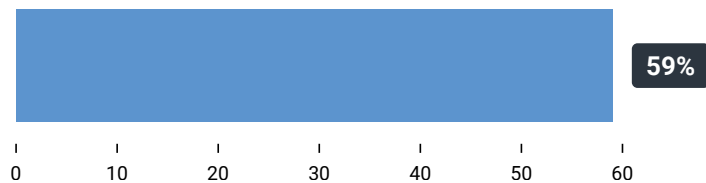


Finding: About three-fifths report having tools and technologies that make it easier for employees to access information on open positions

Nearly three-fifths (59%) say that their organization has easily accessible information on open positions. Small organizations are less likely to have such information (42%). This could be because small organizations are less likely to consider internal mobility important. Another possible factor is that smaller organization may not need such tools, being better able to communicate information on open positions by word of mouth.

Survey Question: Which of the following tools and technologies does your organization use?

Easily accessible information on open positions



The Advantages of Upward Mobility



Finding: Upward mobility is associated with higher retention rates

Most people change jobs numerous times throughout their career. A Bureau of Labor Statistics survey of the baby boomer generation found that they changed employers an average of 12 times during their careers.¹ Using a 40-year career as an example, this comes out to an organizational change roughly every 3.3 years. By encouraging job mobility within their own organization, employers may be able to retain skilled employees who would otherwise be looking outside for new opportunities.

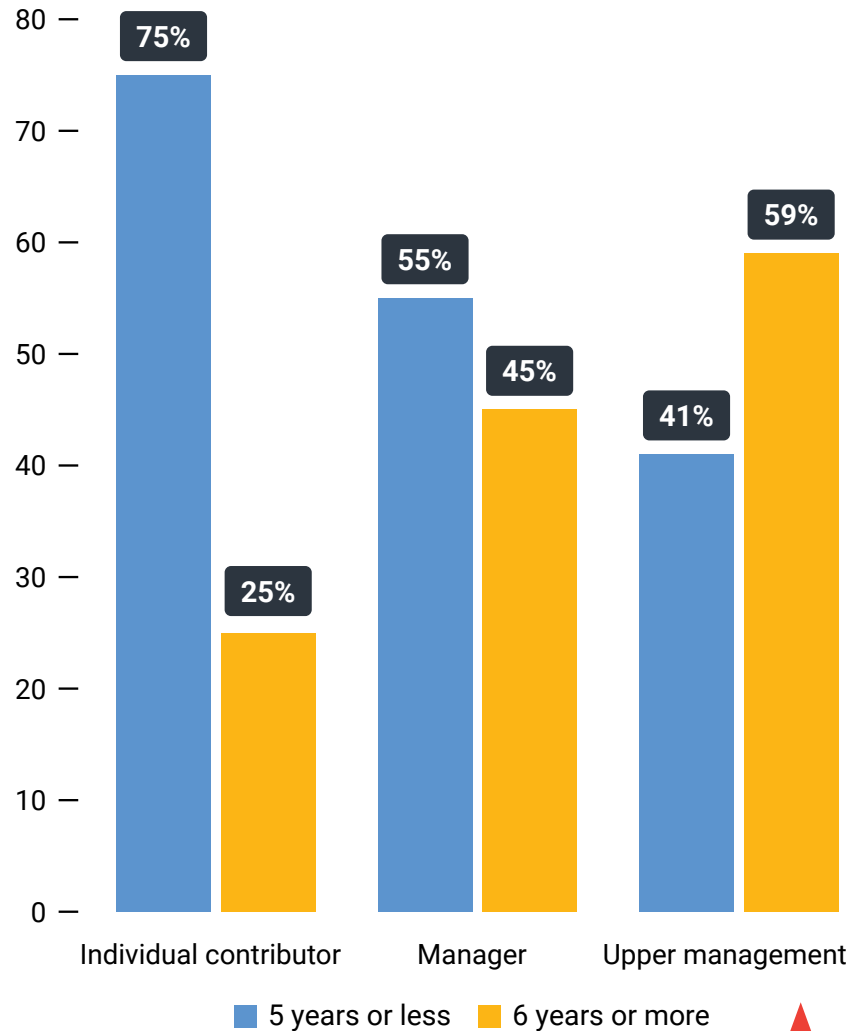
Individual contributors spend the least amount of time in an organization before moving to a new position. Fully 75% of HR professionals say individual contributors spend an average of five years or less in their positions. In contrast, only 55% of respondents say that managers spend an average of five years or less, and just 41% say the same about employees in upper management. Most respondents say that those in upper management stay in their positions for six years or more.

In short, the higher up in the organization an employee rises, the longer they are likely to spend with that organization. This confirms what many of us would intuit, that upward mobility is linked to higher retention rates.



¹ U.S. Bureau of Labor Statistics. (2019). *Number of Jobs, Labor Market Experience, and Earnings Growth: Results from a National Longitudinal Survey*. Retrieved from <https://www.bls.gov/news.release/pdf/nlsoy.pdf>

Survey Question: In your organization, what is the average time employees typically spend in their positions before moving to another position?



A majority say those in upper management are likely to stay in their positions for six years or more

Editor's Note: We removed the responses for those who said "don't know." We also combined four ranges of categories into two for the purpose of this report.



Internal Mobility Leaders Versus Internal Mobility Laggards

To take a closer at what differentiates organizations with effective internal mobility processes from those with less successful internal mobility processes, we separated our sample into two cohorts:

- **Internal mobility leaders:** respondents who agree or strongly agree that their organization has an effective internal mobility process.
- **Internal mobility laggards:** respondents who disagree or strongly disagree that their organization has an effective internal mobility process.

Correlation does not necessarily indicate causation, of course, but these relationships can provide clues about possible best practices related to internal mobility.

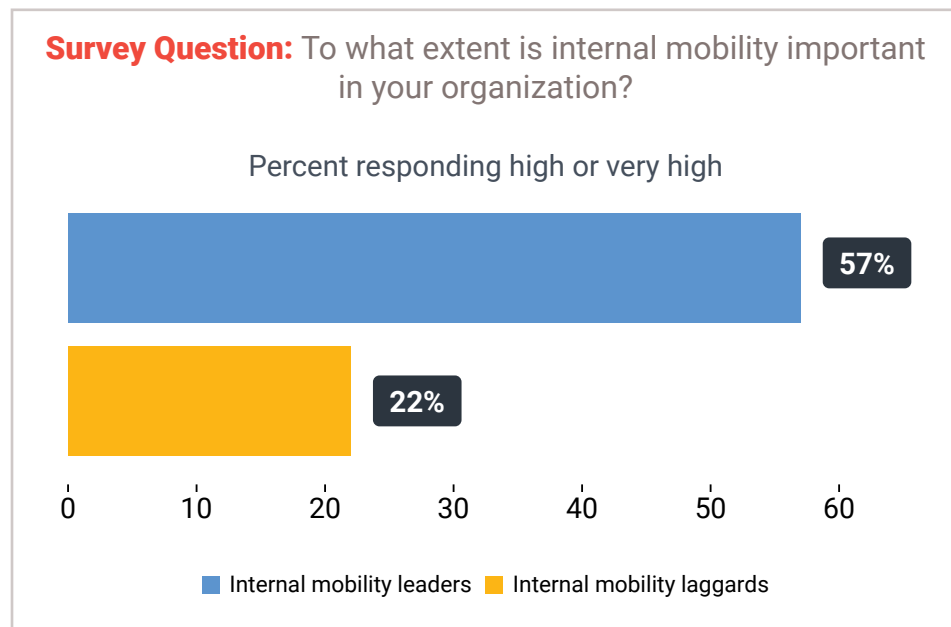




Finding: Internal mobility leaders are almost three times as likely to say internal mobility is important to their organization

Organizations that prioritize internal mobility tend to have better success with it. There is a 35 percentage-point difference between internal mobility leaders and internal mobility laggards in terms of the importance they attach to such mobility. Only 22% of laggards rate the importance of internal mobility as high or very high, but 57% of leaders say this is the case.

Organizations that view internal mobility as important are more likely to see better results in mobility-related actions. In short, organizations first have to prioritize internal mobility to get better at it.



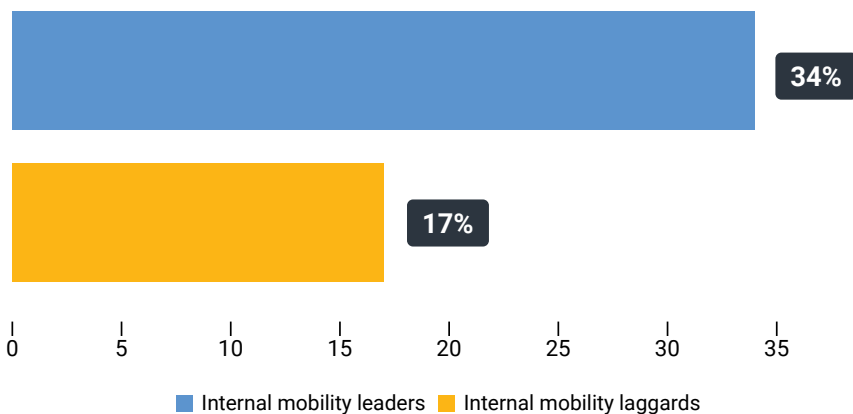


Finding: Internal mobility leaders are more likely to have increased employee training since the start of the Covid-19 pandemic

Internal mobility leaders are far more likely to have increased the amount of time devoted to employee development during the Covid-19 pandemic. Thirty-four percent of internal mobility leaders say such development time has increased since the start of the pandemic, whereas just 17% of internal mobility laggards say the same. This added focus on development may make internal mobility more effective.

