Five Essentials for High-Performance Career Development

Research Summary

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Brandon Hall
GROUP

Brandon Hall Group Research Team

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Demographics - 2018 Career Development Study

330 Total Responses

39 Countries

- **67%** US/Canada
- **22%** EMEA
- **8%** APAC
- **3%** Carribean/South America

32 Industries

Top 5:
Technology/Software (11%),
Manufacturing (10%),
Education (10%), Consulting (7%),
Health (6%), Government (6%)

Small, Mid-Size, and Large Organizations

34% Less than 500 employees

30% 501-4,999 employees

36% 5,000+ employees

|	
27%	Learning/Leadership Development Professional
16%	Head of Learning/Leadership Development
14%	HR/Talent Management Head
14%	HR/Talent Management Professional
12%	Executive/Senior Leadership
9%	Non-HR/Individual Contributor
3%	Technical/Production Role
3%	Business Unit Operations Management
2%	Talent Acquisition Head or Professional

Overview

Career development is a vitally important journey for employees and employers.

For employees, career development defines their work identity and income potential, and significantly impacts their lifestyles.

For a majority of employers, career development impacts employee engagement and retention, and the strength of their employee value proposition, according to Brandon Hall Group's 2018 Career Development Study. It also drives key talent processes such as learning and development, performance management, talent management and career pathing.

Biggest Impact of Employers' Career Development Framework on Business Results
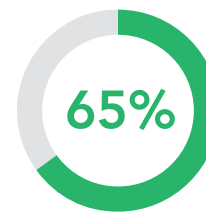
65%
Higher talent retention
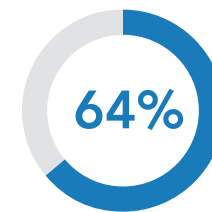
64%
Higher employee engagement
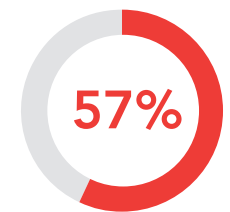
57%
Stronger employee value proposition

Source: 2018 Brandon Hall Group Career Development Study

Top Talent Processes Driven by Career Development

Learning & Development	86%
Performance Management	74%
Talent Management	61%
Career Pathing	57%
Succession Management	45%

Source: 2018 Brandon Hall Group Career Development Study

Importance is usually accompanied by complexity, and that is certainly the case with career development. While career development is often considered a single subject, it is actually a collection of conditions, strategies and processes that must work in harmony to be effective. These include:

- A framework that defines and describes job roles, job families, career levels and career streams.
- Clear, flexible and well-communicated career paths.
- Competencies aligned with career paths.
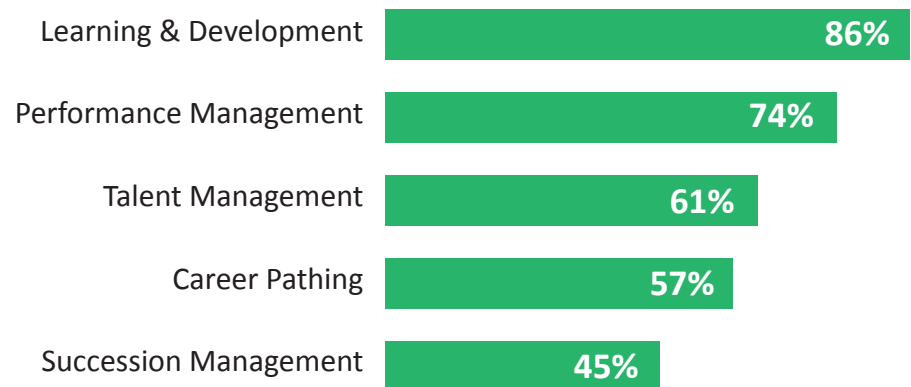
- Performance management aligned with competencies and career paths.
- Coaching and mentoring.
- Enabling technology.
- Workforce planning.
- High-potential development and succession management.

- An assessment program.
- Rewards and recognition.
- A supportive corporate culture that embraces diversity and inclusion.
- A recruiting and onboarding program aligned with all of the above.

This, of course, is difficult to achieve. While 70% of organizations have a formal career development framework of some kind, many organizations do not use all elements of the framework.

Use of Career Development Framework Elements

65%

Job/Role
A specific point in a career journey, characterized by a combination of job-specific requirements within a job family, career level and career stream

51%

Job Families/Sub-families
Major professional areas (i.e., Sales, IT, Finance, Operations)

51%
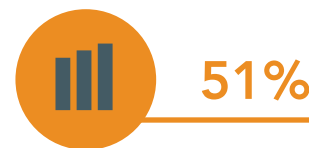
Career Levels
These are the hierarchical position of jobs within a career stream. It describes the major changes in job scope and responsibilities and should be consistent across job families.

46%
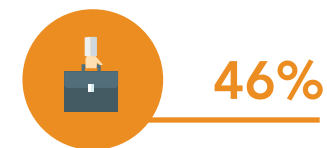
Career Streams
Career types characterized by unique responsibilities. They typically include Executive, Management, Professional, Technical, Support.

