

The New Path Forward

Creating Compelling
Careers for Employees
and Organizations

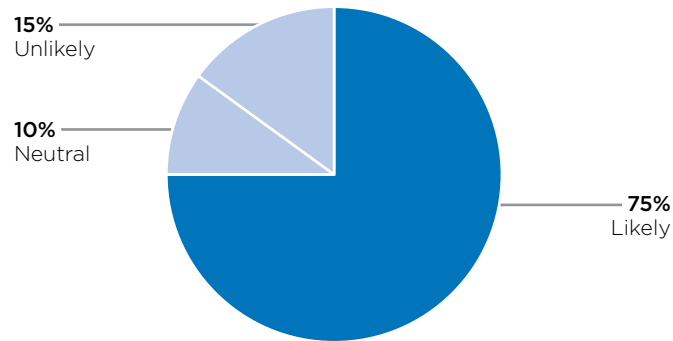
Today's careers are failing employers and employees. Three-fourths of heads of HR are concerned they won't have the internal capabilities needed for their organizations in the next three to five years. This gap will hinder organizations' ability to execute against business strategy in the near future.

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

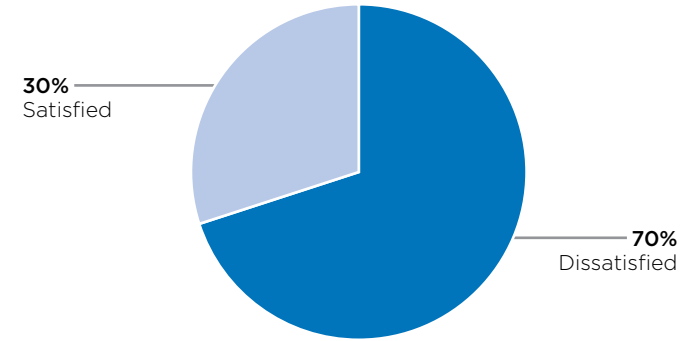
Likelihood Organization Will Face an Internal Capability Shortage in Next Three to Five Years (Percentage of Heads of HR)



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



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

Global Rank	Attribute	Percentage of Departures
1	Future Career Opportunity	42%
2	Compensation	36%
3	People Management	35%
4	Development Opportunity	31%
5	Recognition	29%

n = 12,612.

Source: CEB 2015 Departure View Exit Survey.

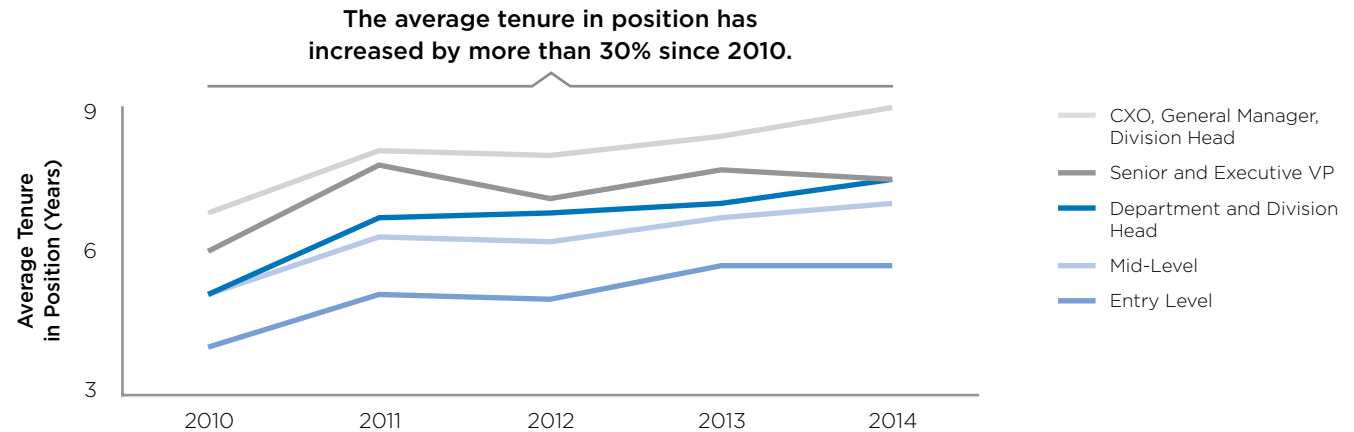
Note: See the Appendix for additional segmentation.

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



Source: CEB 2010-2014 Global Labor Market Surveys.

“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.

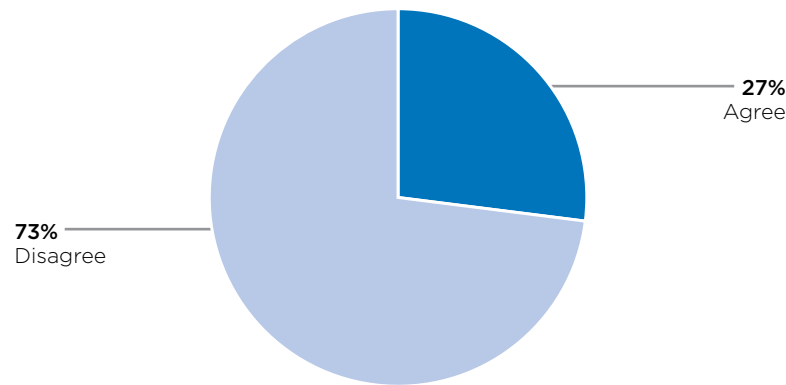
Most organizations have delayed their job hierarchies in the past decade, and almost 75% of heads of HR don't anticipate adding back layers in the next five years.

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



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.”

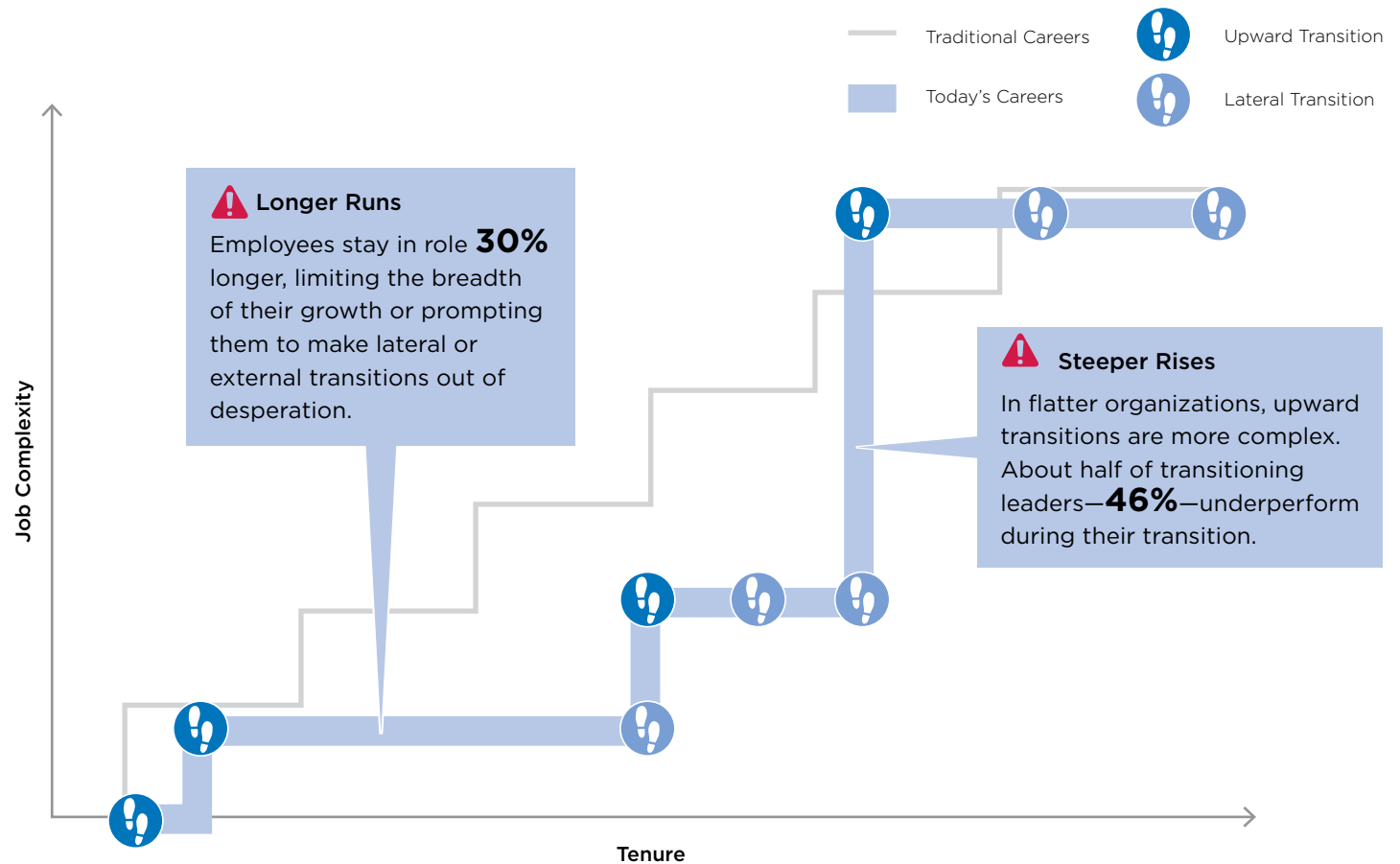
Chief HR Officer
Consumer Products Company

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



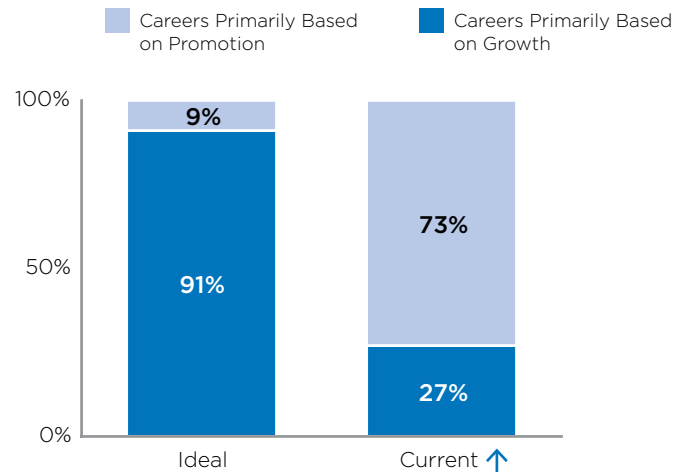
n = 8,550.
 Source: CEB 2015 Careers Employee Survey.

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



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.”

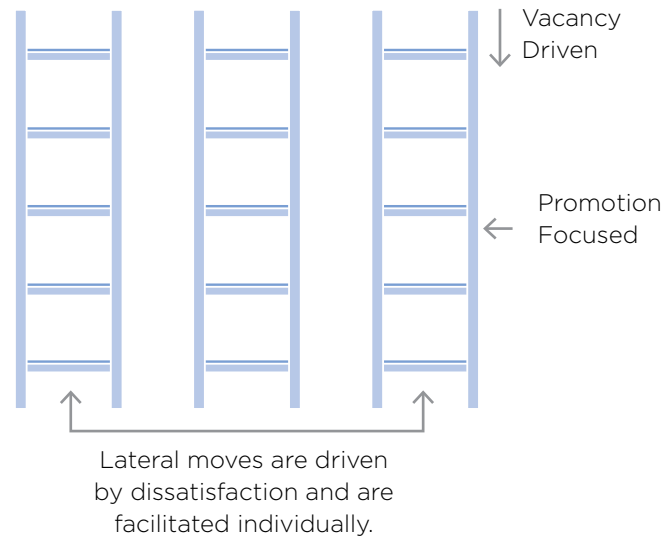
SVP of HR
Pharmaceutical Organization

A promotion-based career culture is largely vertical, is driven by vacancies, and features little cross-functional or cross-silo movement. Lateral moves occur on an as-needed basis, and they are driven more by dissatisfaction than opportunity.

A growth-based career culture, in comparison, centers on employees building and growing their capabilities through planned lateral and vertical moves across silos and functions. These moves are based on growth opportunities and business needs.

GROWTH-BASED CAREERS PRIORITIZE EXPERIENCES OVER PROMOTION RATE

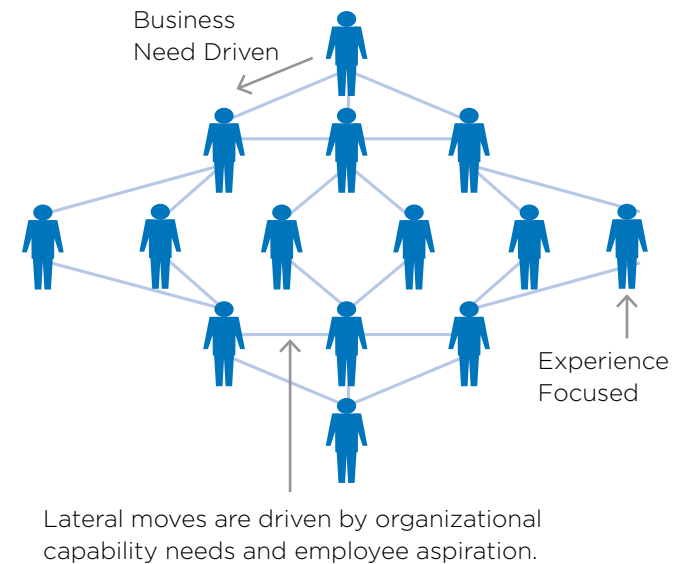
Promotion-Based Career Culture



- 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.