Survey Question: Since the start of the Covid-19 pandemic, how has the amount of time devoted to employee development changed in your organization?

Percent responding increased a little or increased a lot





Finding: Internal mobility leaders are more likely to have information about open positions

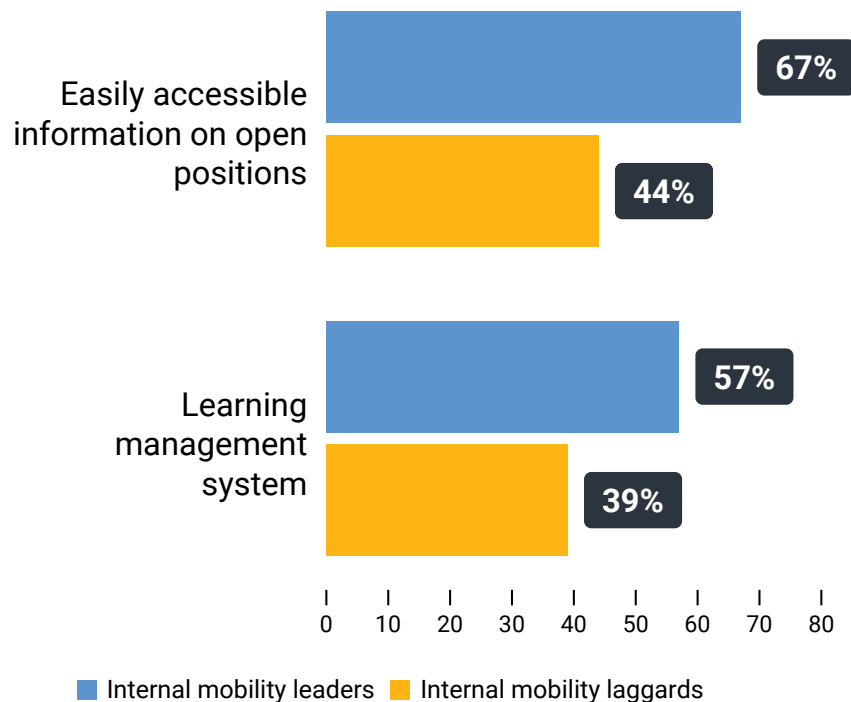
Sixty-seven percent of leaders use technology to make information on open positions readily available to their workforce whereas only 44% of laggards do.

Also, more than half (57%) of internal mobility leaders deploy learning management systems compared to just 39% of internal mobility laggards. These systems may make it easier for employee development to occur, thereby better preparing employees to fill other internal positions.



There is an 18 percentage-point difference between leaders and laggards when it comes to using LMS

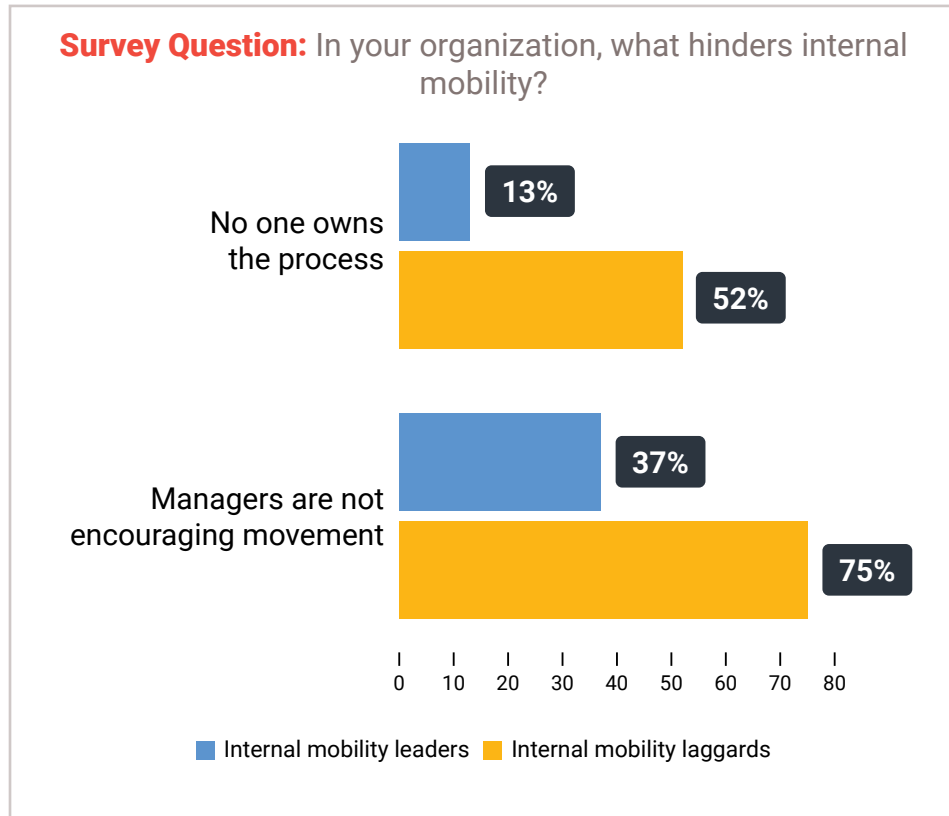
Survey Question: Which of the following tools and technologies does your organization use?





Finding: More than half of laggards say no one owns the internal mobility process

Three-quarters of internal mobility laggards say their managers are not encouraging internal movement, but just 37% of leaders do. Similarly, more than half (52%) of laggards indicate there is no owner of the internal mobility process, in contrast with only 13% of leaders.



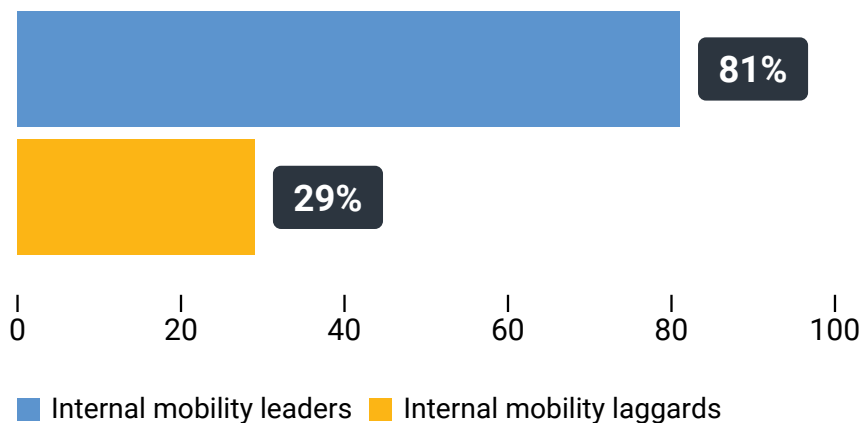


Finding: Employees at internal mobility leader organizations have an easier time moving to new positions

Understandably, 81% of internal mobility leaders agree or strongly agree that it is easy for a skilled employee to move into a new position when an opportunity arises. However, just 29% of internal mobility laggards feel the same. This could be because leader organizations feel internal mobility is an important part of their organization and devote more time and resources to the process. As we know from previous findings, leader organizations have more managers who are encouraging of the process and are more likely to have someone own the process. It may also be due to fewer bureaucratic barriers to internal movements.

Survey Statement: In your organization, it is easy for a skilled employee to move into a new position when there is an opening and/or learning opportunity.

Percent responding agree or strongly agree



Succession Planning/Management: A Dangerously Ineffective Process

The Prevalence of Succession Planning



Finding: Most organizations plan or otherwise manage succession, but large organizations are especially likely to do so

Nearly three-quarters (73%) of HR professionals say their organizations plan succession either formally, informally, or a mix of both. We find it interesting that just as many respondents say they have programs that are informal as they do formal ones (25% for both). Another 23% say their programs are a mixture of both formal and informal.

Many organizations (27%) do not have any processes in place for proper succession. This can, of course, be especially problematic when high-level executives leave and there is no one to fill their roles, leading to organizational disruption.