Source: 2018 Brandon Hall Group Career Development Study

Most organizations have only a small percentage of employees with clear, well-communicated career paths:
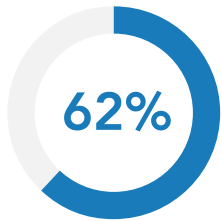
62% of organizations have less than one-fifth of employees with clear career paths.

9% of organizations have more than half of employees with clear career paths.

Most organizations have the best of intentions for career development and many offer a variety of opportunities for employees to grow:

66%
Cross-functional team/project work

54%
Support formal education outside the workplace

52%
Stretch assignments

42%
Job rotations

40%
Certifications

But without a complete career framework and well-defined, aligned strategies, it is difficult to create and sustain a career development program that consistently drives employee engagement and retention. Organizations cite many barriers:

Biggest Barriers to Creating Career Frameworks and Career Paths

Barrier	Percentage
Lack of clear communication in matching competencies to career opportunities	59%
Absence of competencies tied to career paths	51%
Lack of technology or integrated technologies to support career development efforts	46%
Culture of the organization doesn't value career development paths	33%
Job descriptions do not match work performed	30%
Lack of support from executive leadership	30%
Lack of clear job descriptions	30%

Source: 2018 Brandon Hall Group Career Development Study

The key to breaking down these barriers is a foundational approach that:

- Balances organizational and individual employee goals.
- Aligns various talent processes.
- Leverages technology, corporate culture, governance and measurement.
- Considers a variety of factors such as executive buy-in, external influences, change management, diversity and inclusion, and others.

Brandon Hall Group developed a five-phase, High-Performance Career Development Framework to illustrate these foundations:

CULTURE

Phase 2: Assess
Understand Relationship between Employees' Personal Goals and their Engagement Levels

PHASE 1: Align
Balance Organizational & Individual Employee Objectives

PHASE 3: Develop
Build Competencies, Skill Inventories Incorporating Business Objectives and Individuals' Aspirations

TECHNOLOGY

GOVERNANCE

EMPLOYEE ENGAGEMENT AND RETENTION

PHASE 5: Sustain
Leverage Analytics to Maintain Balance Between Business and Individual Advancements

PHASE 4: Optimize
Build Horizontal, Vertical Developmental Opportunities Across Organization

MEASUREMENT

TALENT AND BUSINESS RESULTS

| External Influencers | Stakeholder Experience | Change Mgt. | Executive Buy-In | Assessments | Agile, Scalable | Global | Mobile, Social | Diversity & Inclusion |

SUCCESS LEVERS

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Improving a function as complex as career development is much easier to illustrate than it is to do. A detailed examination of every aspect of career development is beyond the scope of this research summary. But the research did reveal five essential steps that can jump-start the process and establish a firm foundation for success. The remainder of this report focuses on these five essentials:

Develop a Complete Career Development Framework	**Enable Career Development with Technology**	**Develop Career Paths Aligned with Competencies**
Enable Employees to Change Careers Streams or Levels Based on Changing Personal or Professional Priorities.	**Invest in Career Coaching**	

1 Develop a Complete Career Development Framework

As stated earlier, 70% of organizations use some type of career framework, although most organizations are not using all elements of a framework. Creating a career framework that starts with a particular job role and doesn't take it through a job family, career level and career stream is like starting construction of a road and not completing it; the road leads nowhere. So, it is important for organizations that have started a framework to complete it.

That leaves 30% of organizations — about one in three — without a career framework of any kind. Building a career development structure is a lot of work that requires buy-in and collaboration from across the organization. But data shows it is worth the effort. Organizations with some type of career framework are:

About **twice** more likely to see increased year-over-year employee engagement than organizations with no career framework.

Almost **four times** more likely to see increased employee retention.

Six times more likely to have more than 40% of employees with clear, well-communicated career paths.

Key Business Metric Performance: Career Framework vs. No Career Framework

Organizations with Some Type of Career Framework

Organizations with No Career Framework

● Increased employee engagement

● Increased employee retention

45%
31%

23%
8%
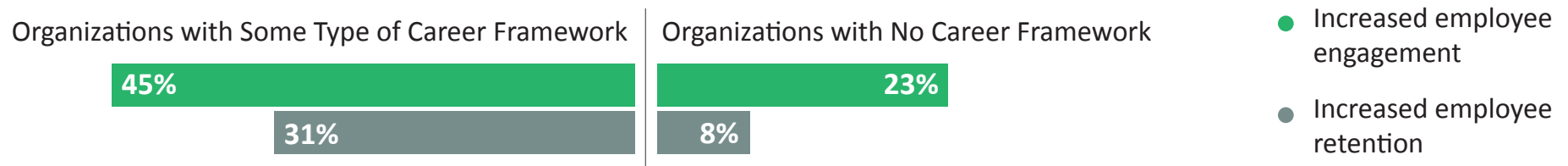
Source: 2018 Brandon Hall Group Career Development Study

Employees with Clear, Well-Communicated Career Paths

● Organizations with Some Type of Career Framework
● Organizations with No Career Framework