Source: CEB analysis.

Growth-Based Career Culture



- 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.

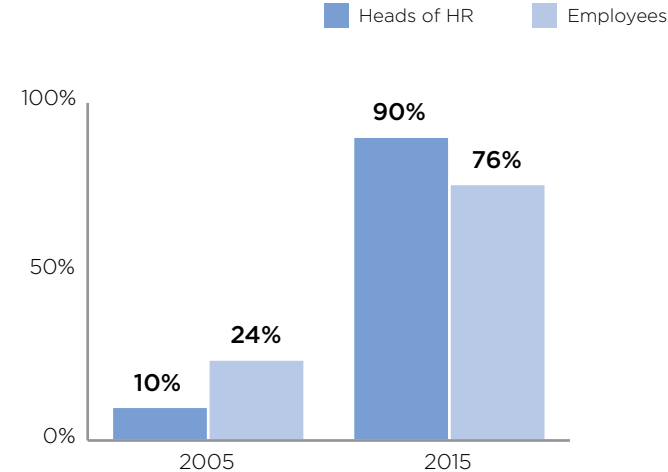
Organizations and employees agree that whereas organizations owned careers 10 years ago, employees are now responsible for their careers.

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.



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

Source: CEB 2015 Careers Head of HR Function Survey;
CEB 2015 Careers Employee Survey.

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.

Source: CEB analysis.

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.





Career Success Story: My Path to the Top

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.

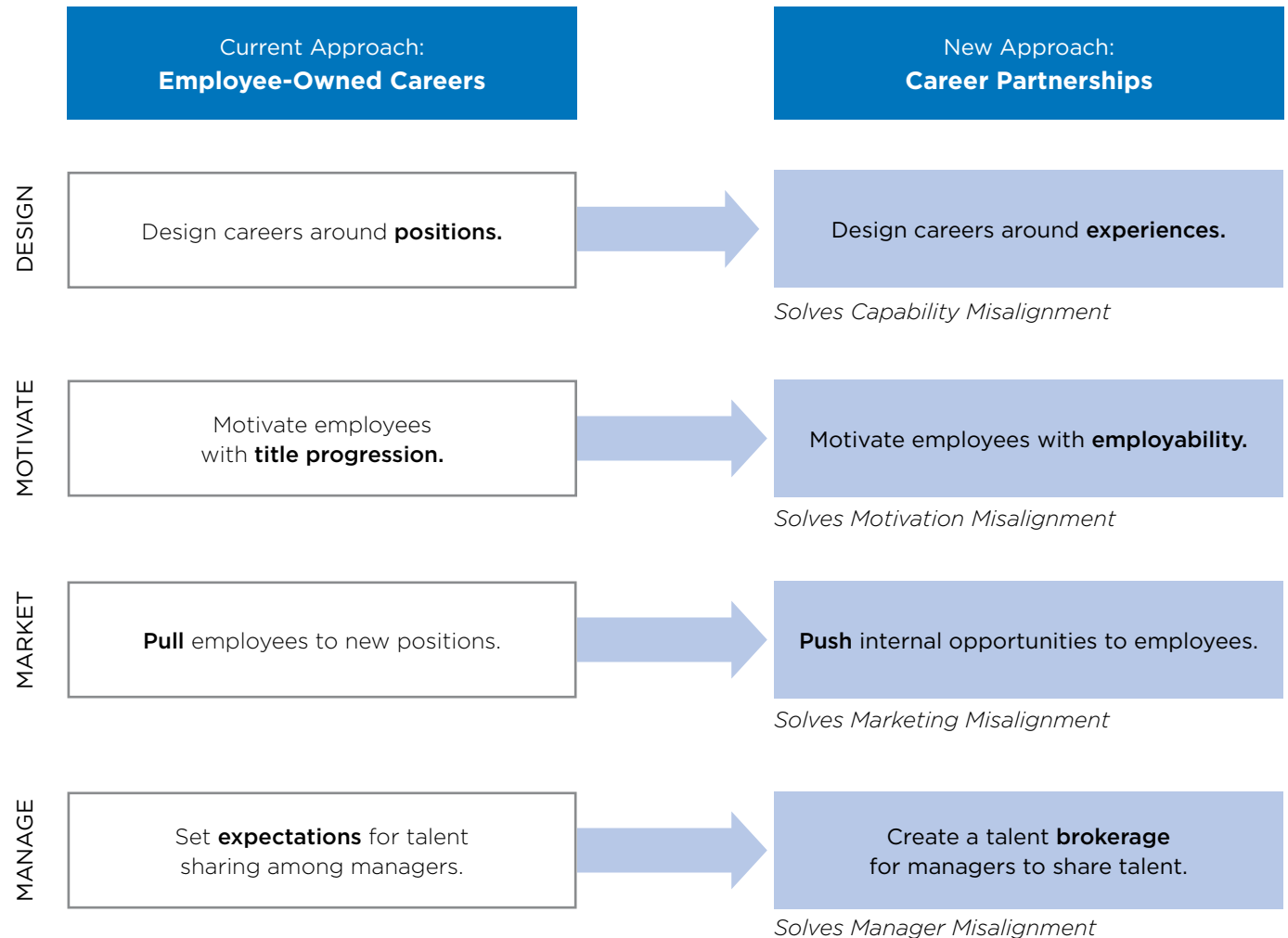
Source: CEB 2015 Careers Head of HR Function Survey; CEB 2015 Careers Employee Survey.

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.

CREATE CAREER PARTNERSHIPS TO ACHIEVE A GROWTH-BASED CAREER CULTURE

Transitioning to Career Partnerships



Source: CEB analysis.

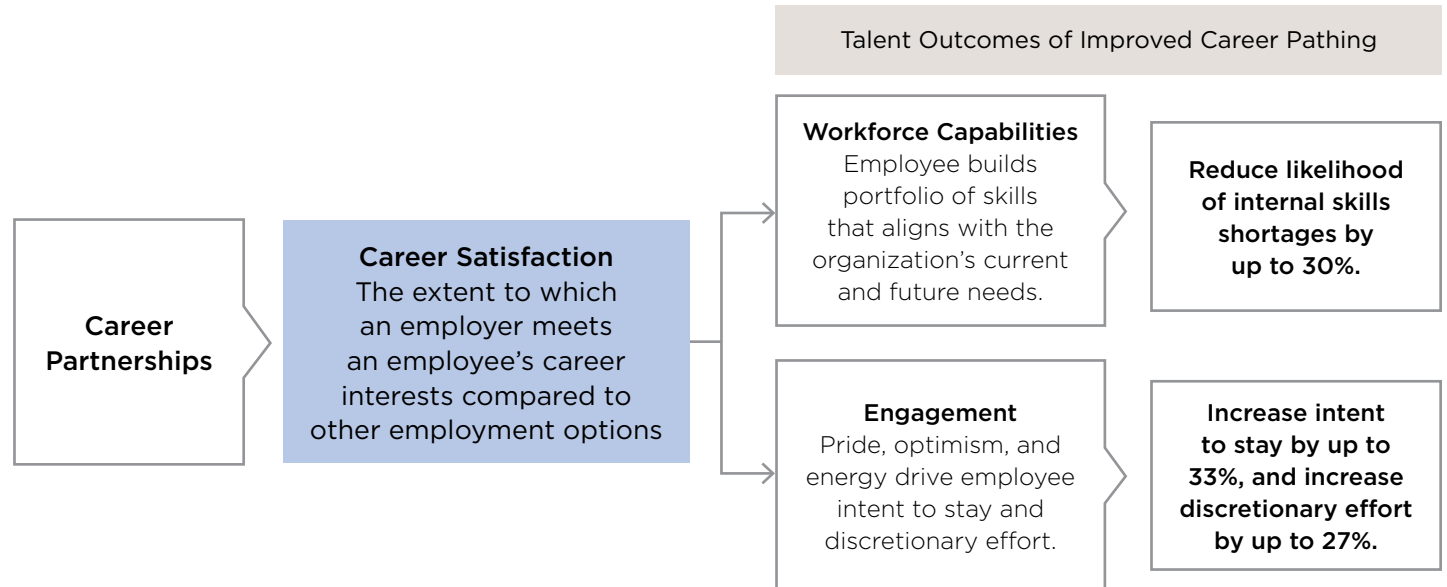
Career satisfaction measures the extent to which employers meet employees' career interests compared to other employment options.

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.

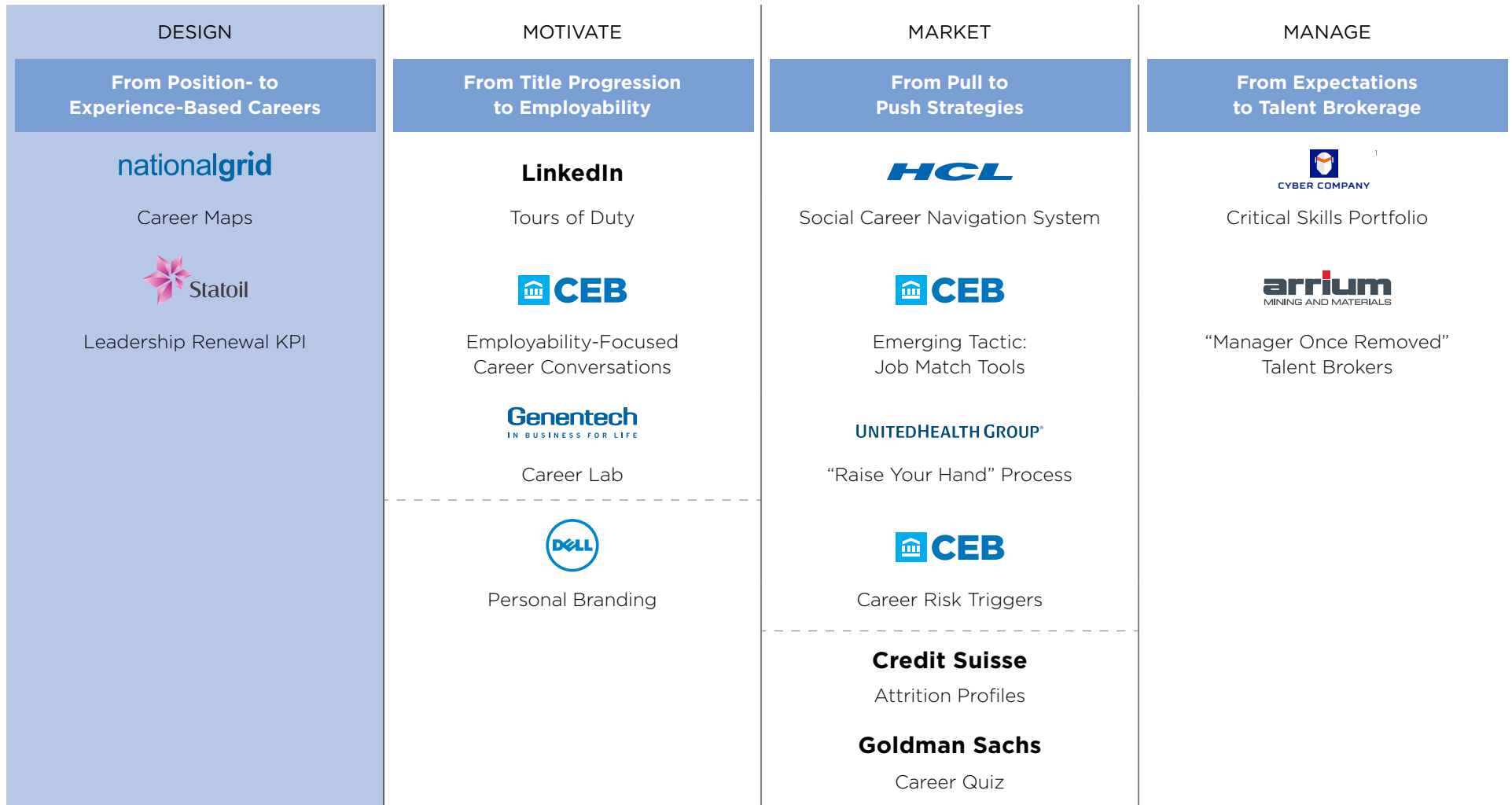
IMPROVE CAREER SATISFACTION THROUGH CAREER PARTNERSHIPS TO DRIVE TALENT OUTCOMES

CEB's Measurement of Career Satisfaction



Source: CEB 2015 Careers Employee Survey.

CREATING COMPELLING CAREERS THROUGH CAREER PARTNERSHIPS



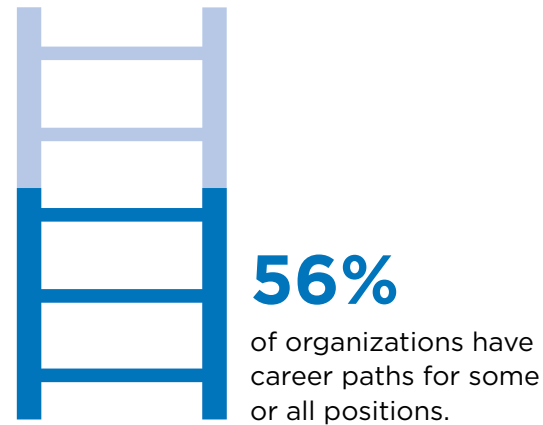
* Pseudonym.

