The New Path Forward

Creating Compelling Careers for Employees and Organizations

Summary of Findings
CAREER MANAGEMENT IS AN EXECUTIVE-LEVEL CONCERN

Priority for CEOs and Boards
Reasons Why Career Management Is a Top Priority for CEOs and Boards

CHROs Focus on Careers as Engagement Driver
Top Three Areas for Improvement Identified in Most Recent Engagement Survey

- Retain Critical Talent: 95%
- Build Organizational Capabilities: 90%
- Strengthen Leadership Pool: 89%
- Attract Critical Talent: 76%
- Motivate Performance: 64%
- Maintain or Improve Firm Reputation: 38%
- Manage Operating Costs: 20%

- Career Opportunities: 62%
- Leadership Quality: 38%
- Compensation: 38%
- Manager Quality: 32%
- Performance Management: 30%
- Non-Monetary Rewards: 27%
- Work/Life Balance: 27%

n = 124.
Source: CEB 2015 Careers Head of HR Function Survey.
TODAY’S CAREERS FAIL EMPLOYERS AND EMPLOYEES

Organizations Face Skill Shortages
Likelihood Organization Will Face an Internal Capability Shortage in Next 3–5 Years (Percentage of Heads of HR)

- 21% Unlikely
- 16% Neutral
- 63% Likely

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

Employee Dissatisfaction with Career Opportunities
Percentage of Employees Satisfied with Future Career Opportunities at Their Organization

- 30% Satisfied
- 70% Dissatisfied

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

Eliminating an internal skills shortage generates an additional 5% to 8% annual increase in revenue and profit.

Improved career satisfaction generates an additional 2% to 3% increase in revenue and profit by increasing engagement.

Note: See Appendix for additional segmentation.

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EMPLOYEES FACE RISK OF CAREER DERAILMENT

Implications of Today’s Careers

Job Complexity by Tenure

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

- **Steeper Rises**
  In flatter organizations, upward transitions are more complex. About half of transitioning leaders—46%—underperform during the course of their transition.

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

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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 moves are driven by career dissatisfaction
- Opportunities are the result of vacancies

Growth-Based Career Culture

- Employees focus on obtaining new experiences that build their skills
- Employees move between different parts the organization
- Career moves are driven by growth opportunities
- Opportunities are the result of business need

Source: CEB analysis.
ORGANIZATIONS WANT EMPLOYEES TO FOCUS ON CAREER GROWTH, NOT JUST PROMOTIONS

Focus of Organization’s Ideal and Current Career Culture

Percentage of Heads of HR

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

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

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

“The reality is that we can’t support a promotion-based culture. We want employees to start thinking about their career in terms of growth instead of narrowly focusing on how to get the next promotion.”
SVP of HR
Pharmaceutical Organization
ORGANIZATIONS MANAGE CAREER GROWTH THROUGH EMPLOYEE OWNERSHIP

Employee Ownership More Characteristic of Today’s Careers

Percentage of Employees and Heads of HR Who Agree

The employee is primarily responsible for ensuring they have a career path.

Benefits of Employee Career Ownership

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

n = 124; 8,550.

Source: CEB 2015 Careers Head of HR Function Survey; CEB 2015 Careers Employee Survey.
COMMON STRATEGIES TO ENCOURAGE EMPLOYEE CAREER OWNERSHIP

Sample Career Paths
Shows employees potential ways to advance their careers

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

Career Success Story: My Path to the Top

Internal Job Boards
Helps employees search for jobs that meet their career aspirations

Career Conversation Training and Guides
Encourages employees to plan their career and discuss their aspirations

Source: CEB analysis.
EMPLOYEE OWNERSHIP MISALIGNED WITH GROWTH-BASED CAREER CULTURE

**Capability Misalignment**
Employees do not necessarily pursue career choices that build the capabilities the organization needs for the future.

**Value Misalignment**
Organizations see benefits in growth-based careers but employees do not buy-in to the return they will receive.

**Marketing Misalignment**
Organizations have internal opportunities but employees do not see the same opportunities.

**Manager Misalignment**
Managers, who facilitate employees’ careers, inadvertently stall long-term growth to achieve short-term performance goals.

Source: CEB analysis.
KEY QUESTIONS ON CAREER MANAGEMENT

1. How should we design careers for capability growth?

2. How do we gain employees’ buy-in for growth-based careers?

3. How do we connect the right employees with the right opportunities?

4. How do we get managers to better support employees’ careers?
CREATE CAREER PARTNERSHIPS TO ACHIEVE GROWTH-BASED CAREER CULTURE

Current Approach: Employee-Owned Careers

**DESIGN**
Design careers around positions

**MOTIVATE**
Motivate employees with title progression

**MARKET**
Pull employees to new positions

**MANAGE**
Encourage career moves through organizational imperatives

New Approach: Career Partnerships

**DESIGN**
Design careers around experiences

**MOTIVATE**
Motivate employees with employability

**MARKET**
Push internal opportunities to employees

**MANAGE**
Encourage career moves by appealing to managers’ interests

Solves Capability Misalignment

Solves Value Misalignment

Solves Marketing Misalignment

Solves Manager Misalignment

Source: CEB analysis.
MODEL OF A CAREER PARTNERSHIP

Four Components of Career Partnerships

Maximum Impact on Career Satisfaction by Career Partnership

Design
Design Careers Around Experiences

Motivate
Motivate Employees with Employability

Market
Push Internal Opportunities to Employees

Manage
Focus Managers on Importing Talent

Career Partnership
Skill shortages are 20% less likely in the next 3–5 years.