Less than one-tenth
31%
65%

One-tenth to one-fifth
21%
19%

One-fifth to two-fifths
30%
13%

More than two-fifths (40%)
18%
3%
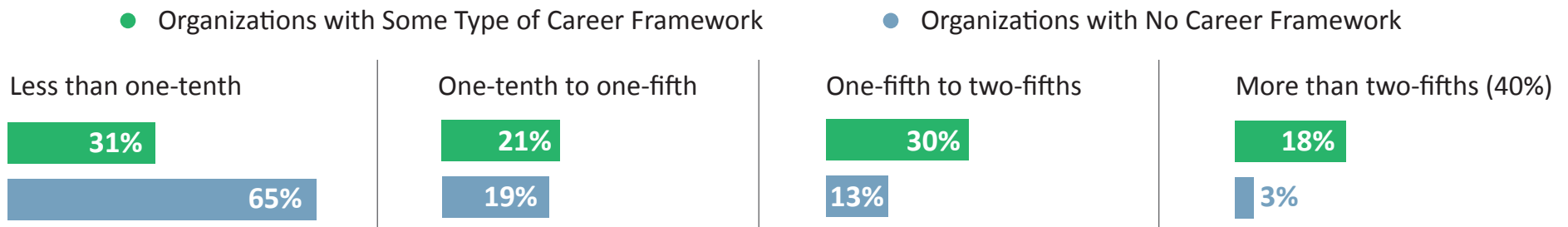
Source: 2018 Brandon Hall Group Career Development Study

The process of building the framework is different for every organization. The key is to take a wide lens and understand both organizational and employee goals for having a career development structure and career paths. It is then critical to involve a wide variety of stakeholders, ensure the framework aligns with the culture and governance is in place to guide the process. But, as we discuss below, technology is perhaps the most critical piece of the puzzle.

2   Enable Career Development with Technology

As we stated, career development is complex and involves a collection of conditions, strategies and processes that must work in harmony.

In even the simplest of organizations, there are many variables for creating a career development architecture and career paths. Once you start aligning career paths with competencies in different business units and regions, and creating vertical and horizontal career paths, those variables cannot be well-managed manually.
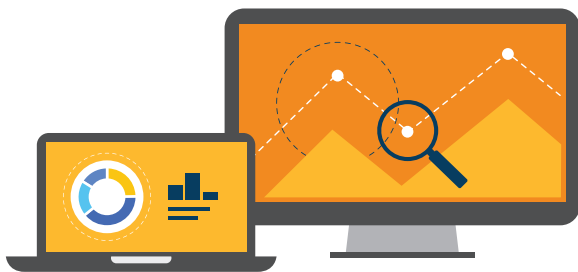
This is where the wheels come off for many organizations. The research shows only 23% of organizations support competency development with technology and only 21% of organizations support career development with technology. Comparatively, 60% of organizations support performance management with technology, which is arguably far less complicated than career and competency development.

Technology is readily available, both as part of a suite of talent solutions or as a point solution. Organizations may think career development is important, but many look at it as a function in itself rather than a complex, interwoven set of processes that defy manual management.

The small number of organizations utilizing career and competency technology have a distinct advantage over organizations that don't. For example, we know organizations struggle to develop clear, well-communicated career paths for most employees. Overall, only 38% say that more than one-fifth of employees have clear and well-communicated career paths. But consider the difference for organizations utilizing technology:

Technology Enables Career Planning

● More than one-fifth of employees have clear, well-communicated career advancement plans

24% No use of career technology

60% Career development and competencies supported by technology
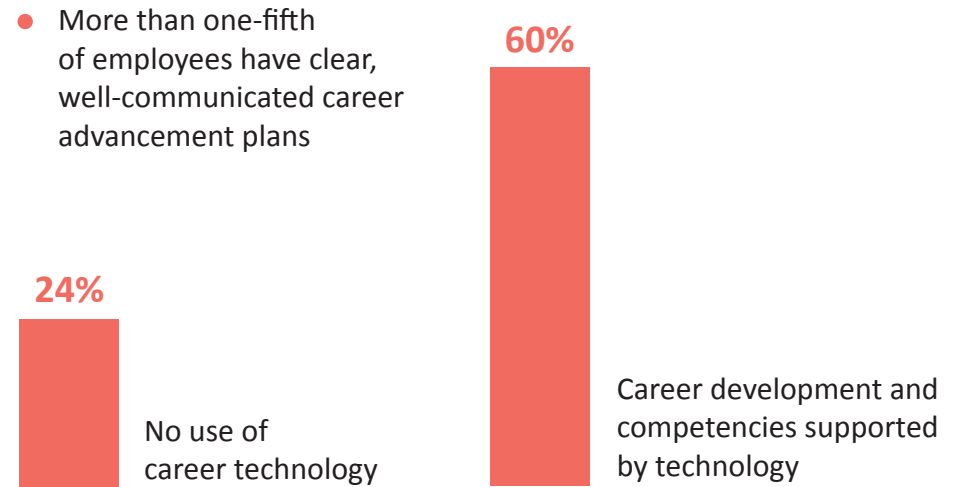
Source: 2018 Brandon Hall Group Career Development Study