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

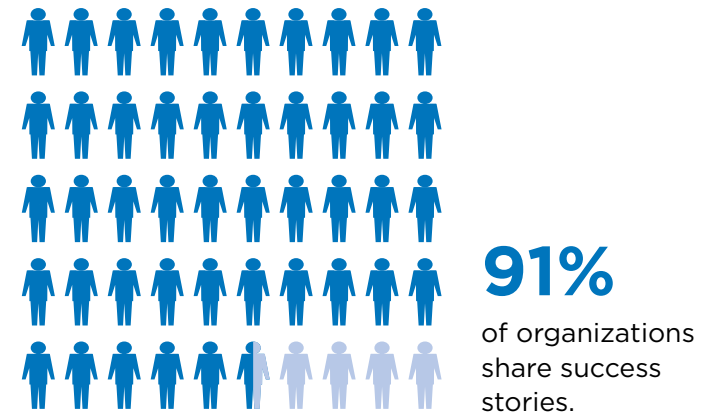
Organizations Provide Employees with Suggested Career Paths



n = 124.

Source: CEB 2015 Careers Head of HR Function Survey.

Organizations Show Employees the Career Paths of Others



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.

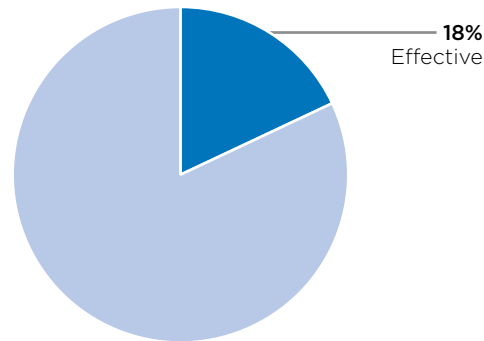
Less than 20% of organizations have a career design that effectively adapts to changing needs. In fact, some organizations complain that career paths become outdated almost as soon as they are published.

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

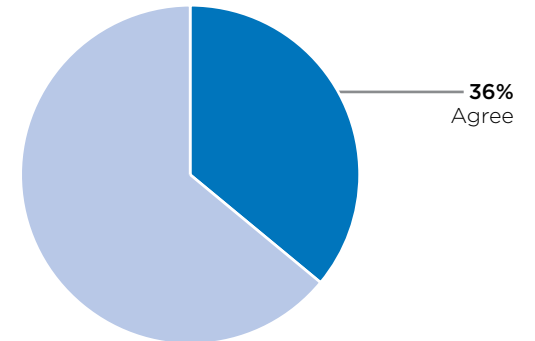
Percentage of Heads of HR Who Indicated That Career Design Effectively Adapts to Changing Needs



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

Career Design Is Unrealistic

Percentage of Employees Who Have a Real Understanding of Internal Opportunities



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.

DESIGN CAREERS AROUND EXPERIENCES TO GROW EMPLOYEES WITH THE ORGANIZATION

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

Functional Leader	Functional Leader	Functional Leader
Project Manager	Consultant	Project Manager
Project Lead	Business Analyst	Lead Consultant
Senior Associate	Junior Business Analyst	Senior Technical Consultant
Junior Associate	Business Associate	Junior Technical Consultant

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



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.

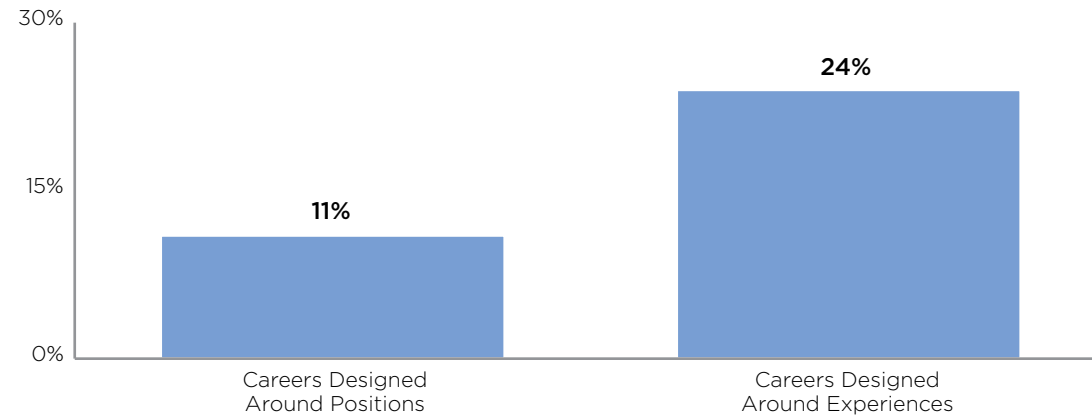
When careers are designed around experiences, they can drive career satisfaction by 24%, compared to 11% for careers based on positions.

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

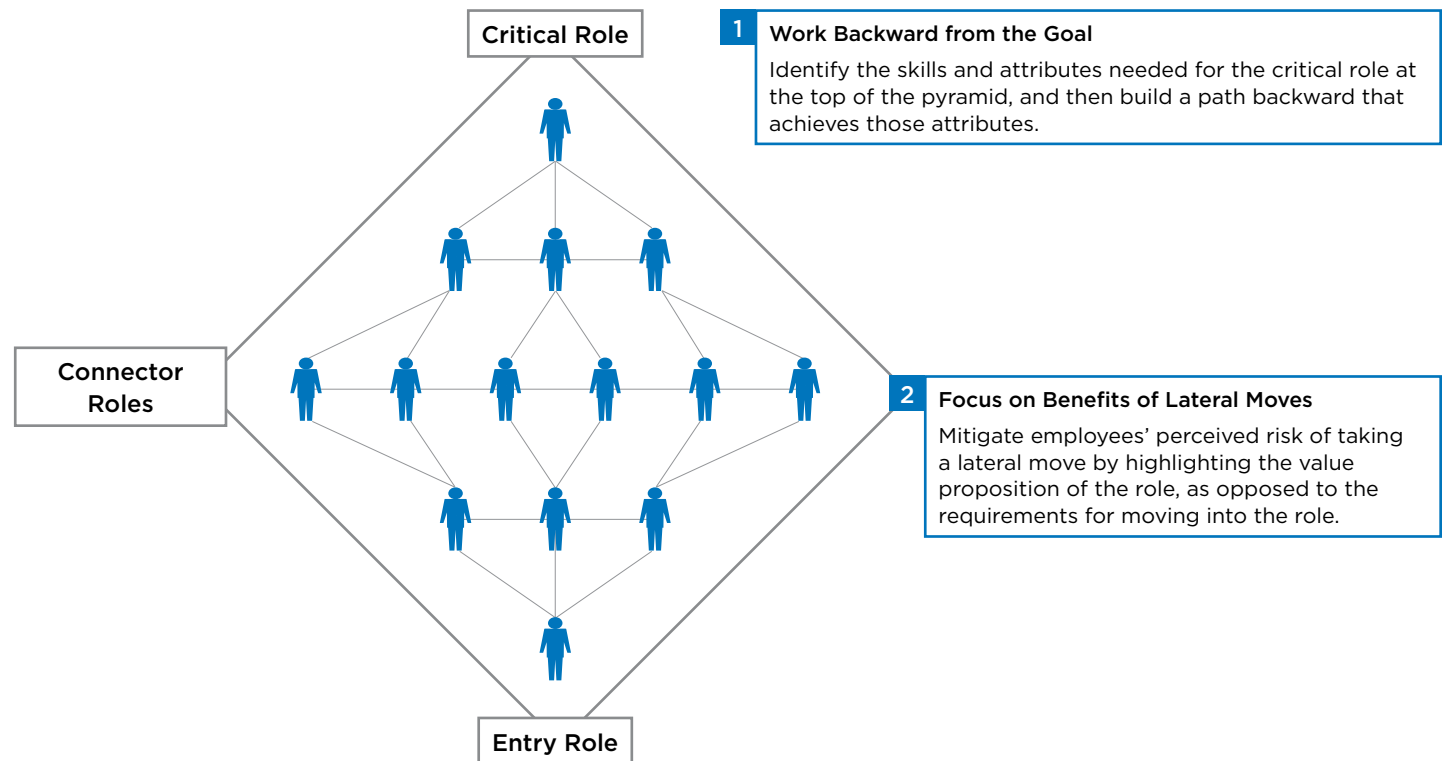
National Grid's clearly defined career maps guide employees and managers through career decisions to make sure employees get the right developmental experiences.

The career map is shaped like a diamond to focus employees on taking lateral and vertical moves together to reach a critical position.

National Grid created maps for the organization's most critical roles to emphasize the importance of a range of experiences and attributes in those roles.

HR partnered with senior leadership to determine the organization's most critical roles by reviewing which had the greatest impact on business activities. It determined that a small number of middle management, business-facing roles had the greatest impact on business success.

Elements of a Career Map for Critical Roles



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.

OVERVIEW	SOLUTION HIGHLIGHT 1	SOLUTION HIGHLIGHT 2	RESULTS
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National Grid helps employees and managers visualize the path from the critical position backward using vertical and lateral moves.

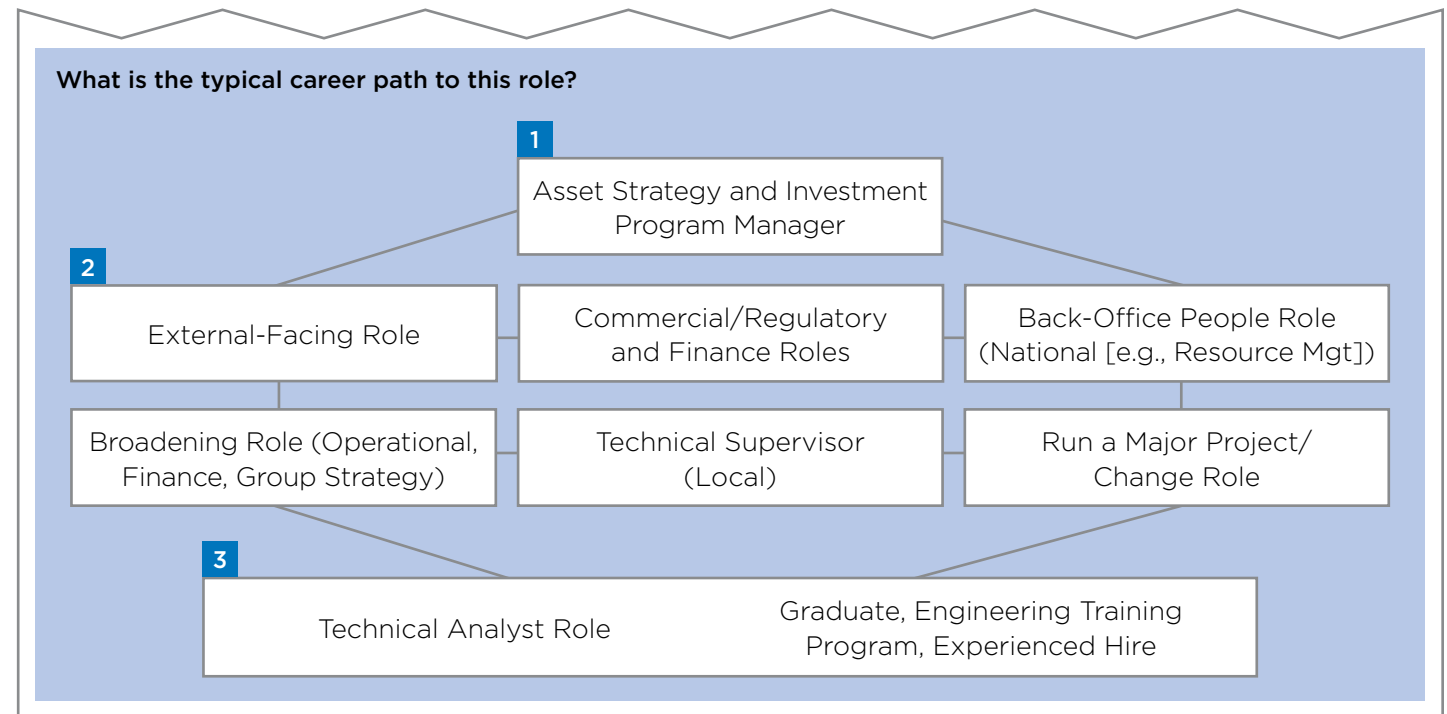
Each career map is created during a one-day workshop attended by employees who are currently in the critical role, employees who have performed the role in the past, and HR Business Partners.

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.

ORIENT CAREERS AROUND THE END ROLE, RATHER THAN WORKING UP FROM A STARTING ROLE nationalgrid

National Grid's Career Map
Excerpt^a



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

2 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.

3 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.
^a See the Appendix for full career map.

