



Competencies & Career Pathing: Your Quickest Route to Improved Employee Engagement

HRSG

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Introduction: What is Career Pathing and Competencies?

The Changing Expectations of Employees Today

The world of work has changed dramatically in recent years. With the rise of the knowledge economy, and the battle for technical talent, employees are empowered to chart their own course like never before. In the United States, the annual average turnover rate is now at 44%... and continuing to rise.¹

The numbers for millennials — who now make up the majority of the North American workforce — are even more harrowing for employers: workers aged 25-34 have an average tenure rate of 2.8 years according to the U.S. Bureau of Labor Statistics.

In many cases, the simplest way for those in talent management roles to combat turnover is ensuring that employees feel they have opportunities for growth within the organization. Employees who feel like they're progressing in their career are 20% more likely to still be working at the company in a year's time. And according to Gallup research, employees who are "engaged and thriving" are 59% less likely to look for a job elsewhere.²

If the human costs don't sell you on the importance of offering tangible advancement pathways in your organization, there are also the business costs — hiring is time-consuming and expensive.

To keep your best talent on board, you need to foster higher levels of employee engagement, which naturally leads to better retention rates.

The Changing Tides

Historically, an employee could expect to steadily rise from a junior to a management position in the same field, department, or organization.

Today, however, employees are focused more than ever on planning and preparing for the future. Instead of being content to wait for their turn to advance in an organization, or bide their time in the same role, most employees are driven by a burning desire to learn and proactively play a role in their own career development.

Enter career pathing.

¹ <https://www.creditdonkey.com/average-turnover-rate.html>

² <https://www.tinypulse.com/blog/13-surprising-statistics-about-employee-retention>

Introduction: What is Career Pathing and Competencies?

What is Career Pathing?

Career Pathing refers to when an employee is empowered to create a clear course (or path) within an organization, giving them tangible career path and development options.

With their career paths in place, they're given the tools and structure to work towards upward career changes, new roles in the same department, or even moving into an entirely different department and role.

Employees must examine their career goals, skills, required knowledge, experience, and behavioral traits with honesty and in detail to receive the most accurate career path.

The right software solution should enable employees to build their career paths, see opportunities for professional growth, identify skill gaps that need to be addressed, and determine different potential pathways to reach their target job in the organization.

What are Competencies?

Competencies – the observable knowledge, skills and abilities required for success in any role – provide the foundation to make career pathing happen.

Building competencies into your workplace is simply good business. Competencies offer enhanced visibility for the knowledge, skills, abilities, motivations, and traits needed for a specific job.

By turning hard-to-define job requirements into observable behaviors, competencies enable your organization to understand, measure, and develop these requirements more efficiently.

Why You Should Align Employee Career Paths with Competencies

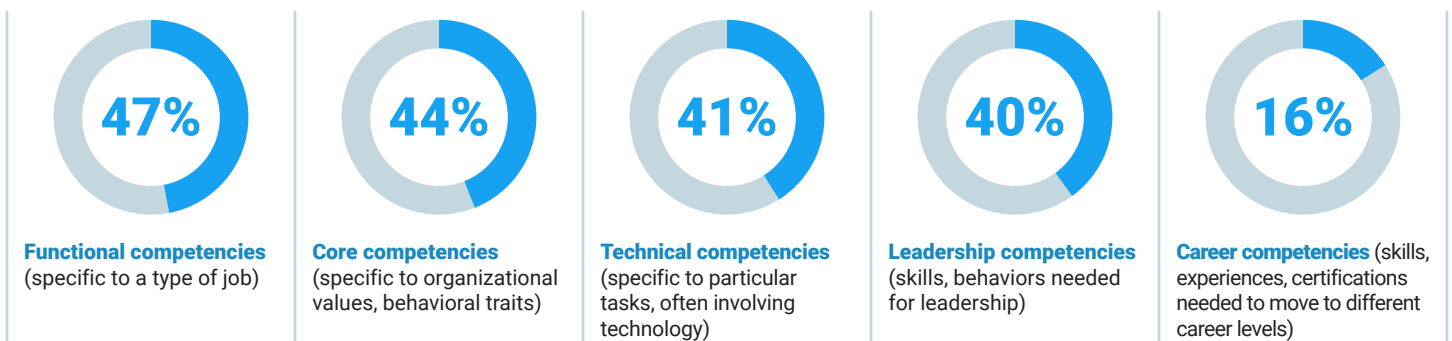
Today's employees proactively seek their own career development and advancement opportunities as opposed to patiently and hopefully waiting for opportunities to present themselves in a traditional organizational hierarchy.