There is also a strong correlation between technology use for career development and increases in key business metrics:

Increased employee engagement: **49%** / **29%**

Increased customer satisfaction: **60%** / **35%**

Increased employee retention: **33%** / **19%**

● Supported by technology

● Not supported by technology
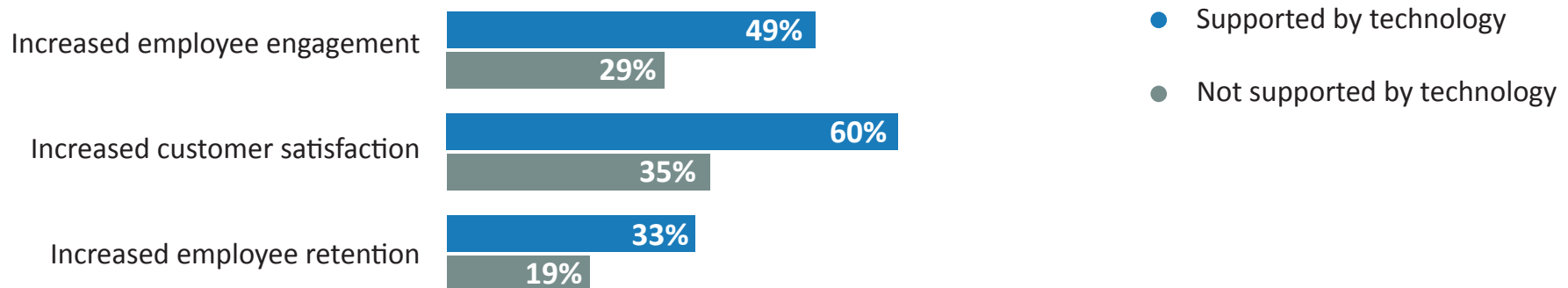
Source: 2018 Brandon Hall Group Career Development Study

3 | Develop Career Paths Aligned with Competencies

For career paths to resonate with employees and have value to the employer, they must be linked to an employee's performance. While about half of organizations still primarily determine promotions through annual performance reviews, 81% of organizations now align career paths with at least one of five competency types. Consider how those organizations align career paths and competencies:

Alignment Between Career Paths and Types of Competencies

47%

Functional competencies (specific to a type of job)

44%

Core competencies (specific to organizational values, behavioral traits)

41%

Technical competencies (specific to particular tasks, often involving technology)

40%

Leadership competencies (skills, behaviors needed for leadership)

16%

Career competencies (skills, experiences, certifications needed to move to different career levels)
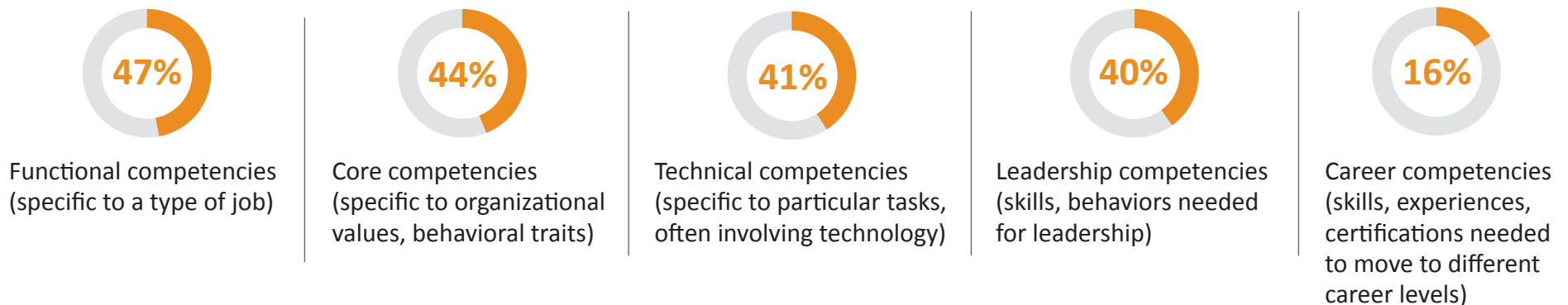
Source: 2018 Brandon Hall Group Career Development Study
Among organizations that align career paths with at least one competency

Aligning competencies with career paths provides a clear roadmap for employees to follow. They can see skills they must master through experience, training or both. They can understand whether there must be external learning through universities or associations and whether internal or external certifications are required. They can understand how long they are expected to stay in a role, and the expected level of performance before they can advance.

As we will discuss later, more employees don't want to follow traditional career paths and may seek to change directions due to evolving personal or professional priorities. Seeing what that requires can impact the decision, so having competencies in place and aligning them to career paths is extremely important.

This requires wide collaboration among stakeholders and can be expensive. To make the business case, it is important to note that there is a strong correlation between career path-competency alignment and improved business metrics. For example, organizations with career paths aligned with at least one competency type are twice as likely to see increased year-over-year employee engagement compared to organizations without alignment.