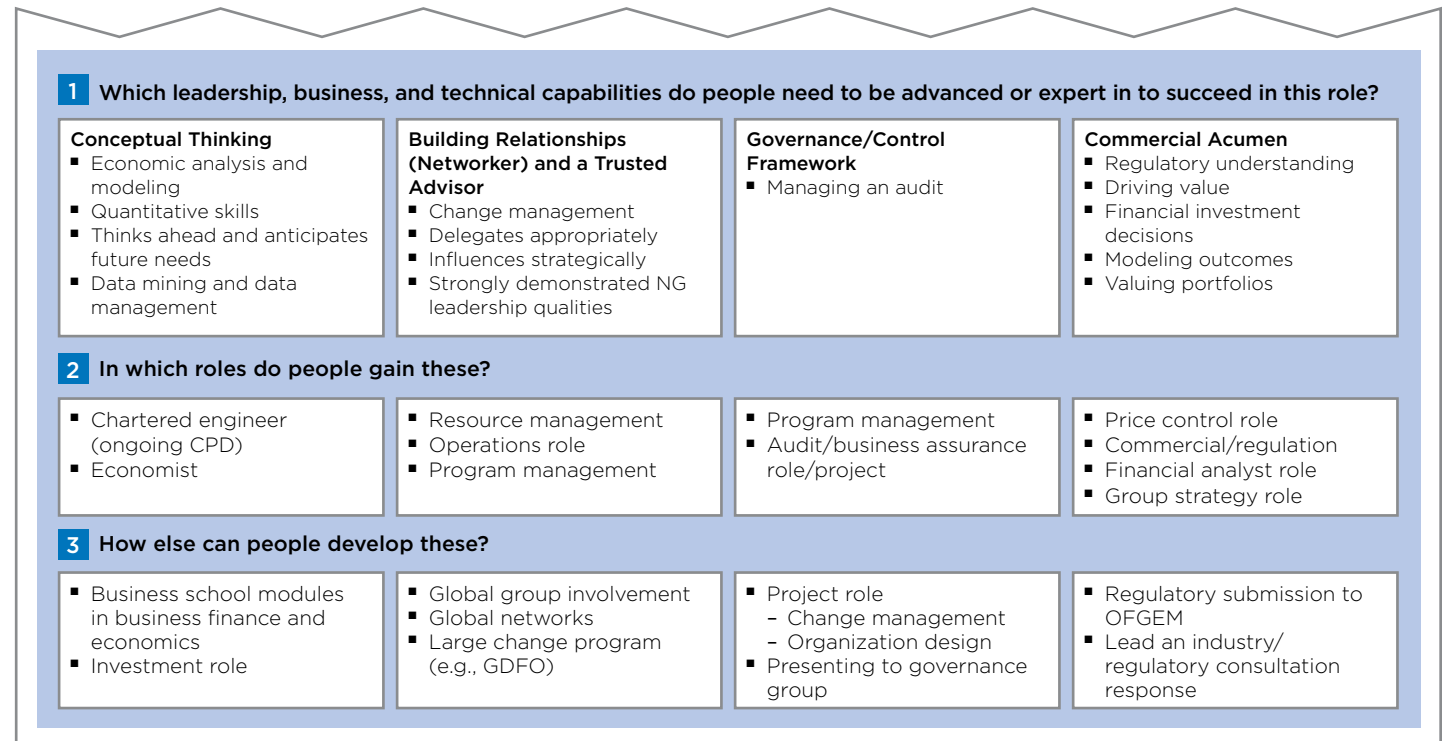
FOCUS ON BENEFITS OF CONNECTOR ROLES TO PROMOTE DESIRED EXPERIENCES

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.

National Grid's Career Map (Excerpt)^a



Source: National Grid plc; CEB analysis.

^a See the Appendix for full career map.



LACK OF CAREER PROGRESSION OPPORTUNITIES DRIVES ATTRITION AND HINDERS DEVELOPMENT

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.

Exit Interviews Point to Problematic Lack of Career Progression Opportunities



Source: Statoil ASA; CEB analysis.

Three Key Challenges

1 Unwanted attrition

Lack of Opportunities Hinders Talent Development



Source: Statoil ASA; CEB analysis.

2 Lack of development opportunities for rising talent

3 Difficulty increasing diversity of leadership bench

Source: Statoil ASA; CEB analysis.

SITUATION	OVERVIEW	SOLUTION HIGHLIGHT 1	SOLUTION HIGHLIGHT 2	SOLUTION HIGHLIGHT 3	RESULTS
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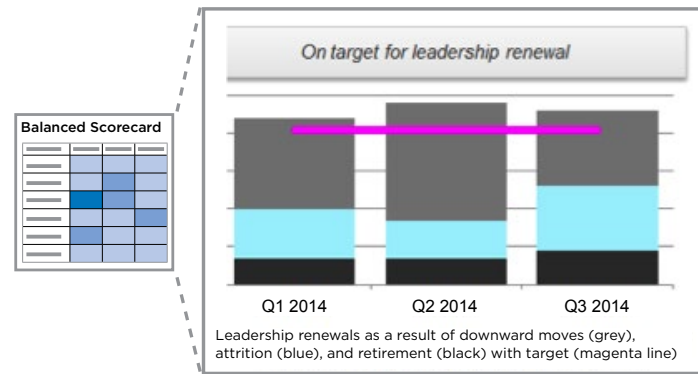
In 2014, Statoil introduced a leadership renewal KPI (one of only two people KPIs) to its balanced scorecard, which the board shares with the rest of the business.

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.

Source: Statoil ASA; CEB analysis.

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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SOLUTION HIGHLIGHT 3

RESULTS



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

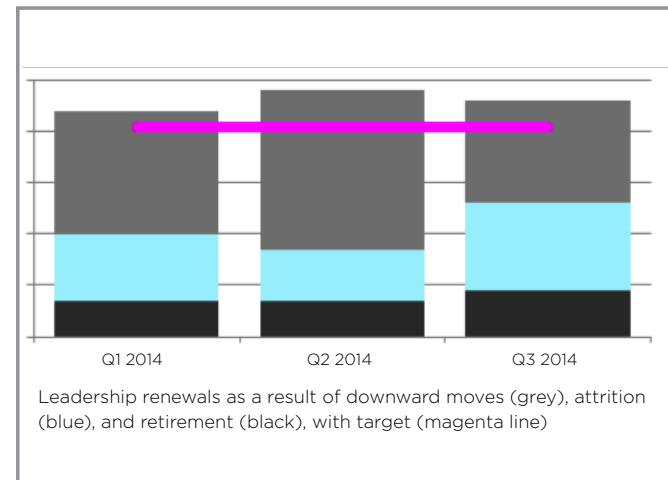
It sets leadership renewal apart from:

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

FOCUS LEADERS ON CREATING CAREER PROGRESSION OPPORTUNITIES

Statoil's Leadership Renewal KPI

Illustrative



Source: Statoil ASA; CEB analysis.

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.

SITUATION

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SOLUTION
HIGHLIGHT 1

SOLUTION
HIGHLIGHT 2

SOLUTION
HIGHLIGHT 3

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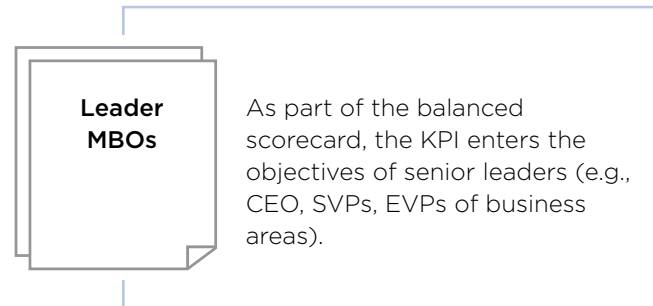
The KPI is part of senior leaders' performance contract, ensuring they drive renewal activities in talent and succession review conversations.

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

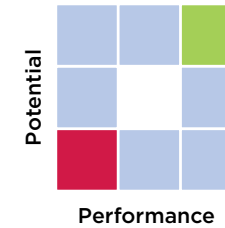


Senior Leader Accountability for Leadership Renewal



Source: Statoil ASA; CEB analysis.

Talent Review Conversations About Renewal



Talent and Succession Review (Upward Cascade May-June)

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.

SITUATION

OVERVIEW

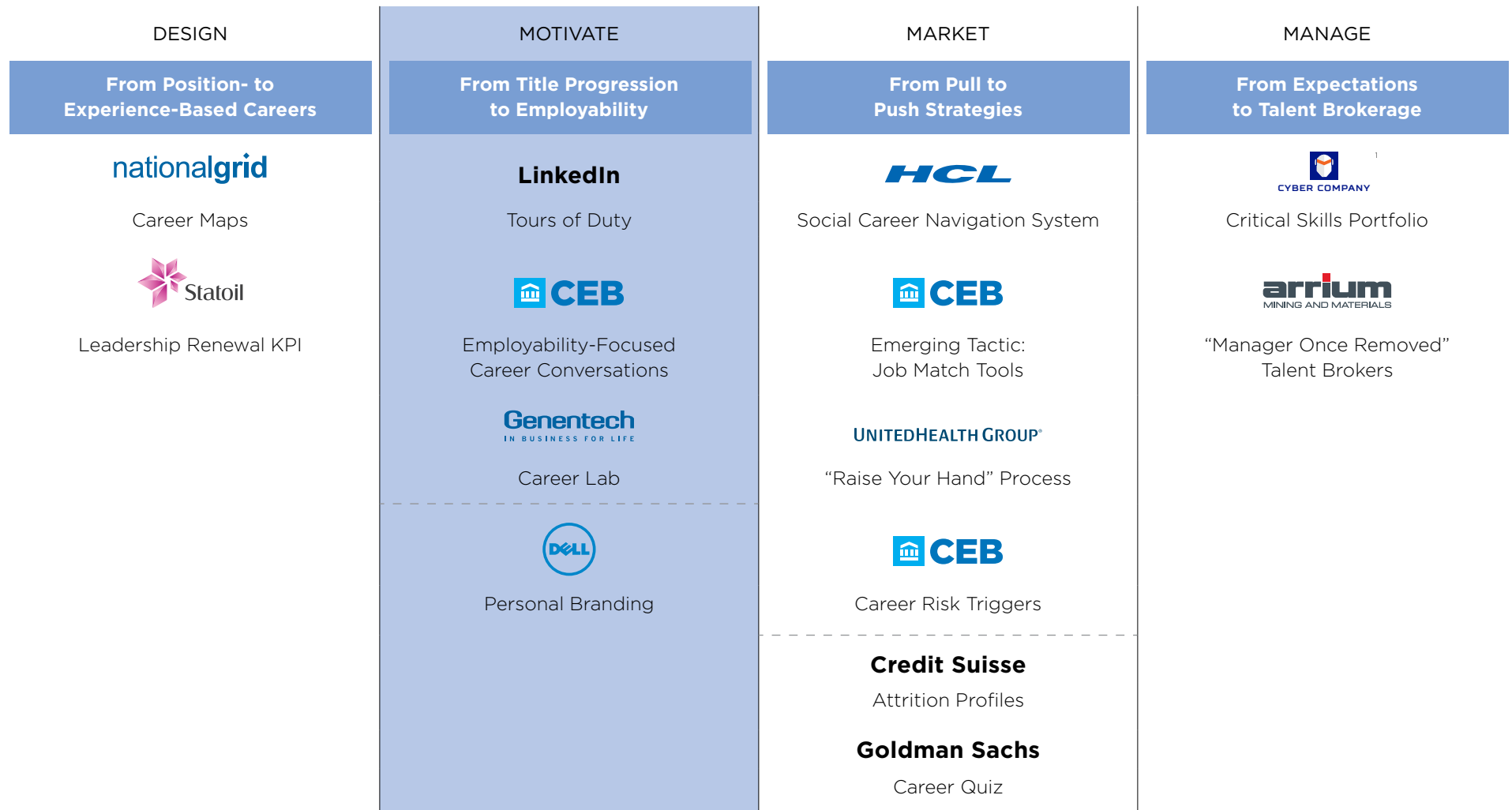
SOLUTION HIGHLIGHT 1

SOLUTION HIGHLIGHT 2

SOLUTION HIGHLIGHT 3

RESULTS

CREATING COMPELLING CAREERS THROUGH CAREER PARTNERSHIPS



¹ Pseudonym.

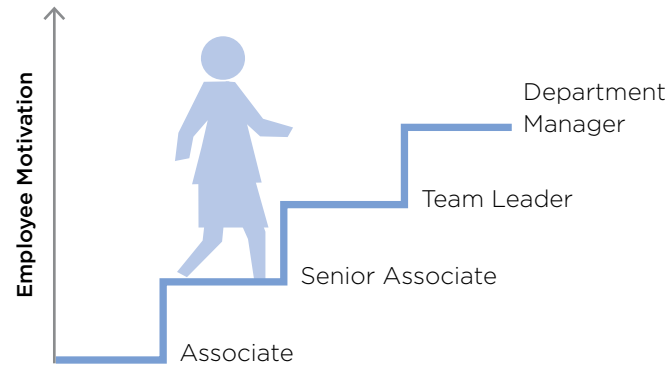
Traditionally, employees calibrate their career progression through the lens of title progression.

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

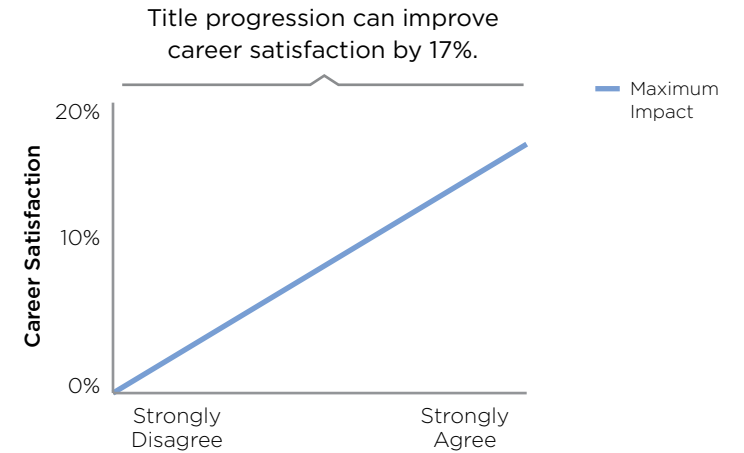
Illustrative



Source: CEB analysis.