To enable and encourage employees to develop tangible career path options, it's essential that **career paths are developed in alignment with competencies**.

The primary advantage in aligning career paths with competencies is the direct relationship between career paths and an employee's performance.

According to research by Brandon Hall Group, **81%** of organizations now align career paths with at least one of five competency types (see below).

Alignment Between Career Paths and Types of Competencies



Source: 2018 Brandon Hall Career Development Study among organizations that align career paths with at least one competency

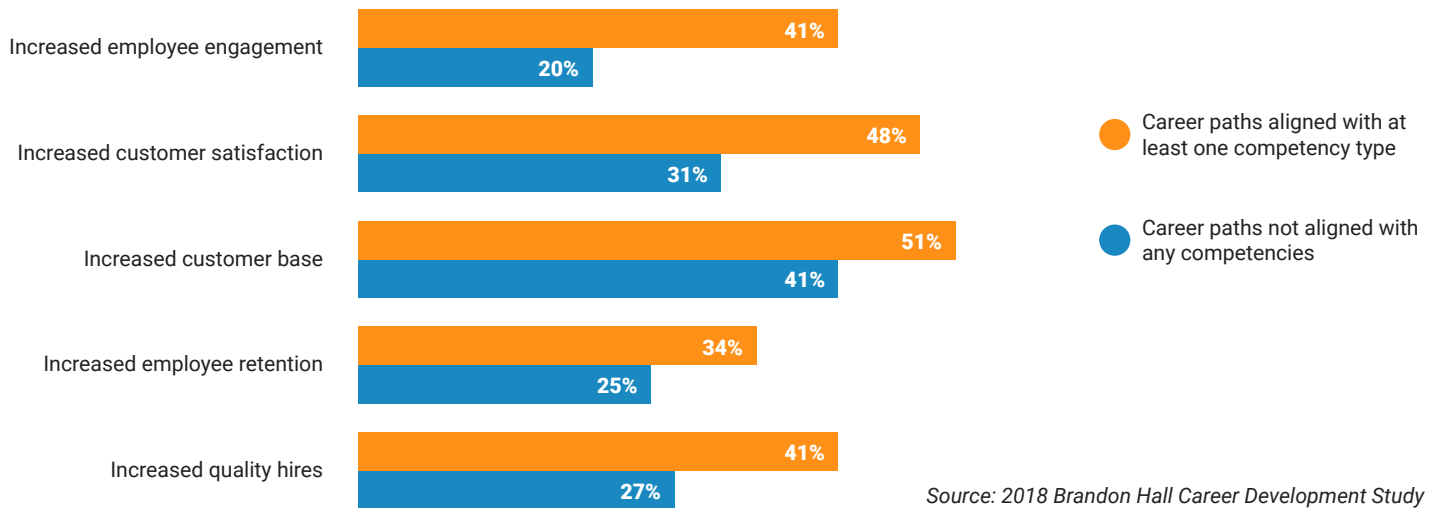
The above graphic illustrates that the most popular alignment exists between functional competencies and career paths, with **47%** of organizations adopting this method. On the other hand, career competencies are the least common, present at only **16%** of organizations.

Why You Should Align Employee Career Paths with Competencies

Competencies empower employees to clearly visualize the skills and experience they currently hold against those required to meet their career objectives. The more competencies are correctly mapped and aligned with career paths, the clearer the roadmap becomes for employees to navigate.

In turn, employees can now clearly observe any skill gaps, training and development they may require to advance professionally.

Impact of Career Path-Competency Alignment and Key Business Metrics



There is a direct correlation between aligning competencies with career paths, and enhanced business metrics. It is evident that those **career paths aligned with at least one competency type deliver a positive impact in a variety of business metrics.**

The most striking example pertains to employee engagement, **as twice as many employees are engaged at organizations that align competencies with career paths.**

It is also worth noting that the ripple effects of a strong career development program are felt by much more than employees alone. Assisting employees with developing their careers can manifest itself in **increased customer satisfaction.**

The beauty of career development — done well — is that it 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.