24% Max Impact
22% Max Impact
33% Max Impact
29% Max Impact

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

<table>
<thead>
<tr>
<th>DESIGN</th>
<th>MOTIVATE</th>
<th>MARKET</th>
<th>MANAGE</th>
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<tr>
<td>From Position to Experience-Based Careers</td>
<td>From Title Progression to Employability</td>
<td>From Pull to Push Strategies</td>
<td>From Organizational Imperative to Manager Interest</td>
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<tr>
<td>nationalgrid</td>
<td>LinkedIn</td>
<td>UnitedHealth Group*</td>
<td>CYBER company¹</td>
</tr>
<tr>
<td>National Grid’s Career Maps</td>
<td>LinkedIn’s Tours of Duty</td>
<td>UnitedHealth Group’s Raise Your Hand Process</td>
<td>Cyber Company’s Critical Skills Portfolio</td>
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<td>Alpha Company’s Leadership Renewal KPI</td>
<td>Employability-Focused Career Conversations</td>
<td>HCL Technologies’ Social Career Navigation System</td>
<td>Arrium’s Manager Once Removed Talent Brokers</td>
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<tr>
<td>Genentech</td>
<td>Genentech’s Career Lab</td>
<td>Emerging Tactic: Job Match Tools</td>
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<td>Dell’s Personal Branding</td>
<td>Credit Suisse’s Attrition Profiles</td>
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<tr>
<td>Goldman Sachs</td>
<td>Goldman Sachs’s Career Quiz</td>
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¹ Pseudonym.
GENERATE INTENTIONAL MOVEMENT BY BUILDING LIMITING, NOT EXPANSIVE, CAREER MAPS

National Grid Created Career Maps to Help Employees Get Desired Experiences for Critical Roles

Elements of a Career Map

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

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

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

Source: National Grid: CEB analysis.

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# CREATE COMPELLING CAREERS FOR EMPLOYEES AND THE ORGANIZATION

Design and Deliver Careers that Retain and Build Talent

<table>
<thead>
<tr>
<th>STEP 1: Design Careers to Grow Capabilities</th>
<th>STEP 2: Improve Internal Labor Market Efficiency</th>
<th>STEP 3: Build Employee Buy-In for Growth-Based Careers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design careers based on experiences that build capabilities the organization and employees need in the future.</td>
<td>Increase employees’ awareness of internal career opportunities as well as managers’ support of employees’ career decisions.</td>
<td>Help employees understand the value of pursuing a career focused on experiences that will grow their and the organization’s capabilities.</td>
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<td><strong>You Will Receive:</strong></td>
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</tr>
<tr>
<td>- Tools to help you manage your organization’s career redesign process;</td>
<td>- Case studies on how to effectively market internal career opportunities to employees;</td>
<td>- Guidelines to help managers communicate the benefits of growth-based careers to employees;</td>
</tr>
<tr>
<td>- Case studies on effectively redesigning careers around experiences; and</td>
<td>- Toolkits with step-by-step guidance to help you replicate best practices;</td>
<td>- Case studies on how to provide employees with the information and resources needed to pursue a growth-based career; and</td>
</tr>
<tr>
<td>- Guidelines on how to manage critical career experiences in the organization to ensure employees are not blocked from those opportunities.</td>
<td>- Access to a database of employees’ EVP preferences, which can be segmented by factors such as industry and geography; and</td>
<td>- Tools for employees to translate their career experiences into a compelling career brand.</td>
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<tr>
<td><strong>Action:</strong></td>
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</tr>
<tr>
<td>Use the Career Mapping Toolkit to identify experiences needed to build capabilities for specific positions or strategic initiatives.</td>
<td>Use our career conversation guidelines to support managers and help employees better prepare for career discussions.</td>
<td>Use our ready-made tools to help employees define their career brand.</td>
</tr>
</tbody>
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Member Timeline: __________________________ Member Timeline: __________________________ Member Timeline: __________________________
CREATE COMPELLING CAREERS FOR EMPLOYEES AND THE ORGANIZATION

Recommended Resources

**STEP 1: Design Careers to Grow Capabilities**

- **Career Mapping Toolkit**
  Use this tool to create a map of experiences that will build the skills and capabilities needed for critical roles or strategic initiatives.

- **HR Business Partner Support Guides (to come)**
  Provide this best practice guidance to HR Business Partners to help them work with their line leaders to design careers that build capabilities for their business.

**STEP 2: Improve Internal Labor Market Efficiency**

- **Career Opportunity Marketing Strategies (to come)**
  Download these member practices on effectively building awareness of and directing employees toward internal career opportunities.

- **Career Conversation Toolkit (to come)**
  This set of guidelines helps managers and employees prepare for, hold, and follow up on manager–employee career discussions.

- **Departure View Exit Survey Tool**
  This CEB-managed exit survey provides you with quarterly reports on the strength of your EVP relative to your labor market competitors.

**STEP 3: Build Employee Buy-In for Growth-Based Careers**

- **Sample Career Portals (to come)**
  These member-provided examples of career portals demonstrate how to communicate career information and provide support to employees.

- **Personal Branding Toolkit (to come)**
  Provide these guidelines to employees to help them translate their skills and experiences into a compelling personal career brand.

For more information, contact the Member Support Center at +1-866-913-6447.