Opportunity for Title Progression Increases Career Satisfaction

Maximum Impact of Title Progression on Career Satisfaction



n = 8,550.

Source: CEB 2015 Careers Employees Survey.

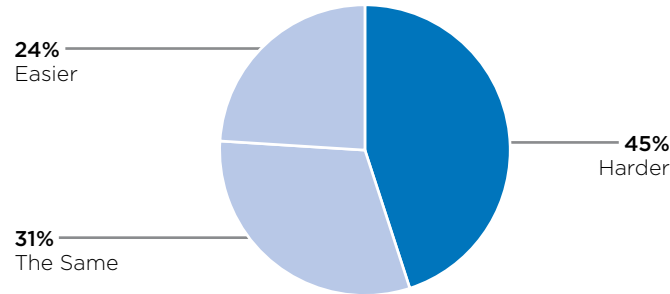
Most organizations can't offer the same opportunities for upward progression as they used to. Nearly half of employees agree it is more difficult to get promoted today than it was five years ago.

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

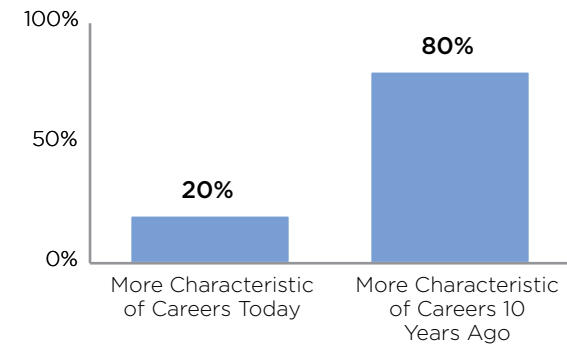


n = 8,550.

Source: CEB 2015 Careers Employees Survey.

...And It's Not Going to Get Easier

HR Leaders' Perception of Promotion-Based Careers



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

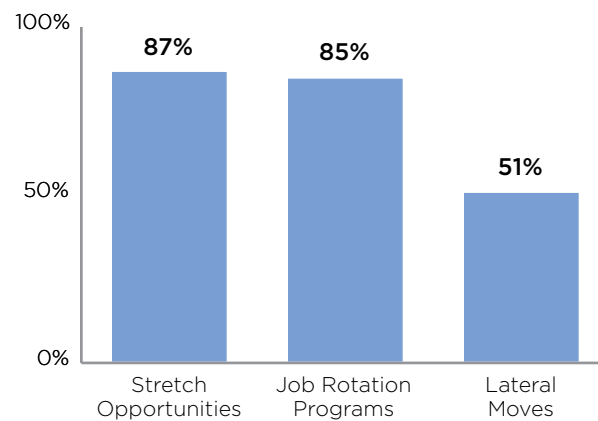
Organizations provide employees with growth opportunities such as stretch opportunities, job rotations, or lateral moves. However, employees do not see their benefits.

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

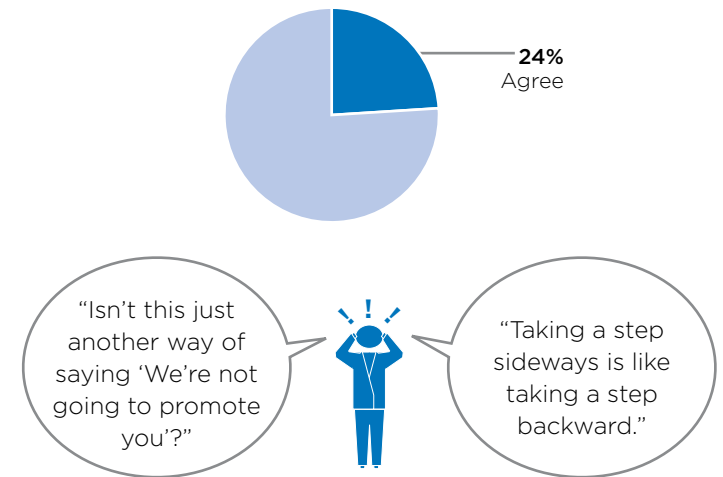


n = 124.

Source: CEB 2015 Head of HR Function Survey.

Employees Do Not See How Growth Will Help Them Progress

Percentage of Employees Who Believe Career Moves for Growth Help Them Advance



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

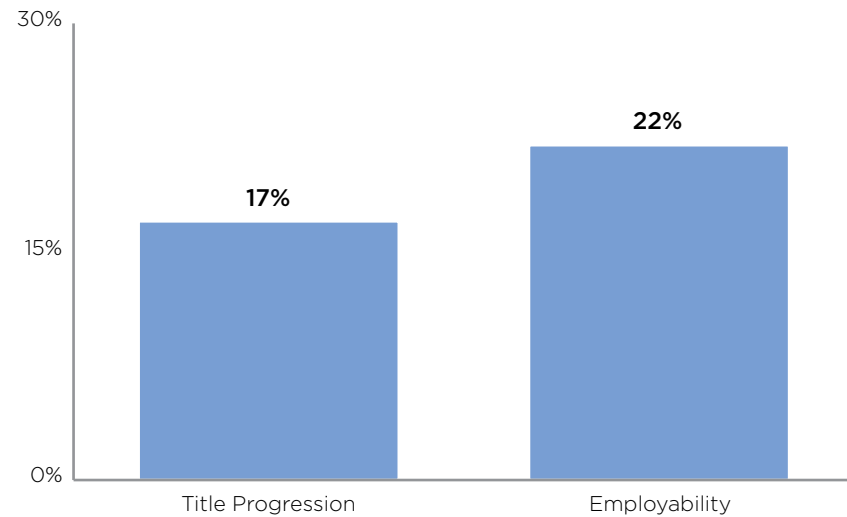
Benefits to the Employee

- ✓ **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



$n = 8,550$.

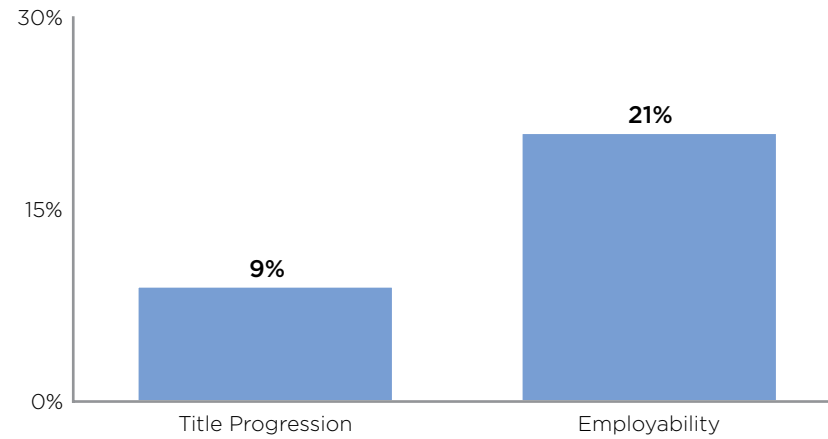
Source: CEB analysis.

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.

The term “tour of duty” comes from the military, where it refers to a specific assignment or deployment, usually for a specific period of time.

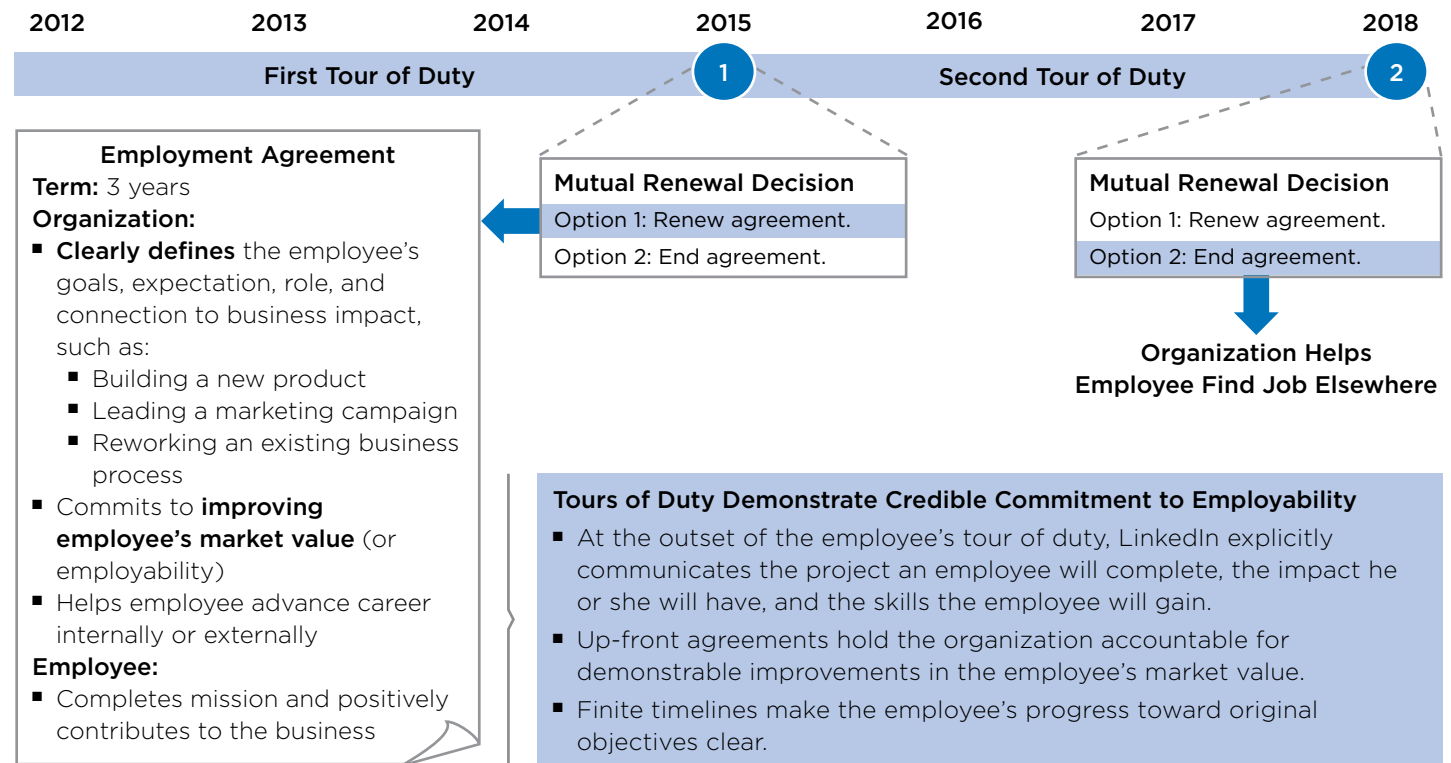
LinkedIn has taken that concept and created a new-in-kind compact with employees. It recognizes the impermanence of their relationships yet still seeks to build trust and investment on both sides. LinkedIn thus creates a credible commitment to employability.

Tours of Duty have a predetermined time frame. When a tour is over, both sides can agree to renew it or end the agreement, in which case the organization helps the employee find a job elsewhere.

At the outset, the organization promises to clearly define the role and expectations and agrees to help the employee advance his or her career, either internally or externally, by making the employee more employable. In return, the employee agrees to positively contribute to the business.