Impact of Career Path-Competency Alignment and Key Business Metrics

Metric	Career paths aligned with at least one competency type	Career paths not aligned with any competencies
Increased employee engagement	41%	20%
Increased customer satisfaction	48%	31%
Increased customer base	51%	41%
Increased employee retention	34%	25%
Increased quality hires	41%	27%

● Career paths aligned with at least one competency type

● Career paths not aligned with any competencies
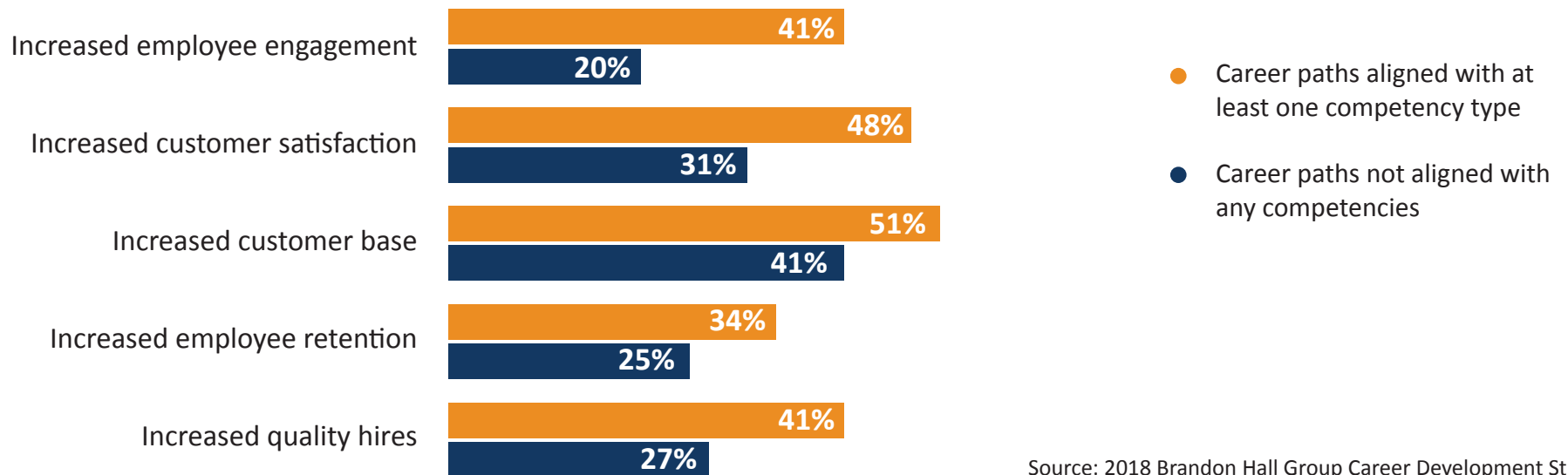
Source: 2018 Brandon Hall Group Career Development Study

4 Enable Employees to Change Career Streams or Levels Based on Changing Personal or Professional Priorities

In our four-generation workforce, career paths often move in untraditional ways. Personal interests affect career choices more often. Organizations that design ways for employees to change direction — horizontally, vertically or into an entirely different career stream or level — have a competitive advantage over other organizations.

Millennials are often presumed to be most likely to choose untraditional paths. But with employees working longer, Baby Boomers who want to continue working — but maybe not at the current level, intensity or job type — can continue to make meaningful contributions when flexible opportunities

are available. Job sharing is also becoming more popular, so organizations that can identify job-sharing opportunities gain a competitive advantage.

When designing career frameworks, it is important to avoid focusing only on the present and consider how the workforce might look in the future.

Right now, organizations that designed ways employees can move into career streams or career levels based on changing personal and professional priorities are still in the minority:

Can Employees Move into Different Career Streams or Levels based on Changing Personal or Professional Priorities?

Offers Flexible Career Streams

YES 38%

NO 62%

Doesn't Offer Flexible Career Streams
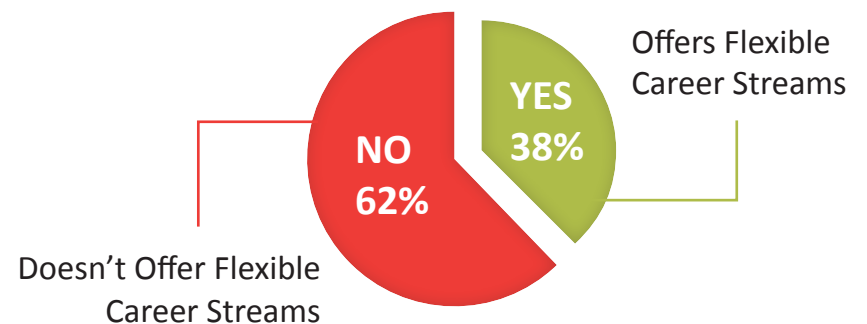
Source: 2018 Brandon Hall Group Career Development Study

Again, developing this level of flexibility is not easy and takes resources but there is a correlation between this flexibility and key business metrics, particularly when it comes to employee engagement.