The Human Benefits of Competency-Driven Career Pathing

With those business benefits established, let's look at the human impact of competency-driven career pathing. If everyone works together to use a competency-based development framework, benefits will be seen in several key areas including:

Leadership – Leadership shortfalls were identified as the single greatest differentiator between high-performance and all other organizations.

Millennials – Company demographics are undergoing a massive change as more Millennials enter the workforce. The most important thing to consider is that Millennials feel their talents are being developed and they're working towards a meaningful cause.

Business Excellence – Companies offering comprehensive employee training enjoyed a 24% higher profit margin than those who focused less on training.

Having the option to learn and grow beyond traditional hierarchical pathways is essential to staying challenged and engaged. This is especially important for organizations wishing to retain millennial workers, who expect to be continually challenged.

Leaders play an important role in the on-the-job development of their employees. Rather than teaching, the leader's responsibility is to facilitate learning by engaging his/her employee in a developmental process.

Breaking down jobs into essential competencies changes the way development programs can be designed and delivered.

Instead of limiting development opportunities to specific promotion-based pathways, development programs will be able to support a wider range of possibilities.

What Your Organization Needs for Employee Career Development

Career development is the cornerstone of organizational success. Without it, your organization cannot adapt to change, improve performance, or maintain a talented and committed workforce.

Did you know, according to the 2018 Deloitte Global Human Capital Trends study, **nearly 60%** of those surveyed rated their organizations as **only somewhat effective or not effective** in empowering people to manage their own careers?

But for career development to succeed, organizations need to fulfill several qualities:

1. Organizations need to move from a hierarchical model to a lattice model where employees can make vertical and lateral career moves.
2. Organizations need to make sure employees know the key information about available jobs.
3. Organizations need to provide access to self-directed learning.
4. Organizations need to provide tools to help find the best fit job for employees.

The talent landscape is continuously evolving, and organizations are beginning to see the importance in investing in building their employees' skill sets.

More organizations than ever are using competencies to define what is needed for jobs and organizational culture fit, creating a continuous learning environment.

A shocking 54% of Deloitte survey respondents said they had “no programs in place to build the skills of the future, and internal mobility is still often driven by tenure, title, and internal politics.”

Competencies can help your organization's workforce align to evolving jobs and industries by providing a summary of an employee's knowledge, skills, and abilities. When these competencies are compared with the competencies required for a job, employees can see where their skills gaps lie and begin a targeted path to reaching their goals.

To be successful, organizations need to provide solutions that give individuals the ability to reinvent their career paths without seeking opportunities elsewhere.

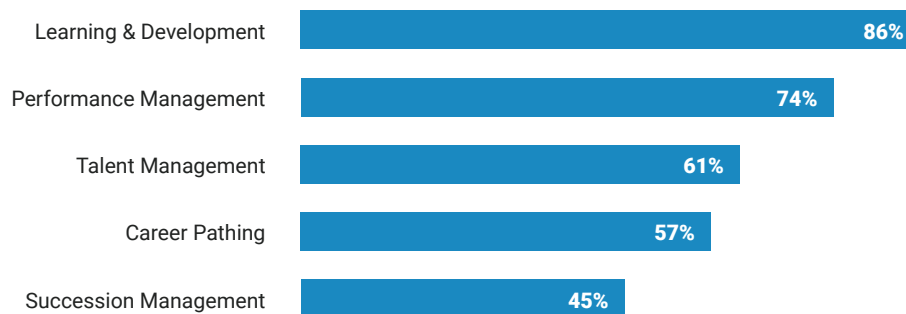
The Importance of a Career Development Framework

Career development is fundamental to helping employees determine their work identity and career progression potential.

For employers, career development plays a crucial role in improving employee engagement and retention by driving key talent processes, such as career pathing.

According to a 2018 Brandon Hall Group Career Development Study, the top talent processes driven by career development are learning and development, performance management, talent management, career pathing, and succession management (see image below).

Top Talent Processes Driven by Career Development



Source: 2018 Brandon Hall Career Development Study

To correctly implement a high-performance career development strategy, it is important to incorporate a variety of framework elements, including defining career levels and career streams, aligning competencies with clear and communicated career paths, and enabling technology.