CREATE CREDIBLE INVESTMENT IN EMPLOYEES’ EMPLOYABILITY

Tour of Duty Components

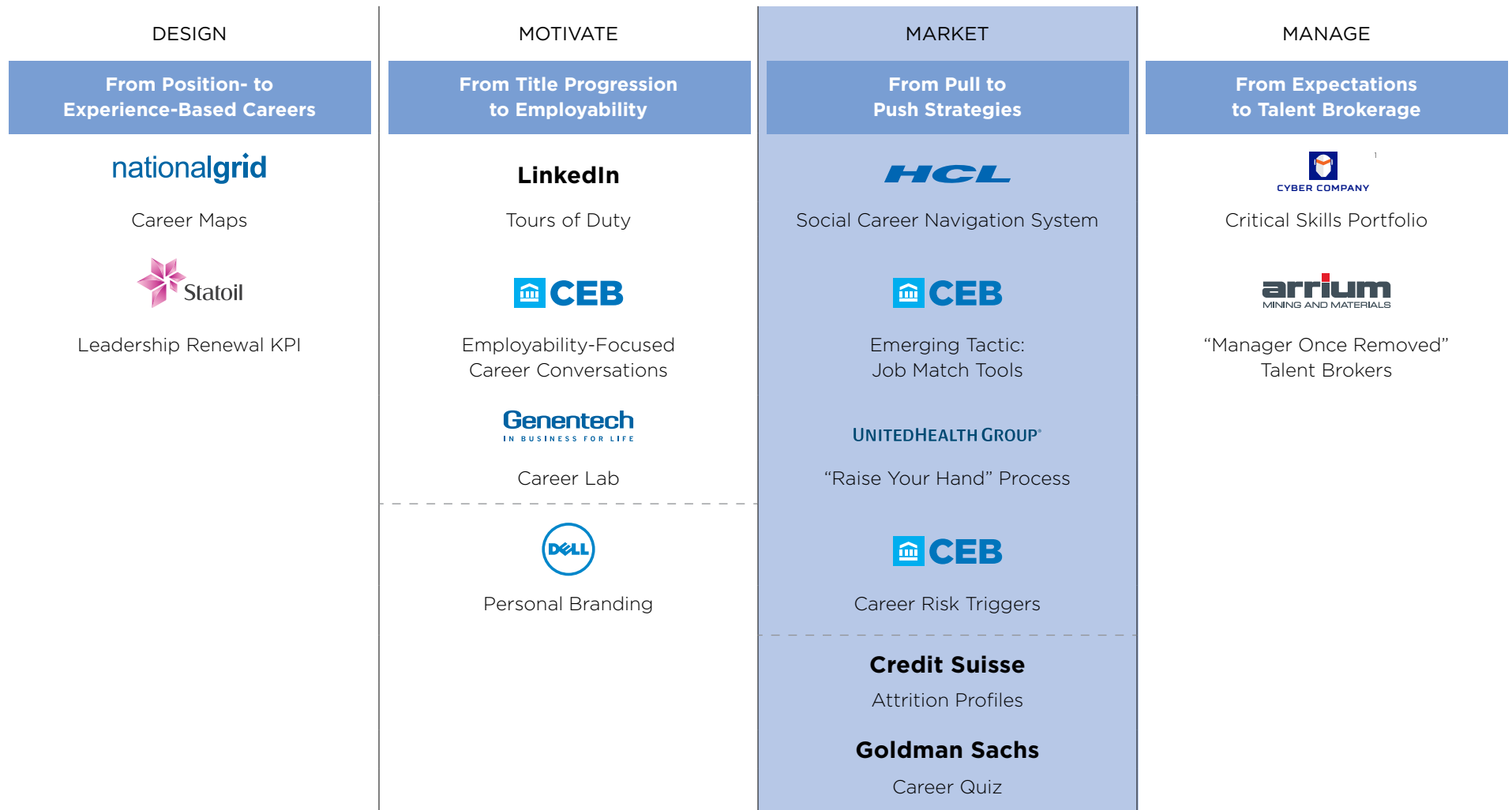


“Employees invest in the company’s adaptability; the company invests in employees’ employability.”

Reid Hoffman
 Co-Founder
 LinkedIn

Source: Reid Hoffman, Ben Casnocha, and Chris Yeh, “Tours of Duty: The New Employer-Employee Compact,” *Harvard Business Review*, June 2013; Reid Hoffman, “Use the Tours of Duty Concept to Attract and Retain Entrepreneurial Employees,” LinkedIn Talent Blog, 6 August 2014; CEB analysis.

CREATING COMPELLING CAREERS THROUGH CAREER PARTNERSHIPS



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

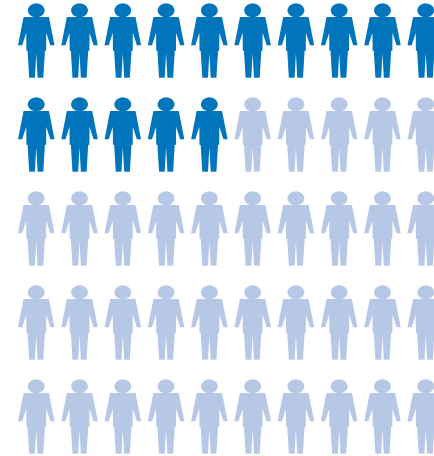
“Given the size of our organization, employees have hundreds of opportunities available to them.”

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.

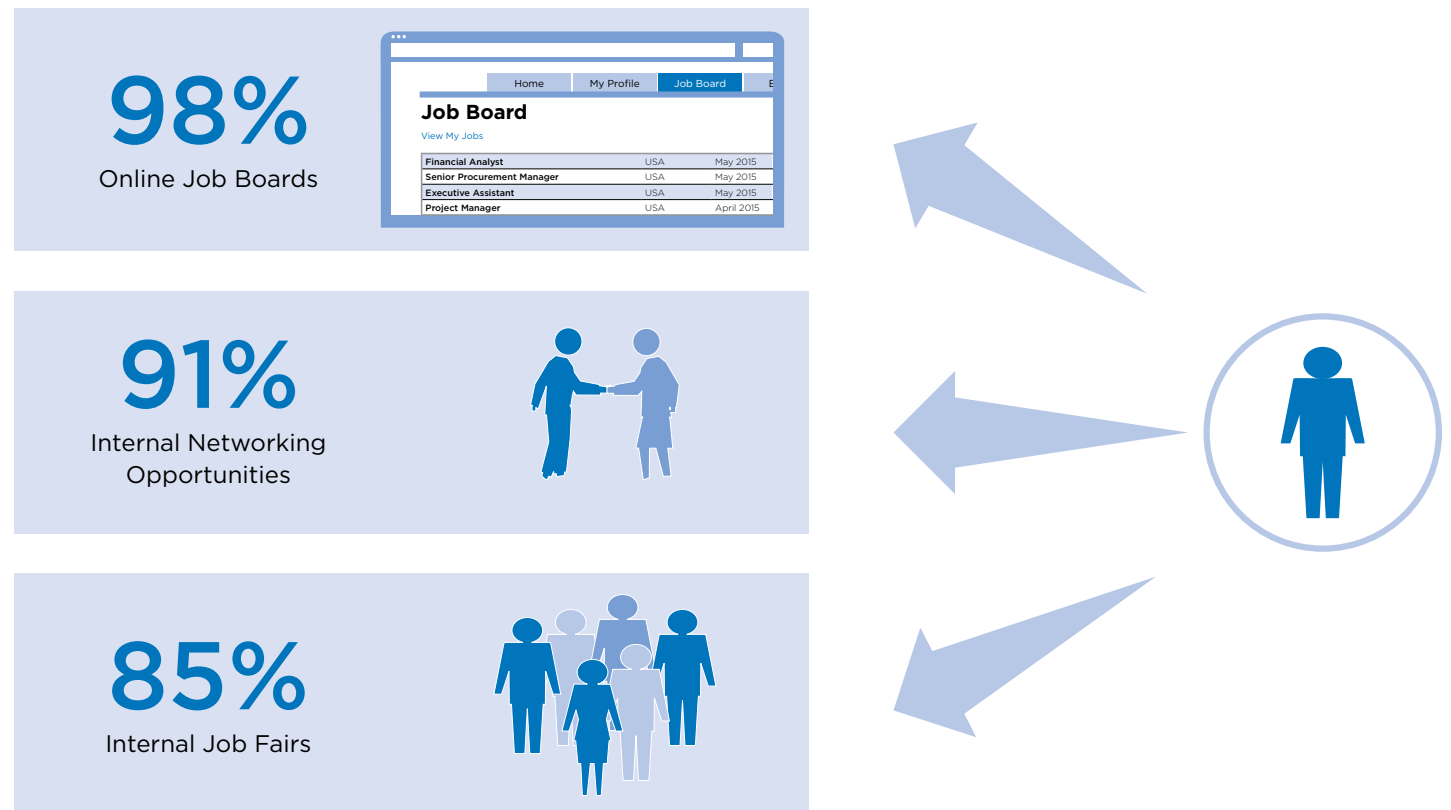
Source: CEB 2015 Careers Employee Survey.

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



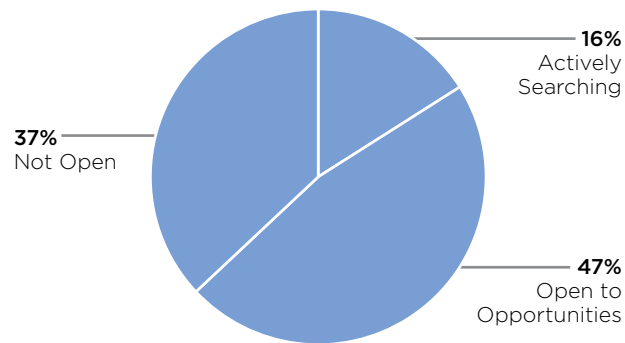
n = 8,550.
Source: CEB 2015 Careers Employee Survey.

Almost two-thirds of employees are open to new opportunities, but they find the information about opportunities overwhelming and unhelpful.

PULL STRATEGY OVERWHELMS THE SMALL AUDIENCE IT REACHES

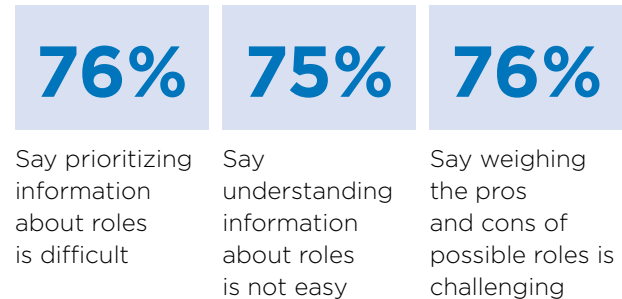
Most Employees Would Be Open to New Roles but Do Not Search for Them

Percentage of Employees by Their Openness to New Opportunities



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

Employees That Do Search Find It Difficult to Understand Relevant Roles



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

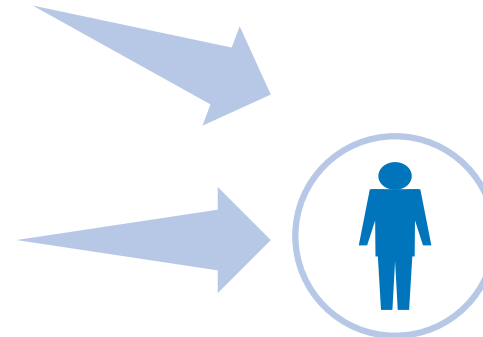
Progressive Organizations Market Opportunities to Employees

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.

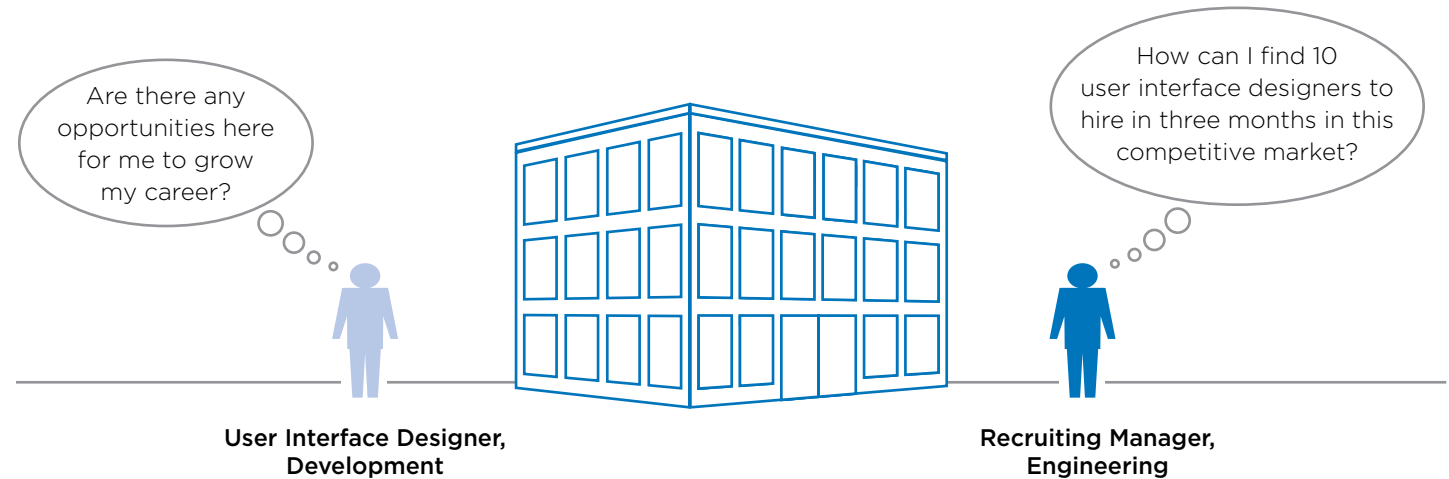
Employees say lack of career growth is one of the top reasons for leaving HCL. Not knowing what internal career opportunities exist and what skills the organization values causes employees to pursue careers outside the organization.

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



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.

CHALLENGE	PRACTICE OVERVIEW	SOLUTION HIGHLIGHT 1	SOLUTION HIGHLIGHT 2	SOLUTION HIGHLIGHT 3	RESULTS
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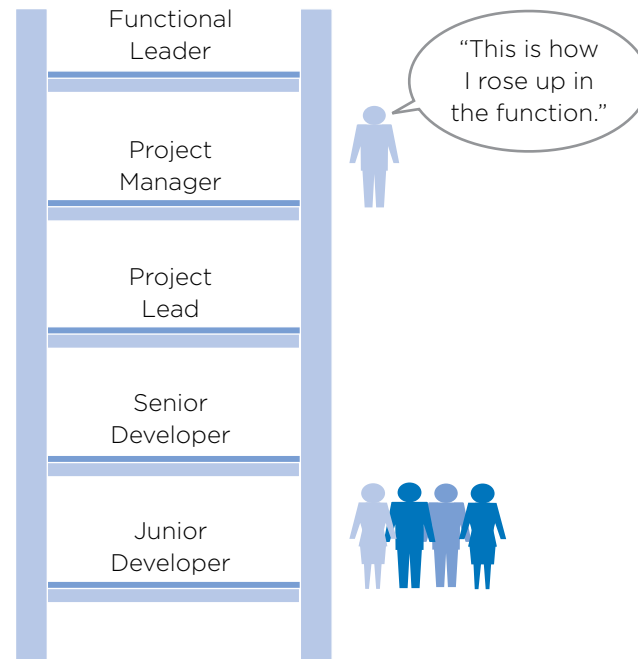
Instead of deploying a traditional, vertical career path, HCL's new career system channels employee aspirations toward strategic business needs. It helps employees identify and work toward their career aspirations that align with the organization's goals.