Differences by company size

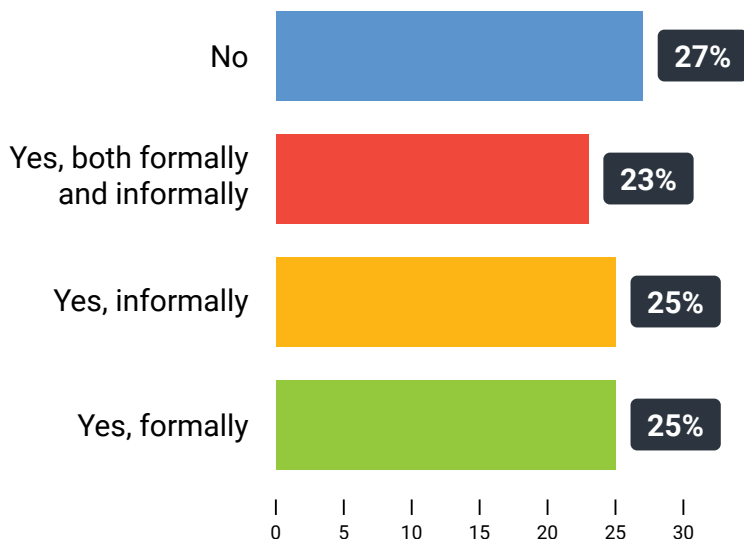
Large organizations are far more likely to have a formal succession plan in place (35%) than mid-size (13%) and small (20%) organizations. They are also more likely to have succession plans in place overall: 78% of large organizations have some form of plan in place (whether formal, informal or both) as opposed to 67% of small organizations and 70% of mid-sized companies. Larger companies may also, of course, need to prove that they have a plan in place for shareholders and/or board members who have a say in the company's direction.





One-quarter of responding organizations only have a formal succession management plan in place

Survey Question: Does your organization plan or otherwise manage succession, either formally or informally? (select the one that best applies)



Perceived Effectiveness



Finding: Just two-fifths agree or strongly agree their organization has an effective process for succession planning

We asked survey respondents to describe if their organization has an effective process for succession management/planning, and only 40% agree or strongly agree that this is the case.

In some instances, a lack of effectiveness is related to the fact that, as previously discussed, the employer does not have any succession management/planning initiatives at all. When we confine ourselves only to those with some form of succession planning process, 56% of respondents agree their process is effective.

Of course, this still means that even among organizations with some form of succession management/planning process, a large proportion still believe they lack effectiveness. Given the importance of leadership and succession to business continuity, we consider this to be a dangerous state of affairs for many companies.

To be truly effective, organizations need to look beyond just the top spot in any organization. Writing in *Harvard Business Review*, Korn Ferry succession management experts Victoria Luby and Jane Edison Stevenson, note: “Companies should develop a dual focus that includes both preparing capable near- and mid-term leaders and identifying those deeper down in the organization who possess future leadership potential.”²

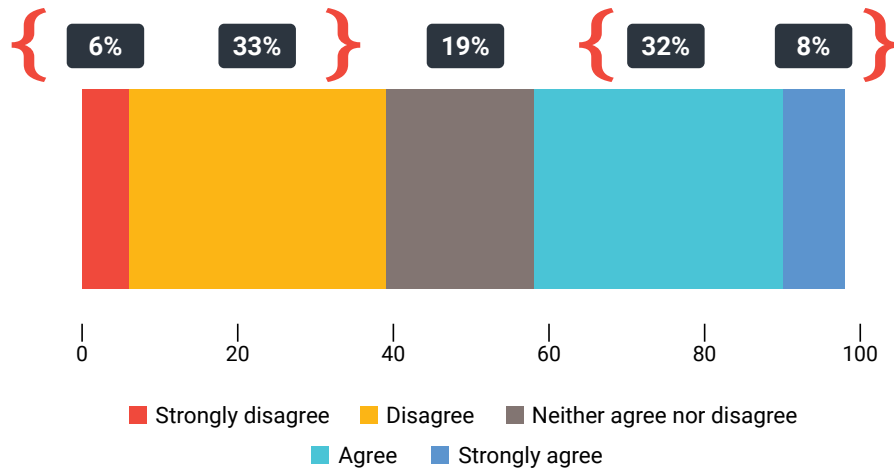
2 Edison, J & Lucy, V. (2016, December 7). 7 Tenets of a Good CEO Succession Process. *Harvard Business Review*. Retrieved from <https://hbr.org/2016/12/7-tenets-of-a-good-ceo-succession-process>





About two-fifths actively disagree that their organization's succession management/planning process is effective

Survey Statement: Your organization has an effective succession management/planning process.





Finding: The relative lack of importance attached to succession management may be influencing its perceived lack of effectiveness

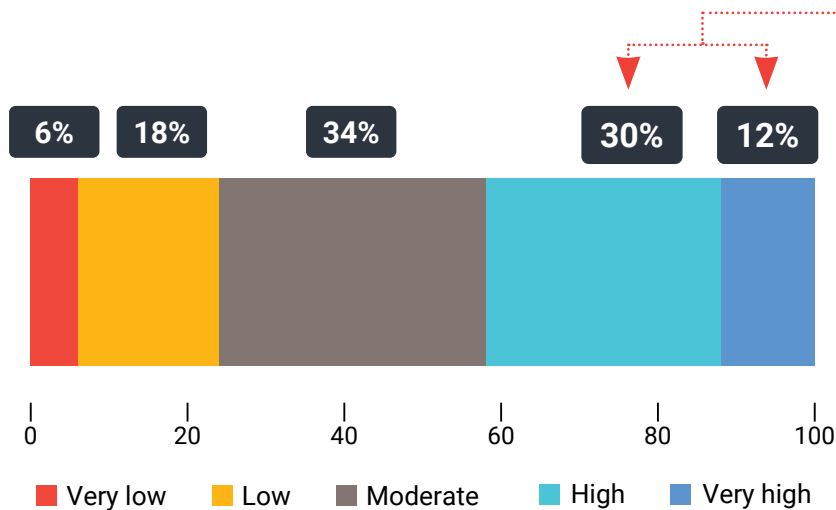
Just 42% of all respondents view succession as of high importance, but more than three-quarters (76%) view it as at least moderately important. Among organizations with succession planning/management processes, 54% view them as highly important.

Succession management is less of a priority at small organizations. Just 28% say it is of high or very high importance, compared to 45% of large organizations.



Given the importance of performance and leadership in today's organizations, it is puzzling that only 42% see succession planning as highly important

Survey Question: To what extent is succession management/ planning important in your organization?



Responsibility for Succession Management



Finding: Most say the CHRO has primary responsibility for the succession management process

We asked respondents to select the top three positions that have the primary responsibility for succession management. The Chief Human Resources Officer (CHRO) most commonly has the primary responsibility for succession management (58%). The Executive Team is second, but much further behind at 34%.

When filling higher-level positions, however, the CEO or executive team will often be the ones to ultimately make the decision, with HR essentially responsible for putting in place a strong process.

Survey Question: In your organization, who has the primary responsibility for the succession management process? (select your top three)



Drivers of Succession Management



Finding: Assuring business continuity is the most important reason for succession planning

We asked respondents to select the top two most important reasons for succession management. Assuring business continuity (39%) is most widely cited. Of course, this makes sense as a smooth transition from one leader to the next is what organizations strive for when making succession plans. If the handover isn't smooth or if key positions remain unfilled or filled by the wrong person, the ability to execute even the most brilliant strategies could fail.

Preparing future leaders and identifying future leaders are both cited by 34%. Leadership readiness, especially for key positions, can take years of preparation, which is why many organizations identify and develop their high potentials early on.

Interestingly, small, mid-size and large organizations all have a different top response to this question. Respondents at small organizations are more likely to say preparing future leaders (55%), those at mid-sized organizations say assuring business continuity (41%), and respondents at large companies say identifying future leaders (44%) is the most important reason for succession management.



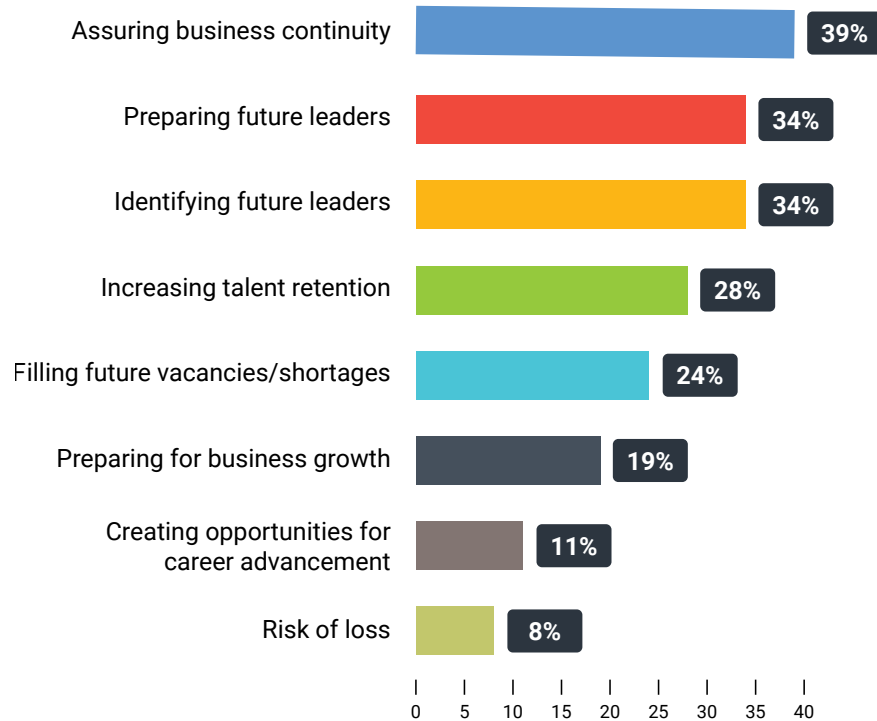
**Business
Continuity
Planning**





Succession management is driven by the need to identify and prepare future leaders to ensure business continuity

Survey Question: Which of the following are the two most important reasons for succession management in your organization? (select up to two)



Identifying Candidates for Succession Planning



Finding: Most use performance indicators, such as performance reviews, to identify succession management candidates

Performance appraisals are the top method organizations use to identify internal candidates for succession management (60%). This approach can, however, be problematic if the quality of appraisals is in question. Very often, that quality depends on a manager's ability to provide good appraisals, and other studies by the HR Research Institute show that many managers lack the necessary skills to provide effective performance feedback.³

Another issue is that appraisals tend to look at current and past performance rather than at the requirements for future positions. Nor are appraisals necessarily good at describing the potential of an employee.