Impact of Flexible Career Streams on Business Metrics

● Employees CAN change career streams or levels based on changing personal/professional priorities

● Employees CANNOT change career streams or levels based on changing personal/professional priorities

Metric	CAN change	CANNOT change
Increased employee engagement	55%	27%
Increased customer satisfaction	58%	36%
Increased customer retention	47%	38%
Increased customer base	55%	45%
Increased employee retention	31%	19%
Increased quality hires	48%	33%
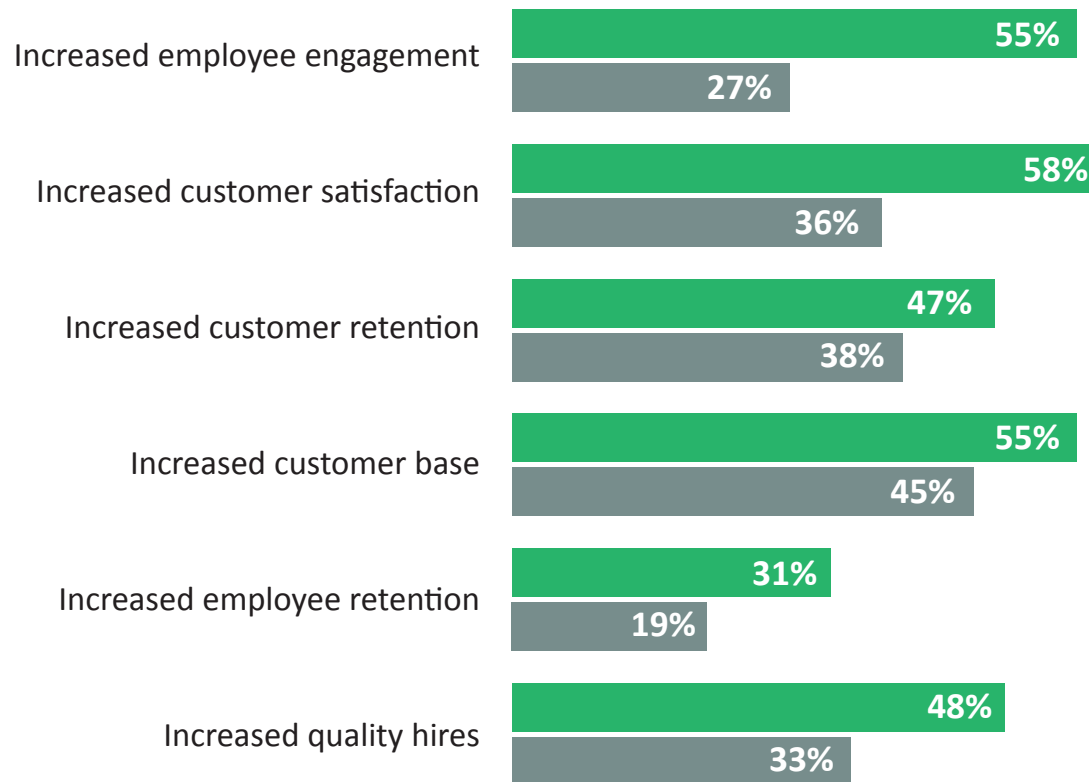
Source: 2018 Brandon Hall Group Career Development Study

5   Invest in Career Coaching

Our last essential is definitely not the least impactful. Research shows that career coaching can have enormous benefit across the career development spectrum. Coaching has a strong positive impact in many areas: learning, performance management, leadership development, and even wellness and well-being. It is not surprising that career coaching has an impact on career development as well. However, career coaching is not nearly as prevalent as other types. Almost one-third of organizations (32%) do not provide any type career coaching. Of those that do, the level of coaching breaks down this way:

Levels of Career Coaching

22%
Informal and formal career coaching

7%
Formal career coaching

71%
Informal career coaching
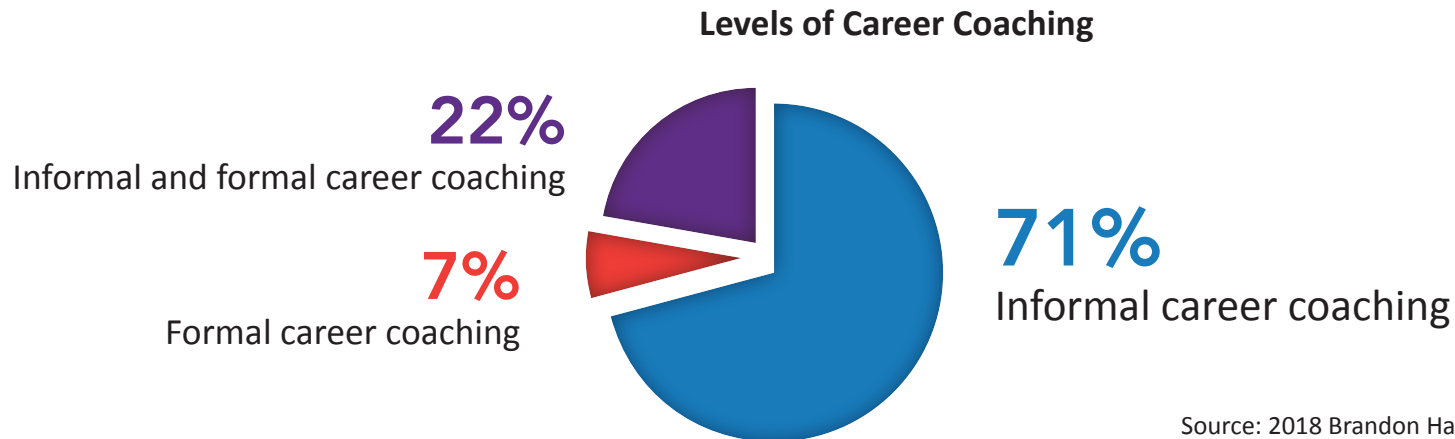
Source: 2018 Brandon Hall Group Career Development Study