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

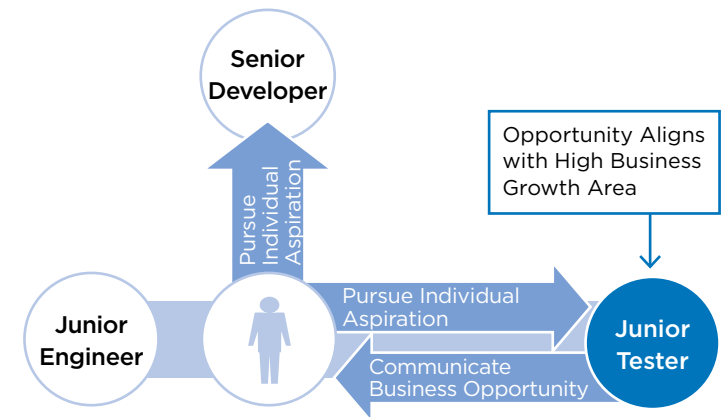


Traditional Approach: Vertical Career Path



Source: HCL Technologies Limited; CEB analysis.

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



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

Source: HCL Technologies Limited; CEB analysis.

CHALLENGE

PRACTICE OVERVIEW

SOLUTION HIGHLIGHT 1

SOLUTION HIGHLIGHT 2

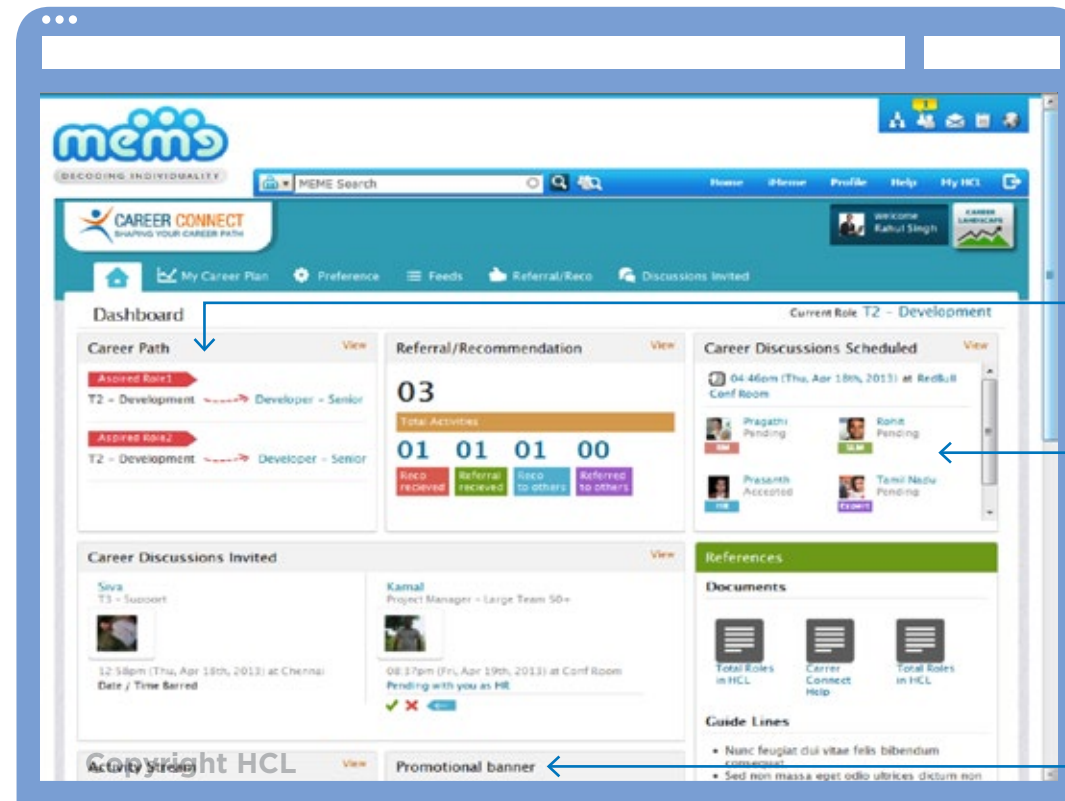
SOLUTION HIGHLIGHT 3

RESULTS

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



Employees select their aspirations, and business units can target them for specific positions based on this information.

Employees identify and receive guidance on aspirations.

Business units market their skill needs to employees.

Source: HCL Technologies Limited; CEB analysis.

CHALLENGE

PRACTICE OVERVIEW

SOLUTION HIGHLIGHT 1

SOLUTION HIGHLIGHT 2

SOLUTION HIGHLIGHT 3

RESULTS

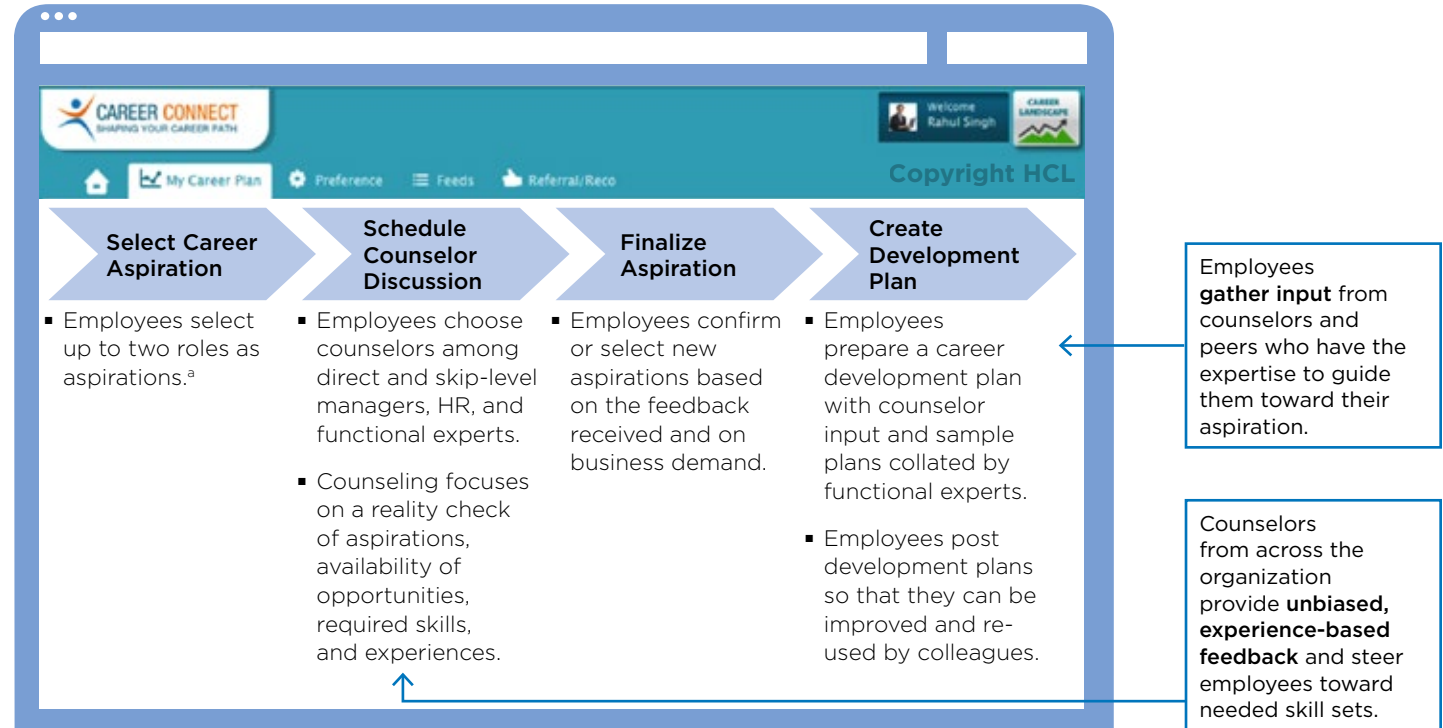
EMPLOYEES PRE-IDENTIFY ASPIRATIONS WITH COUNSELOR FEEDBACK

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.

Process for Career Aspiration Development



Source: HCL Technologies Limited; CEB analysis.
^a See the Appendix for HCL's Career Landscape.

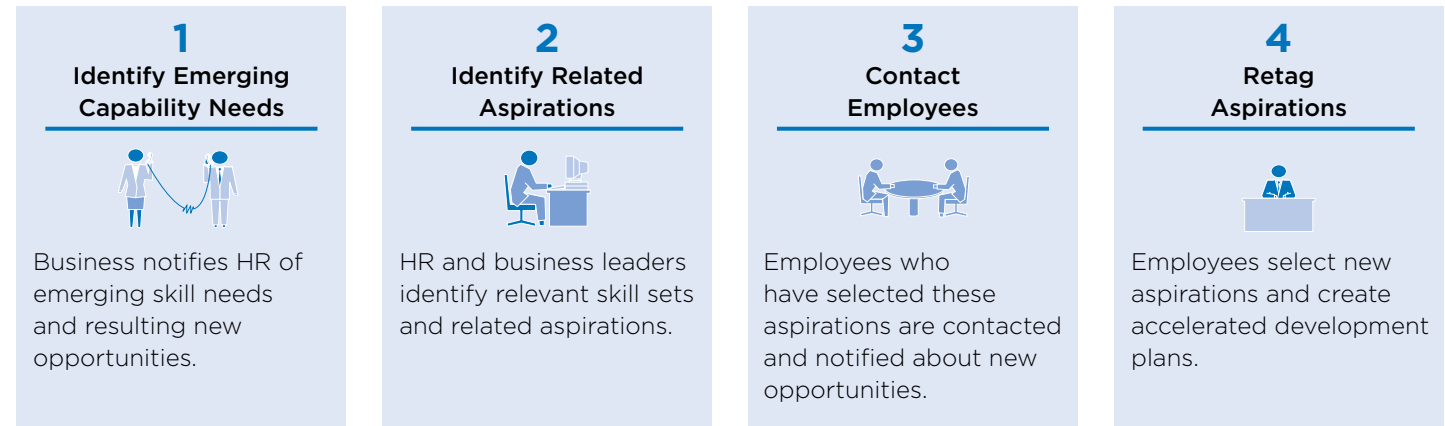
By knowing who would be interested in specific opportunities, business units can directly target employees to fill the business's immediate talent needs.

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.

ALIGN EMPLOYEES WITH NEW OPPORTUNITIES BASED ON ASPIRATIONS



Process for Targeting Employees for Specific Opportunities



Source: HCL Technologies Limited; CEB analysis.

Example: Software Engineering Talent Pipeline Program

- 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.

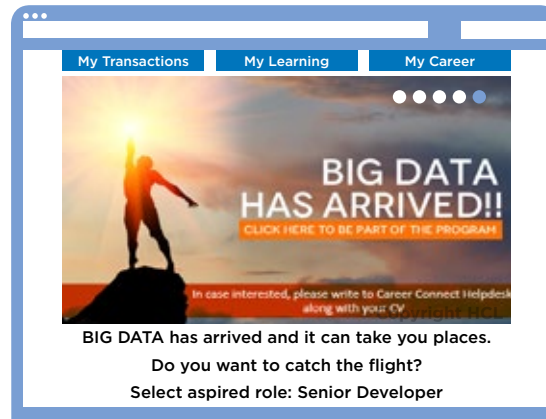
CHALLENGE	PRACTICE OVERVIEW	SOLUTION HIGHLIGHT 1	SOLUTION HIGHLIGHT 2	SOLUTION HIGHLIGHT 3	RESULTS
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INCREASE AWARENESS OF EMERGING CAPABILITY NEEDS TO BUILD THE TALENT PIPELINE

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.

Business Units Advertise Growth Areas to All Employees



Source: HCL Technologies Limited; CEB analysis.

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.

Employees Update Aspirations Based on Business Need Marketing



Source: HCL Technologies Limited; CEB analysis.

CHALLENGE

PRACTICE OVERVIEW

SOLUTION HIGHLIGHT 1

SOLUTION HIGHLIGHT 2

SOLUTION HIGHLIGHT 3

RESULTS

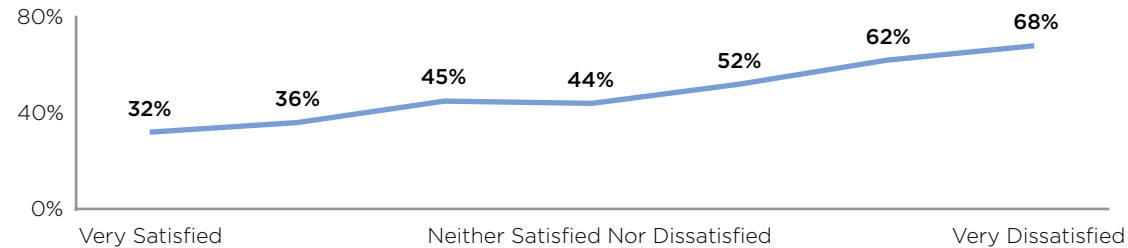
Employees' job search activity increases when they are dissatisfied with their career. Only one-third is likely to look when they are satisfied, but almost 7 in 10 will look when they are highly dissatisfied.