Nominations are also a relatively common method of identifying candidates: 53% are nominated by senior leaders and 47% are nominated by a direct manager. However, only 9% say they are nominated by staff. One-third are identified using a talent matrix, which we discuss further below.

Differences by company size

Large organizations are far more likely to use more in-depth methods to identify candidates. For example, talent matrices are used by 49% of large organizations but only 19% of mid-size and 16% of small organizations. Large and mid-size organizations are also about twice as likely as small companies to designate employees as high potentials.

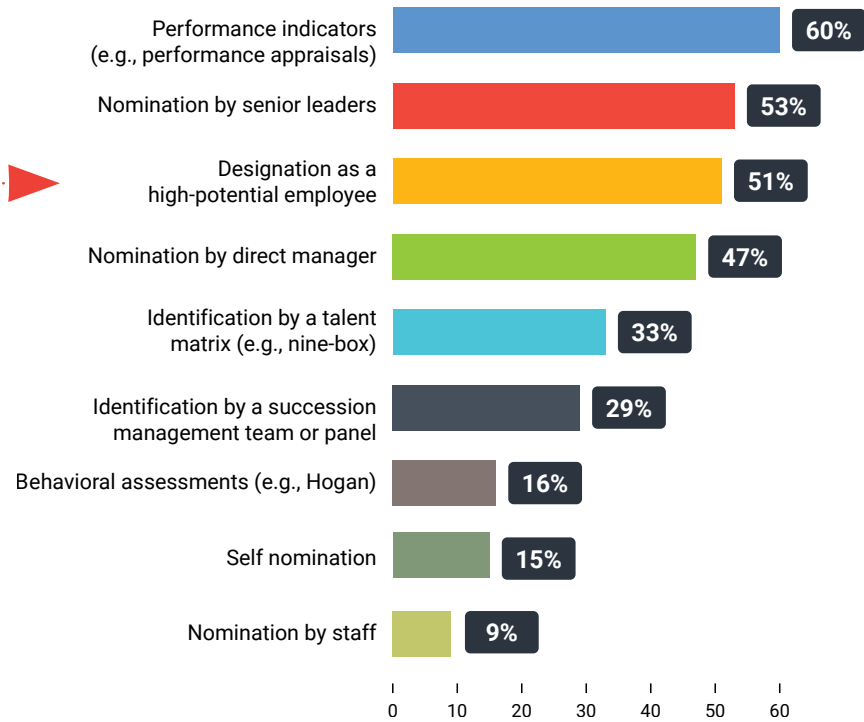
³ HR.com (2020, July). *The State of Performance Management 2020: Adapt key practices to succeed in uncertain times*. Retrieved from https://www.hr.com/en/resources/free_research_white_papers/the-state-of-performance-management-research_kcwn8wry.html





About half designate high-potential employees

Survey Question: Which of the following methods does your organization use to identify candidates to fill key roles for succession management? (select all that apply)



What Is a Nine-box Performance Grid Approach?

A nine-box grid is one of the most popular types of talent matrices used in conjunction with succession planning. The idea is to determine the performance as well as the potential of individual employees and then place them somewhere within the nine-box grid. The employees with the best mix of performance and potential can become succession planning candidates. They are often known as “high potentials” in organizations.

In the upper right of the grid are those employees who are high in both performance and future potential. They are considered the most viable candidates to fill critical positions in the future. These high potentials are often incorporated into succession plans.

However, there are several concerns with this approach. First, placement in the grid is too often based off subjective manager opinions rather than solid data. Performance assessments are only as good as the performance management systems in a given organization. Second, it can be difficult to accurately assess an employee’s potential. Third, there is the question of whether to keep the designations of high potentials confidential. Such labels can be demotivating to those who are not viewed as high potentials, and it can be difficult to keep such information confidential.

P O T E N T I A L	High potential	High potential Low performance	High potential Medium performance	High potential High performance
	Medium potential	Medium potential Low performance	Medium potential Medium performance	Medium potential High performance
	Low potential	Low potential Low performance	Low potential Medium performance	Low potential High performance
		Low Performance	Medium Performance	High Performance
	P E R F O R M A N C E			



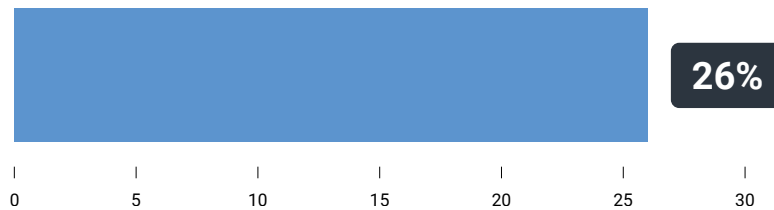


Finding: Only about a quarter of organizations use succession management/planning applications

Only 26% of all responding organizations use a succession management/planning application. However, among those with succession management processes, the proportion is 34%.

Survey Question: Which of the following tools and technologies does your organization use? (select all that apply)

Succession management/planning application



Succession Leaders Versus Succession Laggards

To take a closer look at what differentiates organizations with effective succession processes from those with less successful succession processes, we separated our sample into two cohorts:

- **Succession leaders:** respondents who agree or strongly agree that their organization has an effective succession process.
- **Succession laggards:** respondents who disagree or strongly disagree that their organization has an effective succession process.

Correlation does not necessarily indicate causation, of course, but these relationships can provide clues about possible best practices related to succession planning.



Finding: Succession leaders consider succession to be far more important than do laggards

Only 23% of succession laggards rate the importance of succession as high or very high in their organization compared with 65% of leaders. Laggard organizations may struggle to fill top leadership positions since they don't place as much importance on the process, which can jeopardize organizational performance.





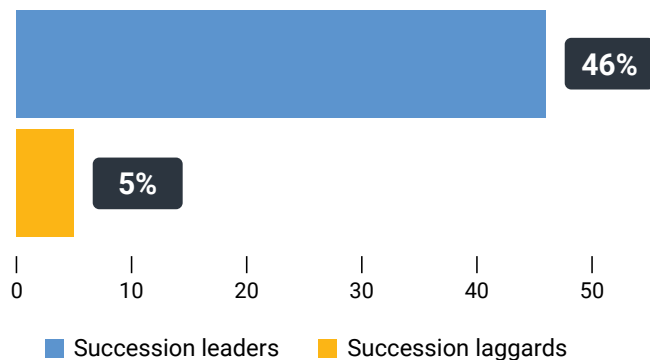
Finding: Succession leaders are far more likely to have a formal-only approach to succession

Forty-six percent of succession leaders say they have a formal-only succession management process compared with just 5% of succession laggards. By formal-only, we mean that their succession management process does not contain informal elements.



Only 5% of succession laggards say they have a formal-only succession management process

Percent of organizations with a formal-only succession management process





Finding: Succession leaders are more focused on preparing future leaders

When asked to indicate the most important reasons for a sound succession management process, 43% of succession leaders allude to preparing future leaders, yet just 14% of succession laggards do the same.

On the other hand, 37% of succession laggards say that it is important for filling future vacancies/shortages, compared with 19% of leaders. It appears that laggards are more focused on just filling vacancies and leaders are more focused on leadership development.



Succession laggards focus more on filling vacancies than they do preparing leaders





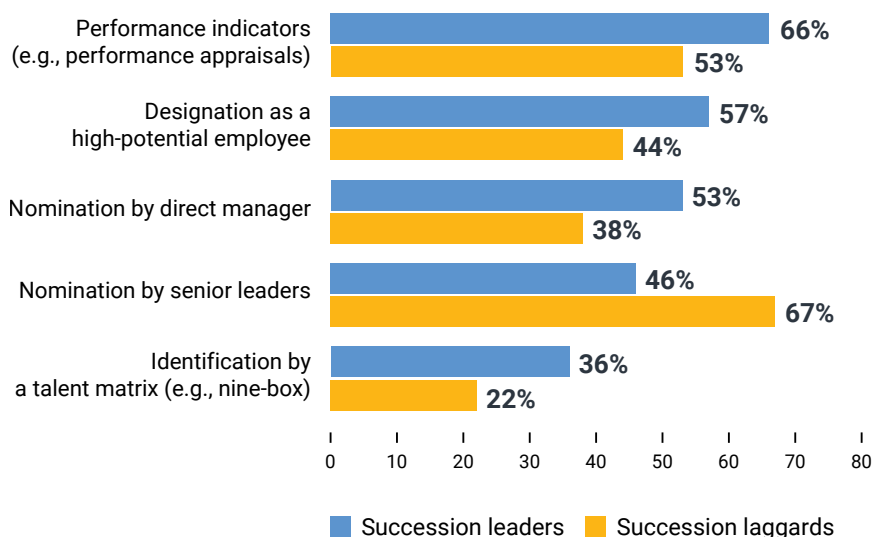
Finding: Succession leaders are more likely to use performance indicators, high-potential designations and nine-box grids as methods to choose succession candidates

Succession leaders are more likely to rely on the following methods for identifying candidates to fill key roles:

- performance indicators (66%)
- high-potential designations (57%)
- nine-box methodology (36%)

However, succession laggards are more likely to rely on nominations from senior leaders (67% vs. 46%). Since laggard organizations are less likely to have a formal process in place, they most likely rely more heavily on “word of mouth” to fill key roles. The risk here is that managers and leaders, especially ones who lack proper performance management skills, can be influenced by bias—whether conscious or unconscious bias.