The data shows the biggest benefit from career coaching comes when it is done informally through in-the-moment and ongoing feedback, and formally, often through specially trained career counselors (either internal or external), career development portals and targeted career development meetings.

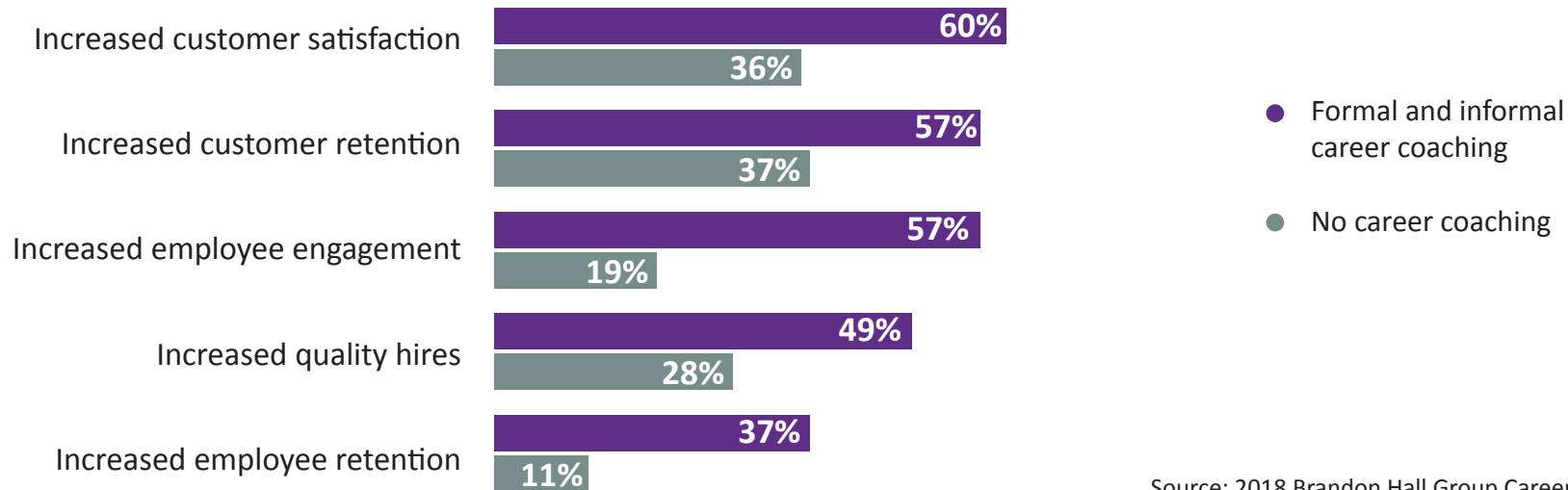There is a correlation between career coaching and increased business metrics, and career coaching and the average tenure of employees. Organizations who offer formal and informal career coaching are twice as likely to have an average employee tenure of seven years or more than organizations offering no career coaching.

Correlation Between Career Coaching and Increased Business Metrics

Increased customer satisfaction: 60% (Formal and informal career coaching), 36% (No career coaching)

Increased customer retention: 57% (Formal and informal career coaching), 37% (No career coaching)

Increased employee engagement: 57% (Formal and informal career coaching), 19% (No career coaching)

Increased quality hires: 49% (Formal and informal career coaching), 28% (No career coaching)

Increased employee retention: 37% (Formal and informal career coaching), 11% (No career coaching)

● Formal and informal career coaching

● No career coaching

Source: 2018 Brandon Hall Group Career Development Study

Correlation Between Career Coaching and Employee Tenure

7+ years	51%	25%
Average Employee Tenure	Formal and Informal Career Coaching	No Career Coaching
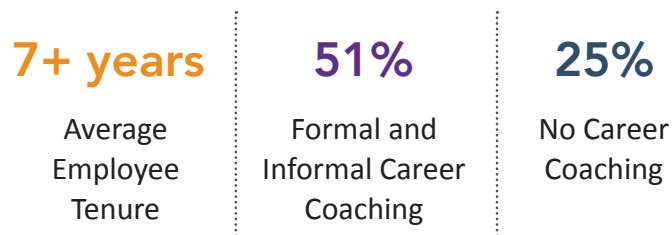
Source: 2018 Brandon Hall Group Career Development Study

The specific reason for the broad impact is unclear, but our hypothesis is that career coaching, particularly in organizations that offer formal and informal assistance, reflects a strong cultural focus on career development. It is not just the coaching that makes the difference but the overall priority these organizations place on developing employees' careers.