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

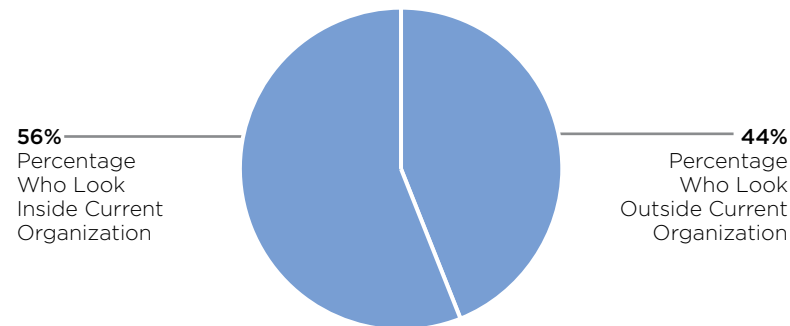


n = 8,550.

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



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.

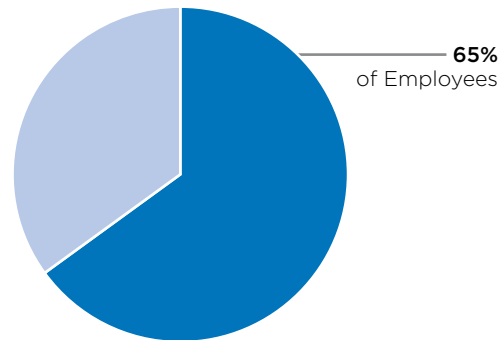
Active job seekers should not be the primary focus for internal marketing opportunities because competitors also target passive candidates. In fact, 65% of passive job seekers have been contacted by a recruiter in the past six months.

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.

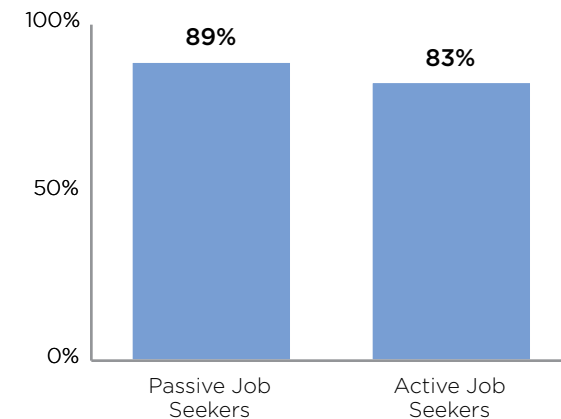
TARGET PASSIVE, NOT JUST ACTIVE, JOB SEEKERS

Passive Job Seekers Are Recruited Externally
Percentage of Passive Job Seekers Who Have Been Contacted by a Recruiter in the Past Six Months



n = 4,663.
Source: CEB 2014 Employment Branding Effectiveness Survey.

Passive Job Seekers Are Not Underperformers
Percentage of Employees Who Met or Exceeded Expectations in Past Performance Review



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

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.

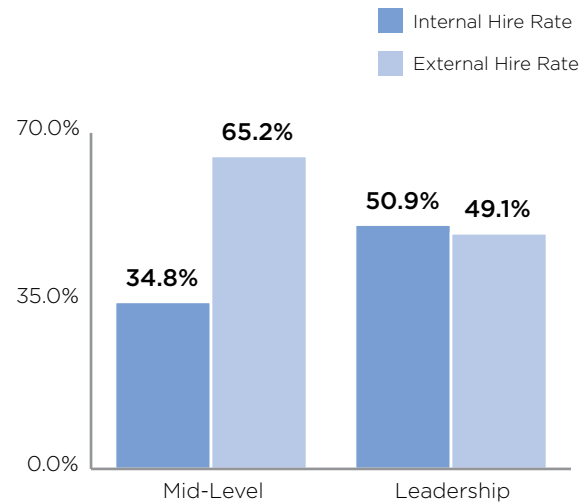
n = 8,550.
Source: CEB 2015 Careers Employee Survey.

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



Source: UnitedHealth Group Inc.; CEB analysis.

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



Source: UnitedHealth Group Inc.; CEB analysis.

SITUATION

OVERVIEW

SOLUTION HIGHLIGHT 1

SOLUTION HIGHLIGHT 2

RESULTS

EASIER FOR PASSIVE INTERNAL JOB SEEKERS TO EXPLORE OPPORTUNITIES

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.

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



Job profiles include job-specific functional competencies against which employees can assess their proficiency.

Source: UnitedHealth Group Inc.; CEB analysis.

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.

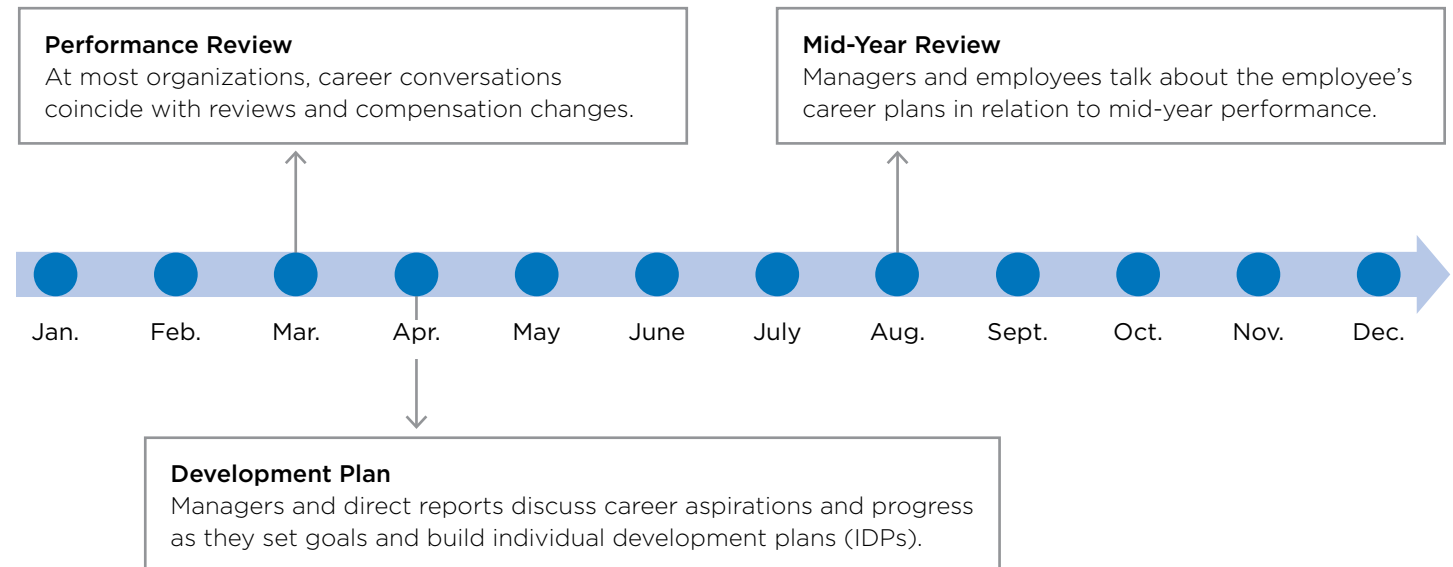
At most organizations, career conversations occur at preset times during the performance review process, not when employees seek or need career guidance.

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



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.

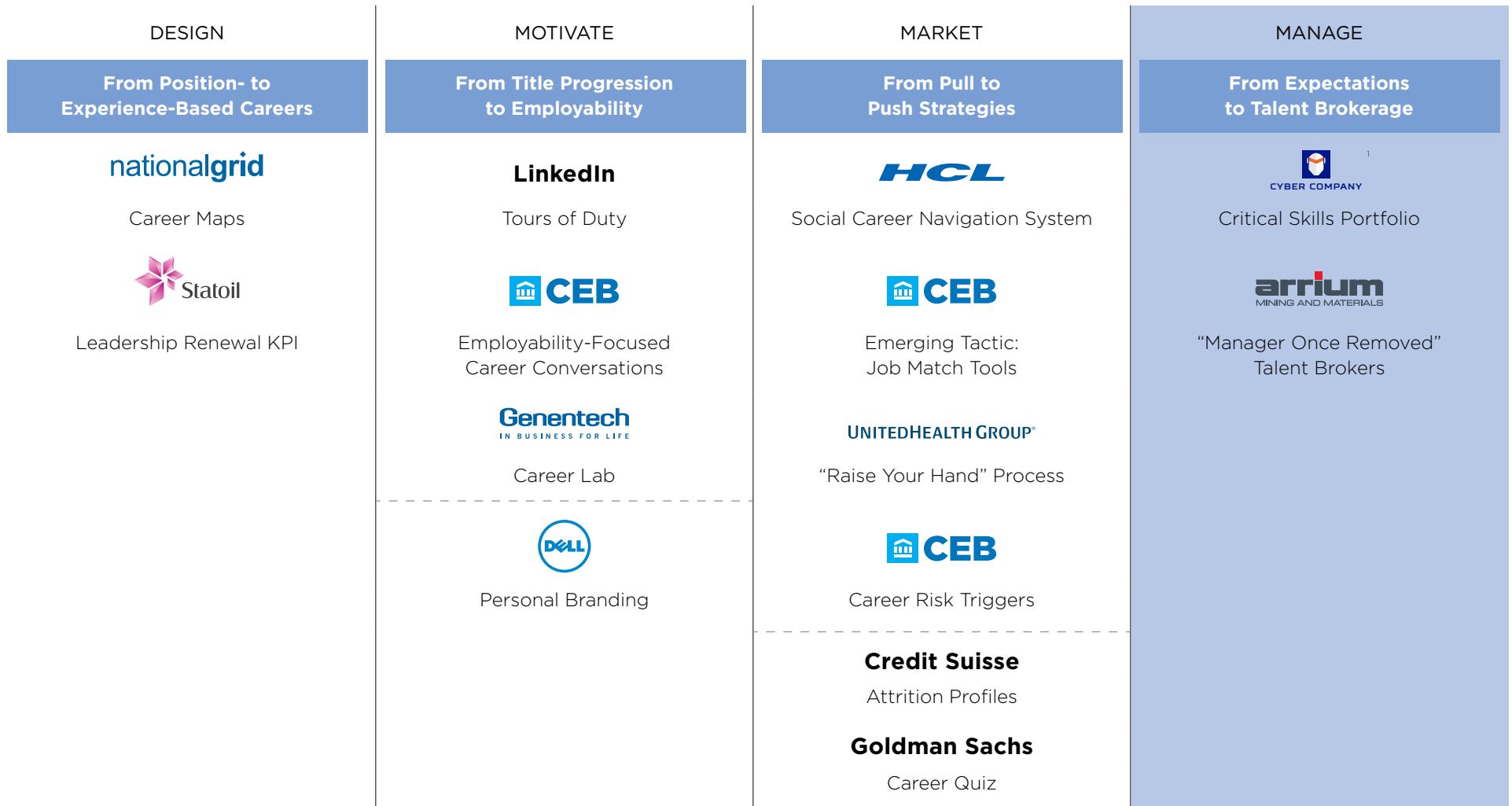
TIME CONVERSATIONS TO COINCIDE WITH CAREER RISK TRIGGERS, NOT JUST HR PROCESSES

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

Not a Risk Trigger	Δ Career Satisfaction	Δ Job Search Activity
Performance review	-2%	-13%
Bonus	-3%	-6%

Source: CEB analysis.

CREATING COMPELLING CAREERS THROUGH CAREER PARTNERSHIPS



¹ Pseudonym.

CATALOG CRITICAL SKILLS, NOT PEOPLE

HR's Guidelines for Managers to Identify Critical Skills

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.

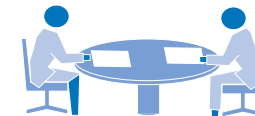
Identifying critical skills helps managers focus on skills instead of talent, not determine the objectiveness or comparability of skills across the organization.

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.

Source: Cyber Company; CEB analysis.

- 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.

¹ Pseudonym.

PRACTICE OVERVIEW	SOLUTION HIGHLIGHT 1	SOLUTION HIGHLIGHT 2	SOLUTION HIGHLIGHT 3	RESULTS
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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.

MAKE GAPS MORE TRANSPARENT IN CRITICAL SKILLS PORTFOLIO



Cyber Company's Skills-Logging System

	Total Skills Portfolio of Manager's Team			Skills at Risk Within Manager's Team				
	Number of Skills	Number of Experts	Number of Protégés	Total	Percentage at Risk	High	Med	Low
Team A (Manager: Hanson, John)	8	13	16	5	63%	0	5	0
Team B (Manager: Smith, Alicia)	25	34	28	13	53%	2	5	6

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.

PRACTICE OVERVIEW

SOLUTION HIGHLIGHT 1

SOLUTION HIGHLIGHT 2

SOLUTION HIGHLIGHT 3

RESULTS

DRIVE URGENCY TO IMPORT TALENT

Manager Critical Skills Risk Assessment

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

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.



Source: Cyber Company; CEB analysis.

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?

¹ Pseudonym.