Survey Question: Which of the following methods does your organization use to identify candidates to fill key roles for succession management?

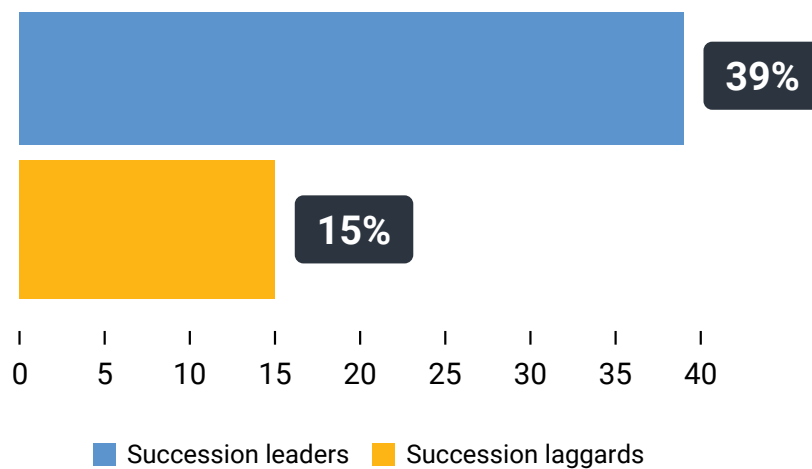




Finding: Succession leaders have increased employee development since the start of the pandemic

Succession leaders are more than twice as likely to say they increased employee development to a high or very degree since the start of the pandemic. Thirty-nine percent of leaders say their training time increased a little or a lot compared to just 15% of laggards.

Percent saying that since the start of the Covid-19 pandemic the amount of time devoted to employee development has increased



Career Development: A Neglected Key to Employee Experience

The Prevalence of Career Development



Finding: Nearly half do not have a career development process and/or program of any sort

Just 54% say their organization has a career development process and/or program. We believe this lack of development can lead to lower engagement and higher turnover. In fact, LinkedIn's 2018 Workplace Learning Report found that "94% of employees would stay at a company longer if it invested in their career development."⁴ Further, in a Center for American Progress article, workforce development expert Sarah Jane Glynn and President & CEO of Washington Center for Equitable Growth Heather Boushey, write it costs roughly one-fifth of an employee's salary to replace that employee.⁵ Organizations that see higher turnover may be paying more for long-term replacement costs than if they were to implement career development that would help retain them in the first place.

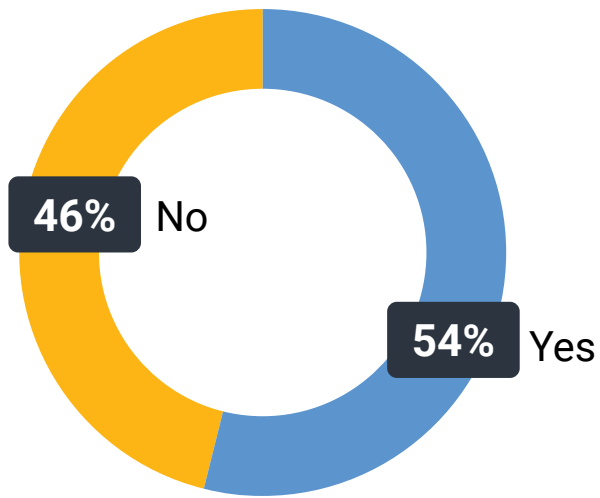
Organizations without career development programs may see higher turnover rates. Writing in Forbes, Edward Fleischman, Executive Chairman of The Execu | Search Group, says, "86% of respondents said they would change jobs if it meant more opportunities for professional development."⁶

4 LinkedIn. (2018). *2018 Workplace Learning Report*. Retrieved from <https://learning.linkedin.com/content/dam/me/learning/en-us/pdfs/linkedin-learning-workplace-learning-report-2018.pdf>

5 Boushey, H & Glynn, S. (2012, November). There Are Significant Business Costs to Replacing Employees. *Center for American Progress*. Retrieved from <https://www.americanprogress.org/issues/economy/reports/2012/11/16/44464/there-are-significant-business-costs-to-replacing-employees/>

6 Fleischman, E. (2019, May). Why Employers Need To Invest In Professional Development In 2019. *Forbes*. Retrieved from <https://www.forbes.com/sites/forbeshumanresourcescouncil/2019/05/09/why-employers-need-to-invest-in-professional-development-in-2019/#12ee2a8f6d12>

Survey Question: Does your organization have a career development process and/or program?



Editor's Note: In this question, we specified that this program/process could be formal and/or informal, and it could apply to the whole organization or just parts of it.

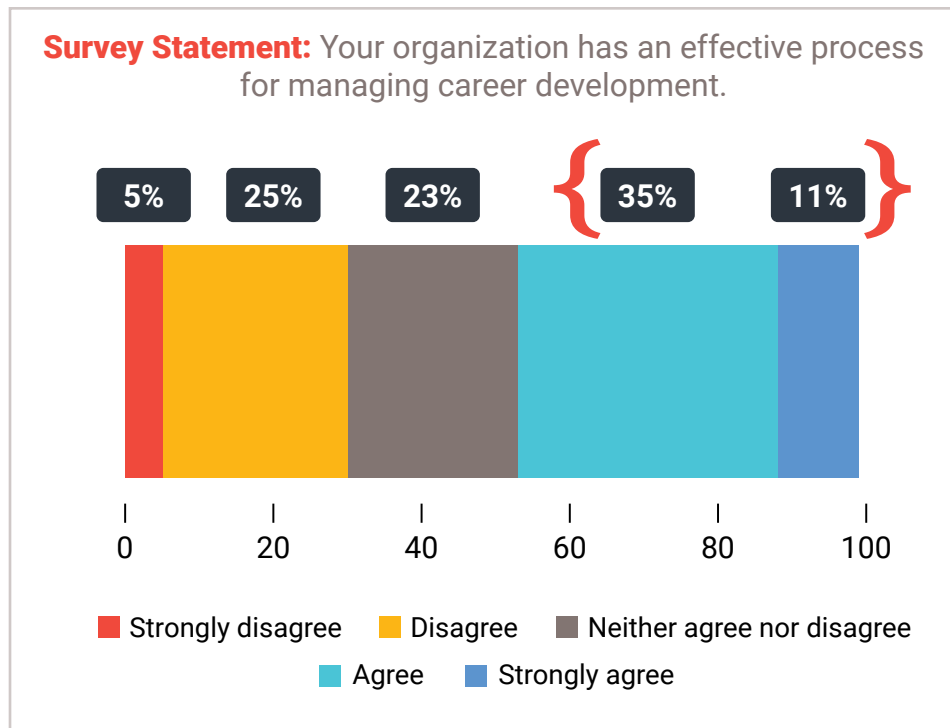


The Effectiveness of Career Development



Finding: Given the fact that so few have a career development process and/or program, it makes sense that only 46% say they have an effective process for managing career development

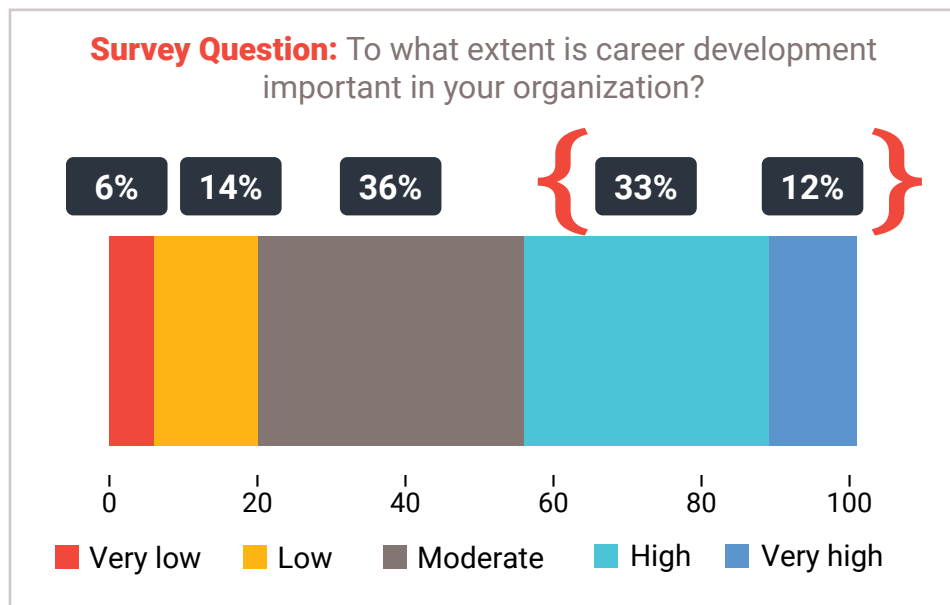
We asked survey respondents to describe if their organization has an effective process for career development. Only 46% strongly agree or agree. However, much of this is due to the lack of actual programs and processes. If we confine ourselves only to those that have an actual career development process/program, the percentage grows to 62%. Therefore, as we should expect, the first step toward effectiveness is having a process/program, even it is only an informal one.