Brandon Hall Group's Career Development Study also reports that **70%** of organizations do have a formal career development framework yet **most do not leverage their variety of framework elements**.

Further, **62%** of organizations have less than **one-fifth** of their employees with clear career paths. These unimpressive numbers are a result of numerous barriers such as a lack of clear communication in matching competencies to career opportunities, unclear job descriptions, and a deficit in technology to support organizational career development.

The Importance of a Career Development Framework

So, how can organizations be proactive in breaking down these barriers?

Brandon Hall Group's report discusses a foundational approach that balances organizational and employee goals, aligns various talent processes, leverages technology, and much more.

The first step that Brandon Hall Group recommends in starting the career development process, specifically, begins with developing a complete *career development framework*.

A proper career development framework should start with a job, then a job family, a career level, and culminate with a career stream. Building such a framework entails effort, buy-in, and organization-wide collaboration.

An organization's career development framework must include all these steps in order to provide clear career paths for employees to both navigate and follow.

Sadly, approximately **30%** of organizations have no career development framework whatsoever. These organizations are missing out on the tremendous benefits that come with implementing this framework.

Brandon Hall Group's data shows how organizations with some type of career development framework are approximately **twice as likely** to see increased engagement year by year, **four times more likely** to see increased employee retention, and **six times more likely** to have employees with well-developed career paths.

Incorporating career development frameworks is different for every organization. What is consistent though, in implementing a career development framework, is that the first step is to implicitly understand the organization's and employees' goals.

Putting Career Pathing into Practice at Your Organization

Did you know that a career pathing initiative can be launched effectively with minimal pain?

This truth was discovered by the team at First Commerce Credit Union, a mid-sized organization based in Tallahassee, Florida. By having a solid plan and utilizing the right software solution, they were ready for the launch of their internal career pathing program.

Embarking on such an initiative starts with the organization's corporate values and its high priority on its talent as a differentiator, a sentiment shared by Carson Utecht, SVP of People at First Commerce.

"If people are coming to work every single day, and they feel that the work that they're doing is meaningful and purposeful for others, and then they're (also) getting the opportunity to work on themselves... that creates a very highly-engaged team member," Utecht said.

Is your organization looking to retain its top talent? Here are 3 great tips to help you with your next career pathing initiative/project.

Lesson 1: Aim for a good start, not perfection

In scoping their options, First Commerce knew that creating immediate engagement would be an immediate factor in the success of their initiative.

They found it in HRSG's [career pathing software](#), which allows employees to log in and build visual career paths for advancement in their organization.

HRSG has undertaken various client projects over the past 30 years and discovered that one of the common 'paralyzing' factors has been the quest for perfection right off the bat.

In truth, an initiative like this is going to **evolve over time**, so the best approach is often to aim for a good, solid start, instead of absolute perfection out of the gate.

First Commerce made the wise choice by breaking their project apart over time in order to establish tangible timelines and checkpoints.

"We knew quickly when we made the decision that this was something we wanted to launch with our team, that came with a very short timetable. First, getting our team members in as users, getting them exposure to it so they can start making their own career pathways," said Sarah Sorne, HR Generalist at First Commerce. "In Stages 2 and 3, we intend to go back and look at our current job descriptions, **what can we do to better align them with career pathways in the banking industry**, period, and also come back and revisit the annual reviews too."

Putting Career Pathing into Practice at Your Organization

Lesson 2: Ease of use is important on both sides

As a mid-sized organization in their space, First Commerce's HR Team has limited resources at their disposal: like many HR teams, they needed to be efficient with their time management.

From an HR standpoint, this meant that the software solution had to be straightforward to implement and it also had to be user-friendly for employees (end users) to jump in and get started.

"Ease-of-use is a really important piece of the puzzle," said Donna Moran, Culture Champion at First Commerce. "We wanted something that would deliver excitement in our employees. Something that would be easy for them to jump on & really utilize everything that it has to offer."

The team looked at several different vendors and settled on HRSG's CompetencyCore as it offered the best combination of depth, functionality and ease-of-use that they sought.

Lesson 3: Communication is key to a successful roll-out

Having rolled out a variety of initiatives in the past, the team at First Commerce knows the importance of a good communication plan.