Coaching has shown to be a most valuable tool in almost all areas of development, so organizations would be wise to add career coaching to their repertoire.

Conclusion

Career development is a dynamic tool that can have a huge, positive impact on employee engagement, talent retention and the employee value proposition. In addition, because career development — done correctly — is tied to so many other talent processes, it can have a unifying effect that benefits the organization in many ways.

The collaboration between stakeholders, which is often discussed but remains elusive in many organizations, is critical to career development. Competencies, learning and development, performance management, workforce planning, leadership development and succession management – among others – must work in harmony for optimal career development.

This is a huge undertaking for most organizations. But the payoff can also be huge. Most organizations embrace the concept of employee experience as a driver of employee engagement. There are few, if any, talent processes that can influence employee experience more than career development.

The beauty of career development — done well — is that is mutually beneficial for the organization and the employee: employees get the opportunities they want and organizations gain the performance, engagement and retention they so desperately need.

Conclusion (cont.)

Because the scope of high-performance career development is potentially so large, organizations would do well to start small. The entire career development spectrum cannot be transformed by a single effort. We recommend a targeted pilot approach to improve career development. It could be with one or a few departments or disciplines, or in a specific region. The process, once successful, could then be shared with other groups and the transformation can grow organically.

This report provides, through the High-Performance Career Development Framework, a systematic way of thinking about career development, as well as five essentials to serve as the basis of a dynamic process.

As always, it is best to secure support from key leaders and stakeholders. Support from the top enables the buy-in and collaboration that will be needed across the enterprise.

Brandon Hall Group Research Methodology

PHASE 01

Evaluation of Business and Talent Landscape

We study current trends to hypothesize about how they might influence future events and what effect those events is likely to have on your business. We then prepare a project outline and circulate to executives and practitioners in the particular field for feedback and insights before our research survey is developed.

PHASE 02

Quantitative Surveys and Qualitative Interviews

To test our hypothesis, we gather empirical insights through formal and informal surveys. To check assumptions generated from surveys and to add context to the empirical survey data, we talk to Executives, Chief Human Resources Officers, VPs of Talent and other business leaders as well as HR, Learning and Talent Leaders and employees.

PHASE 03

Scholarly Reviews and Expert Resident Knowledge

We study and analyze renowned academic research comparing and contrasting their findings to our own and again engage in rapid debate to ensure our findings and analysis stand the tests of business usability. New perspectives are shaped and added as appropriate. Our quantitative and qualitative findings are also shared within our internal research community and rapidly debated in peer review sessions to test validity and practicality.

PHASE 04

Market Testing and Emergent Trends

We fortify and validate our initial findings, leading practices and high impact processes within the analyst environment, our own Advisory Board and select other clients and prospects that offer fair assessment of the practicality and usability of our findings, practices, and processes. After studying and analyzing all collected data, we see and document patterns emerging within high-performing companies.

PHASE 05

Analytics-Based Reports and Tools Publication

After verifying our position internally, in alignment with scholarly research, and the market and completing rigorous peer reviews, our findings, leading practices and high impact processes are documented and published, made available to our members, in the form of reports, tools and online searchable databases.

Client-Centered Business Goals

Employer Brand	Business Performance	Client Loyalty	Market Leadership

About Brandon Hall Group

Brandon Hall Group is a HCM research and advisory services firm that provides insights around key performance areas, including Learning and Development, Talent Management, Leadership Development, Talent Acquisition, and HR/Workforce Management.

With more than 10,000 clients globally and almost 25 years of delivering world-class research and advisory services, Brandon Hall Group is focused on developing research that drives performance in emerging and large organizations, and provides strategic insights for executives and practitioners responsible for growth and business results.

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GET HELP TO DRIVE RESULTS FOR YOUR TALENT

In today's volatile and global business climate, managing talent for high-performance plays an increasingly crucial role in an organization's growth and future success. Effective talent management is a top priority in organizations everywhere because, while organizations recognize the need to obtain and retain people with the very best skills, they continue to struggle to implement effective strategies to do so. HR and Learning professionals need to be able to successfully define organizational talents needs and skills, identify talent strengths and career goals, and align organizational needs to individual needs. Rethink your strategy, validate your assumptions, transform your business, and optimize your time with the use of reliable data, tools, and guidance.

PLAN   ATTRACT   DEVELOP   PERFORM   RETAIN   OPTIMIZE

GET HELP WITH YOUR HR SERVICES MANAGEMENT & DELIVERY

As described in the employee lifecycle, processes are linked to employee transactional processes (e.g., compensation, benefits, compliance, contingent workforce management, etc.) via workforce planning and analytics.

- Policies/Process/Procedure
- Payroll
- Expense Management
- Benefits & Compensation

- Contingent Workforce Management
- Compliance
- Time & Labor Management

Our Services (Continued)

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- Governance & Business Alignment
- Executive Management
- Team Development

- Measurement & Analytics
- Program Design & Deployment
- Technology Selection, Management & Integration

- Organizational Structure
- Measurement & Analytics
- Change Management
- Budgeting & Forecasting

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- Research Briefings
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