Finding: The lack of effectiveness and specific programs is influenced by the lack of perceived importance

Only 45% say career development is of high or very high importance in their organizations. However, 81% say that career development is of at least moderate importance. Small organizations are less likely to place higher importance on career development (28% say high or very high) as opposed to mid-size and large organizations (both 48%).



Employee Development in the Covid-19 Era



Finding: The perceived lack of importance may be one reason that employee development has decreased in most organizations since the start of Covid-19

Since the start of the Covid-19 pandemic, there has been more decrease than increase in time devoted to employee development. In some cases, it is understandable that organizations had to shift priorities once the pandemic started and focus on crucial operations such as setting employees up for remote work and keeping on-premise employees safe. So things like employee development often were pushed aside.

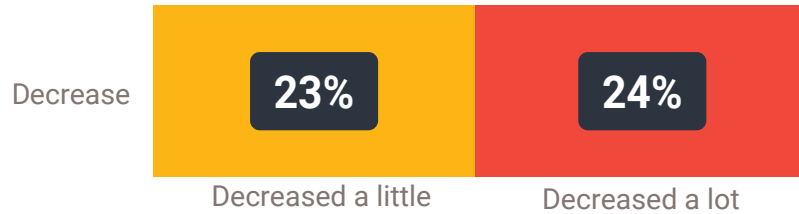
On the other hand, we believe that employee development is often a valid response to workplace disruptions. Employees need to learn much to thrive under new circumstance (such as how to work and manage remotely). Employers can use development programs to prepare employees for new or changing roles. Organizations can also use development plans to give managers better crisis management skills. Moreover, development demonstrates that employers care and prioritize employees even during difficult times.

In some cases, of course, layoffs may have reduced skilled workers, requiring remaining employees to be developed well enough to fill those skill gaps. In these cases, development becomes a must-have rather than just nice-to-have function. Small organizations have been more likely (40%) to decrease employee development a lot than mid-size (25%) and large (21%) companies.

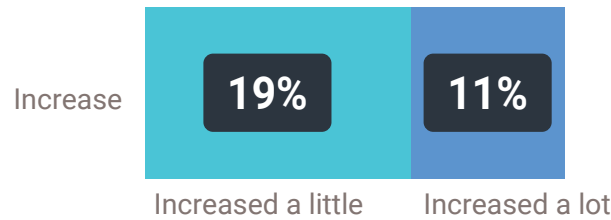


Survey Question: Since the start of the Covid-19 pandemic, how has the amount of time devoted to employee development changed in your organization?

47% have seen decreases



30% have seen increases



Editor's Note: We have removed the "stayed the same" data from this graph.



A Missed Opportunity to Enhance Employee Experience



Finding: There is a major disconnect between what employees want and what organizations are prioritizing and offering

Fully three-quarters of HR professionals agree that employees are looking for more career development opportunities. HR professionals at larger organizations are most likely to say that employees are seeking more career opportunities (83%) compared to those at mid-size (70%) and small (69%) companies.

We believe that this is a missed opportunity for many organizations that do not provide career development programs and process. Such development represents the chance to enhance employee engagement, skill levels and overall experience.



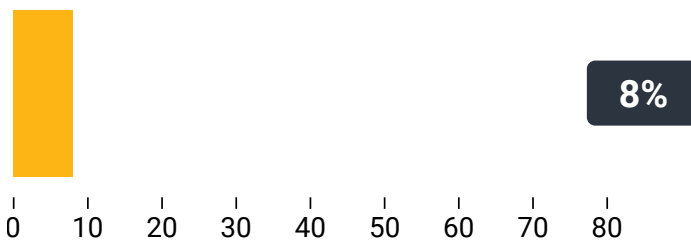
Only 8% disagree or strongly disagree that employees are looking for more career development opportunities

Survey Statement: Employees in your organization are looking for more career development opportunities.

Agree or strongly agree



Disagree or strongly disagree



Specific Approaches to Career Development



Finding: Only 39% provide strategies and methods for helping employees reach career development goals

Of those who say they have a career development process, we asked what the elements of those processes are. The top three responses are separated by only a few percentage points:

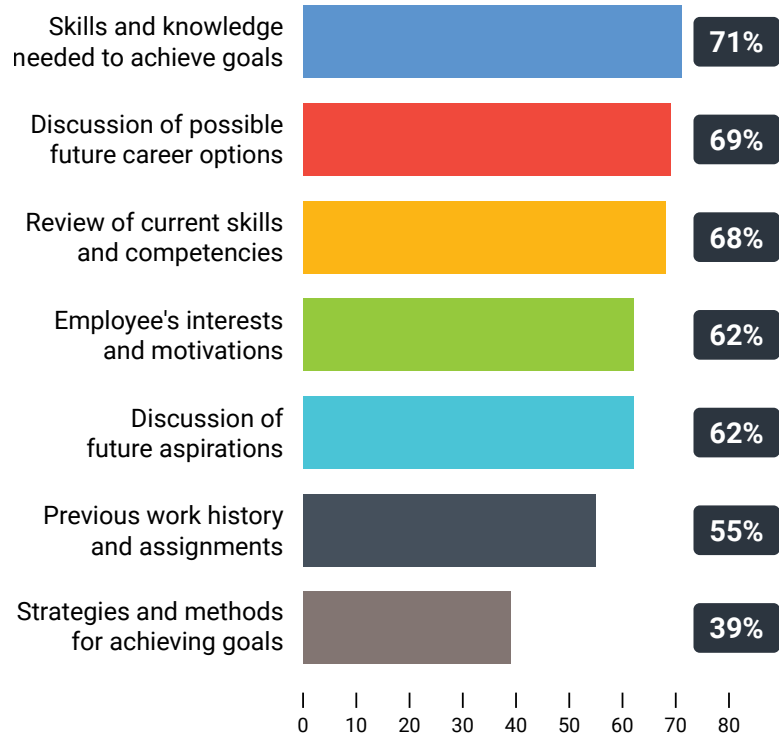
- skills and knowledge needed to achieve goals (71%)
- discussion of possible future career options (69%)
- review of current skills and competencies (68%)

It is encouraging to see that more than two-thirds have discussions about career options. Through these discussions, managers can discover where employees want to go on their career path. However, this is only successful if managers are willing to let their employees grow into new careers, which unfortunately doesn't appear to be the case.

Strategies and methods for achieving goals are the least cited elements at just 39%. This is disappointing because employees may have a solid vision for career development but then lack the plans or tactics to see it through. This could be linked to a lack of prioritization, training or associated technologies. To see success, career development should be integrated into an organization's entire culture and infrastructure.



Survey Question: Which of the following elements are part of career development in your organization? (select all that apply)





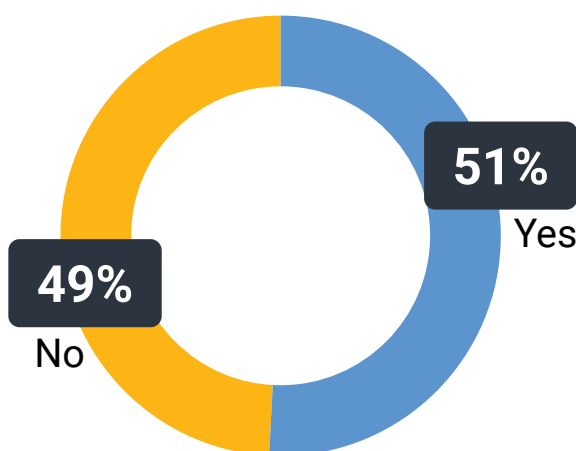
Finding: Nearly half say their organization doesn't provide strong career development opportunities to all employees

Respondents were split almost evenly when it comes to providing strong career development processes/programs to all employees: 51% say they do and 49% say they do not. So again, employees are seeking but nearly half of organizations are not providing the opportunities to everyone.

Of course, just because all employees *can* potentially access career development programs/process does not mean those processes are easy to access or that employees are even aware of them. We believe that the organizations that do this best also have good communication programs in place to make everyone aware of career development opportunities.

Small organizations (68%) are far more likely to provide strong career development processes/programs to all employees than medium (53%) and large organizations (43%). It may be easier to focus on employee development at small organizations purely because there are fewer employees.

Survey Question: Does your organization provide strong career development processes/programs to **all** employees?





Finding: Executives get the most career development opportunities

Organizations are most likely to provide career development to a high or very high degree to executives (56%) and managers (46%).

We find this worrisome. Of course, employers may feel safer investing in higher level employees than new hires or entry level, partly because (as we noted previously) these employees tend to have higher retention rates. Just 30% of entry-level employees and just 18% of new hires are provided with the same opportunities.