The team at First Commerce found that a scattershot, or "shotgun" approach – i.e. using many different mediums in order to effectively reach everyone in the organization – is the one that works best for them.

To that end, they plan on providing information through the daily company briefing, on their intranet system, through direct emails, as well as equipping managers with talking points to discuss with their direct reports.

Putting Career Pathing into Practice at Your Organization

Foster Great Culture with Quality Career Pathing Programs

There's one more lesson that we discovered: if a project fit into a company's values, it stands a higher chance of being successful (not counting other factors).

"We have always had this 'employee-first' mindset. We really feel like that's foundational in building our culture," Moran said. "If we can... build the culture inside our organization, which is good for our team, then that kind of flows on over to our [customers]. That overflows to the growth of the organization, which benefits everybody involved."

Moran added that the desire to create a great employee culture is embedded in the very fabric of the company. And in the case of First Commerce, that gives their career pathing project maximum odds of massive success.

A picture is worth a thousand words. The right Career Pathing Navigation provides your talent with a self-directed visual overview of advancement possibilities in your organization.

Empower your employees to select career paths and determine the steps they need to take to reach their dream job within your organization.

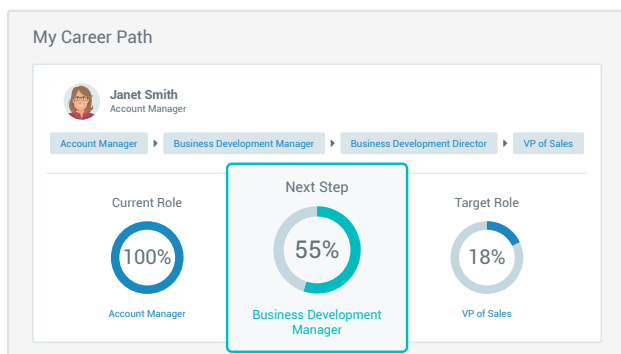
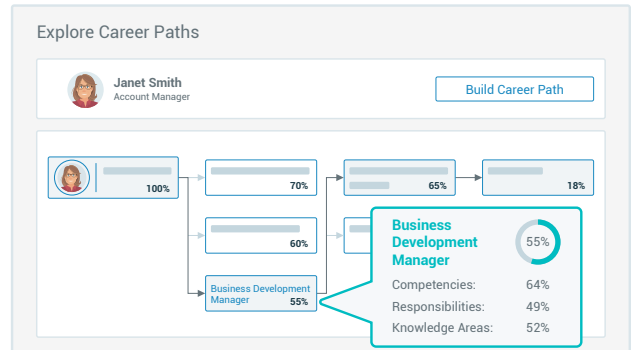


Kickstart Your Career Pathing Initiative

Reduce turnover, improve engagement and build better retention programs with CompetencyCore by HRSG. Here's how it works:

Don't just tell employees what their future might hold. Show them the way.

A picture is worth a thousand words. Career Path Navigation provides your talent with a self-directed, visual overview of advancement possibilities in your organization. Empower your employees to select career paths and determine the steps they need to take to reach their dream job.

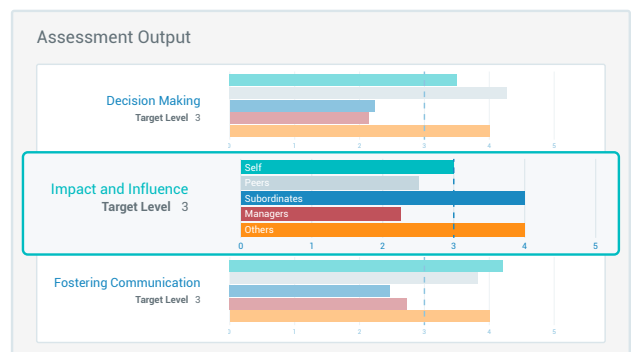


Build next-level employee engagement programs.

Career Path Navigation gives you the tools to show your employees that the best place for them to develop and grow is where they are: within your organization. Now you've got the power to have meaningful, data-backed conversations with your company's people based on where they really want to go.

Combine employee assessments with career path planning for amazing engagement.

Use the data built out for your career pathing tools to fuel your employees' entire lifecycle: carry out assessments so they can address skill gaps, carry out development programs, and help them reach their ultimate goal.



See it in Action:

[Book Your Demo Today](#)