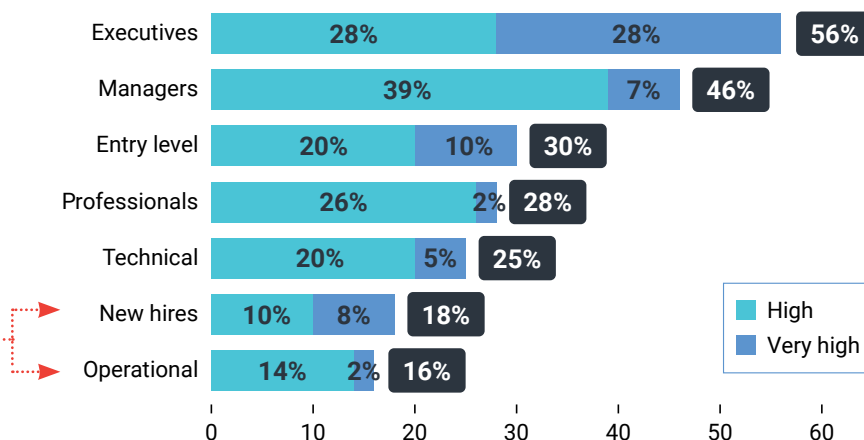
However, if career development opportunities are not provided to those in the lower levels of the corporate hierarchy, it may hinder overall retention rates as well as the succession-planning pipeline. Moreover, providing career development opportunities more widely may also serve the dual purpose of boosting overall organizational performance as well as the work experiences of individual employees.

We should note that there are a number of key individual contributor jobs where staying current is essential. For example, many organizations provide career levels for highly technical jobs that come with promotions and increases in compensation. It can be especially important to provide career development to such employees.



New hires and operational employees are least likely to receive career development opportunities

Survey Question: To what degree does your organization provide career development opportunities to the following groups of employees?





Finding: Only 21% say managers are skilled in helping employees develop their careers

We asked all respondents to select which statements are true when it comes to career development in their organizations. Among all respondents, only 29% say that HR knows which employees have which talents and skill sets. However, of those who say they do have career development processes at their organization, 40% say HR has this information.

As we discovered in an earlier finding, many organizations don't have competency frameworks in place that can assess employee skills. Without the proper systems in place to detect these skills, organizations cannot know where "hidden talents" reside in their organizations.

Another 29% say HR has the metrics associated with career development. This indicates that most organizations are not measuring whether or not their development approaches are actually successful. This number increases to 38% when we look at just those with a career development process/program. Even so, most HR departments seem to be operating blindly when it comes to career development.

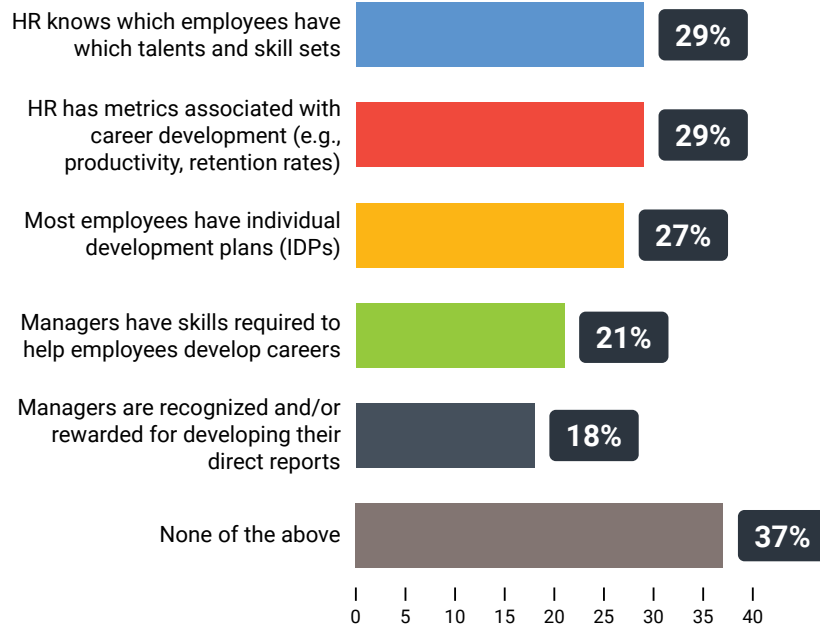
Just 21% say managers have skills required to help employees develop careers. We believe that upskilling managers in these areas could have positive long-term effects and lead to better employee engagement overall. However, only 18% say managers are rewarded or recognized for developing their employees.





Fewer than one-third say HR knows which employees have which talents and skills

Survey Question: Which of the following statements are true in your organization? (select all that apply)





Finding: More than half of organizations have an LMS, a tool that can be leveraged for career development

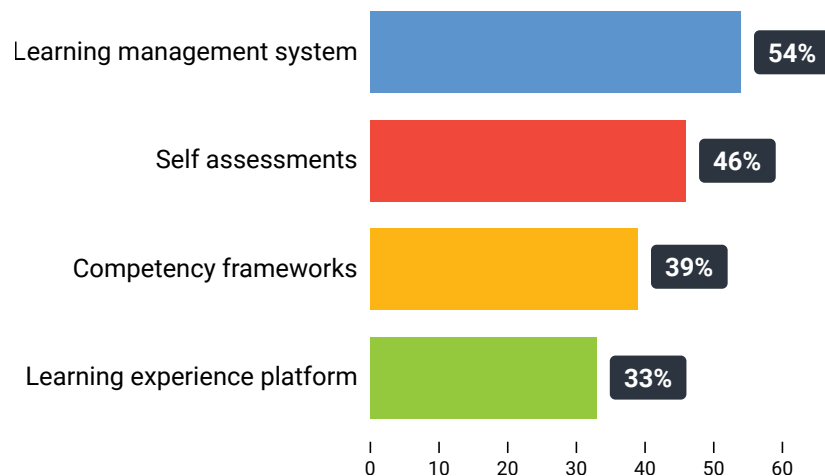
Just over half (54%) of responding organizations have a learning management system (LMS) and only 33% have a learning experience platform (LXP). Those with career development programs/processes are a little more likely to have such tools (56% and 36% respectively). An LMS can, of course, be beneficial to facilitate learning, control learning content, and track usage, among other important functions. Nearly three-quarters (73%) of large organizations have an LMS compared with just 19% of small and 39% of mid-sized organizations.

Nearly half (46%) of HR professionals say their organizations use self-assessments, though the quality of such assessments tend to vary. Almost two-fifths (39%) say their organizations have competency frameworks. Competency frameworks are crucial for successful mobility, succession and career development as they can match open positions or development opportunities with potential internal candidates.



Competency frameworks are not common

Survey Question: Which of the following tools and technologies does your organization use? (select all that apply)



Career Development Leaders Versus Career Development Laggards

To take a closer at what differentiates organizations with effective career development processes from those with less successful career development processes, we separated our sample into two cohorts:

- **Career development leaders:** respondents who agree or strongly agree that their organization has an effective career development process.
- **Career development laggards:** respondents who disagree or strongly disagree that their organization has an effective career development process.

Correlation does not necessarily indicate causation, of course, but these relationships can provide clues about possible best practices related to career development.



Finding: Career development leaders are twice as likely to provide development opportunities to all employees

Career development leaders are more than twice as likely as laggards to provide career development programs to *all* employees. Leaders are also much more likely to provide development opportunities for non-leadership positions: technical positions (40% vs. 15%) and operational positions (23% vs. 8%).



Editor's Note:

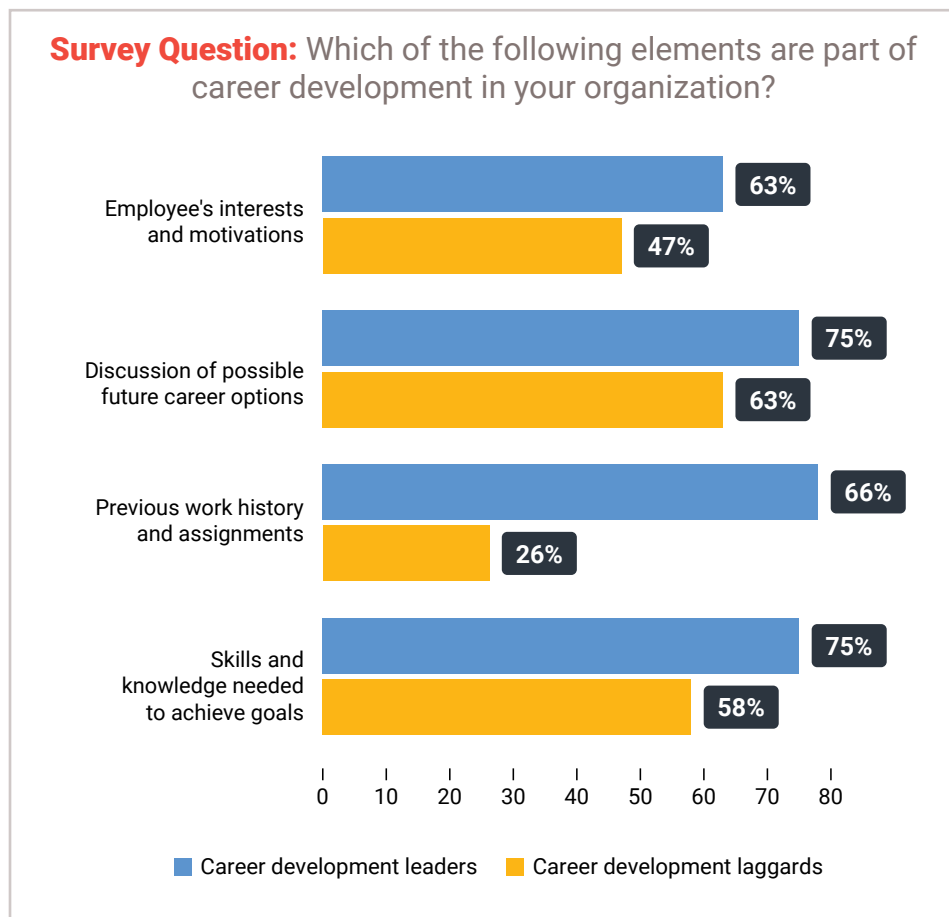
This data is extracted from the questions "Does your organization provide strong career development processes/programs to all employees?" and "To what degree does your organization provide career development opportunities to the following groups of employees?"





Finding: Career development leaders are more likely to use a wide variety of career development elements

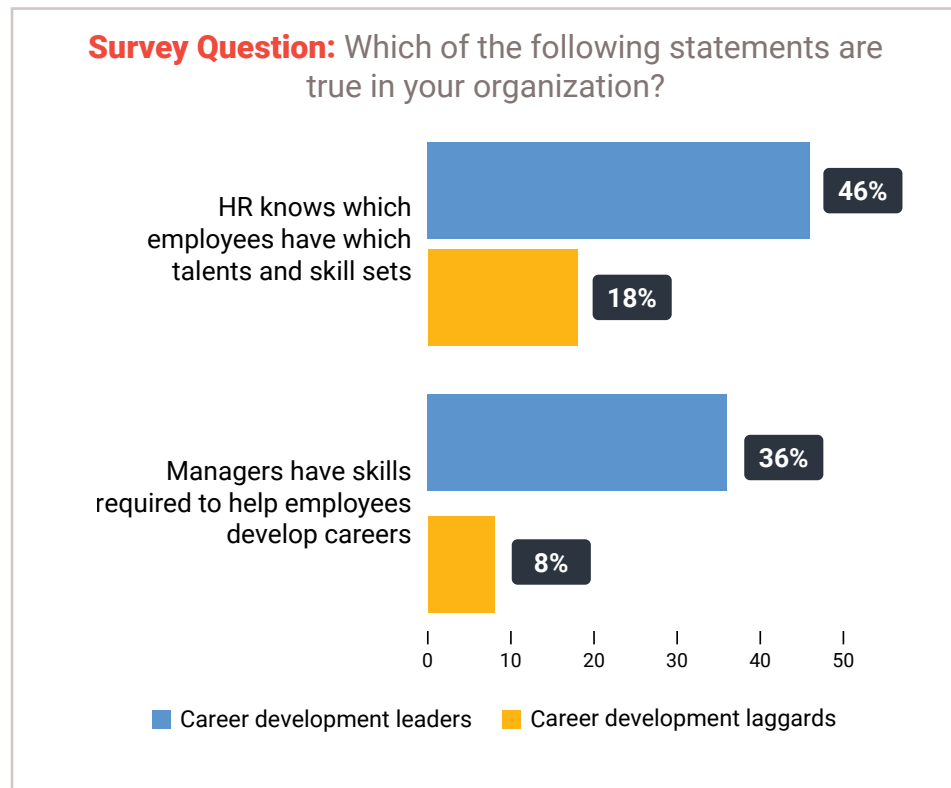
As elements of their career development initiatives, leaders are far more likely to look at previous work history and assignments (66% vs. 26%) and at the interests and motivations of the employee in question (63% vs. 47%). This suggests that career development leaders are more likely to personalize career development opportunities rather than take a one-size-fits all approach.





Finding: Career development leaders are twice as confident in their managers' career development skills

Whereas 36% of career development leaders say their managers have the skills required to help employees develop their careers, only 8% of laggards do. Leaders are also far more likely to say that HR is aware of employees' skill sets and talents than laggards.



The Talent Mobility and Development Connections

When we look at all three areas covered in this report, we see evidence of interesting relationships. For example, good career development programs could result in a stronger succession planning pipeline. That is, career development may not only help improve employee performance but also allow individual employees to reach their potential. Likewise, greater internal mobility could facilitate (and be facilitated by!) career and leadership development.

To test this idea, we looked at correlations among the perceived effectiveness of internal mobility, succession management and career development, as can be seen in the table below:

Correlations	Correlation Coefficient
Correlation between succession management career development	.66*
Correlation between internal mobility career development	.60*
Correlation between internal mobility succession management	.59*

* The data represent two-tailed Pearson correlation coefficients. Each shows at least a moderately strong relationship.

Although correlations do not necessarily demonstrate causation, this data does support the possibility that an organization that is effective in one area sees benefits in the other two areas. In short, success in these three areas might represent a virtuous cycle in which one good initiative can help make the other two initiatives better.



Key Takeaways and Recommendations



Following are key takeaways based in part on the research findings in this report

Key Takeaway 1

Invest in employee development. With so many disruptions in our modern era, it becomes easy to put workforce development on the back burner. However, adapting to change often requires learning new skills. Therefore, it may be time to take a step back to look at your training agenda and delivery methods. Are you developing your leaders to manage well during uncertain times? If your business models are changing, are you arming your workforce with new skills? Are you investigating new ways to make remote learning more engaging? Training can not only boost business performance but also show your workforce that your organization cares.

Key Takeaway 2

Ensure your talent mobility and development processes are agile and ready to pivot. In today's disruptive era, many organizations are reinventing their business models. This requires employees to pivot into modified or totally new roles. For example, salespeople now need to discuss and show the benefits of their services/products virtually, which may require some to learn new skill sets. HR should play a lead role in anticipating what these modified positions look like, the competencies that will be required, and strategies for preparing their workforce to successfully take on these roles.

Key Takeaway 3

Gain a detailed understanding of employee skill sets, talents and goals. Most HR professionals do not have a good understanding of the talents and skill sets of their employees. However, all three systems included in this report rely on effective matchmaking between the talents of employees and talent needs of the organization. Which internal employees have the skills needed to fill an open position? Which lateral movement can help a high-potential employees hone a current skill set that needs improvement? HR can better facilitate these movements if they have a clearer understanding of individual employee skills and career goals.



Key Takeaway 4

Use tools and technologies to improve talent mobility and development.

HR must decide which tools will best meet its needs, but there are a variety of technologies to choose from. For example, HR can leverage tools that facilitate learning, enable competency analyses, store skills information, communicate job postings, assist career pathing, conduct assessments, improve succession management, simplify workforce planning and more. In today's world, such tools often need remote access capabilities. For more advanced applications, organizations are incorporating AI into their overall mobility approach. AI can help better match an employee's experiences and skill sets with open positions, help guide career paths and learning, and predict job success.

Key Takeaway 5

Consider doing more hiring from within. Compared to external hires, internal movements tend to be less costly, quicker, lead to greater employee engagement, and result in higher retention. Yet, only slightly more than half of study participants indicate they look internally first to fill open positions. Of course, this does not mean that external hiring is unnecessary. The point is to devote more time and resources to understanding who may be the best internal candidates for any given job.

Key Takeaway 6

Make mobility, succession and career development part of your culture.

This study shows that only 38% of respondents feel they have a culture that supports mobility, and more than half say their managers are not supportive of internal movement. A mobility culture encourages smart internal mobility (although not movement for its own sake), career development, and constant reskilling/upskilling. We believe that leaders who encourage smart job mobility should be rewarded for their efforts and their willingness to "give up" good talent within their own departments. Senior teams need to encourage top-notch internal hiring, succession planning and career development.

Key Takeaway 7

Make career development a shared responsibility. Career development is not something that is done to employees but *with* them. It is up to each employee to decide on how they see their future careers and seek out the pathways to get there. The organization, on the other hand, needs to serve as the enabler, providing clear career paths and future-oriented development to help employees reach their goals. And, managers need to be skilled at having meaningful career discussions on a frequent basis.



Key
Takeaway **8**

Ask employees what they want to see in career development programs.

Each employee has different goals, motivations and learning methods. Consider sending a pulse survey to gauge the type of content and delivery methods employees in your organization may want to see. Also, ask how they feel about current career development initiatives and improve them where necessary.

Key
Takeaway **9**

Invest in career development for new hires and entry level employees.

Few organizations offer career development opportunities to new hires, entry level or operational employees. Not only does providing these opportunities set your organization apart from others when it comes to attracting top candidates, but it can also increase retention rates. New employees may feel valued and have a better experience overall as well as consider internal moves rather than look to other organizations when the time comes for them to make a career decision.

Key
Takeaway **10**

Forge connections between internal mobility, succession and career

development processes. These three areas can be synergistic. For example, internal mobility relies on having “ready-now” talent available that is enabled by effective career development. Similarly, promoting people into leadership positions relies heavily on an effective approach to succession planning and to making the kinds of lateral moves and promotions that provide high potentials with critical skill sets.





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