INTERNAL MOBILITY

WHY TAPPING INTO YOUR IN CROWD IS CRITICAL TO HIRING SUCCESS
<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>03: Introduction</td>
</tr>
<tr>
<td>04: The Paradox of Recruiting</td>
</tr>
<tr>
<td>06: We’re Holding Ourselves Back</td>
</tr>
<tr>
<td>08: A Compelling Case for Internal Mobility</td>
</tr>
<tr>
<td>10: The Need for Infrastructure</td>
</tr>
<tr>
<td>13: How AI Can Enhance Internal Mobility</td>
</tr>
<tr>
<td>14: Conclusion</td>
</tr>
</tbody>
</table>
If companies are struggling to attract talent and employees are frustrated with career prospects at their current employer, then why haven’t we gotten better at internal mobility? While there is no single answer, there is irrefutable evidence of the extraordinary value internal mobility programs deliver to the organizations that invest in them.

This E-Book explores the current state of internal mobility programs with an emphasis on understanding the barriers to success, as well as the case for internal mobility. It also offers guidance on how to create an effective internal mobility infrastructure and an overview of the role AI and automation can play to improve talent outcomes.
Talent acquisition teams across all industries are grappling with a head-scratching contradiction. Recruiters and hiring managers lament a lack of qualified candidates, while employees claim that the only way to move up is to move on because it’s often easier to find a new job at another company than it is within their current organization.

“Only 28 percent of talent acquisition leaders report that internal candidates are an important source for filling their vacancies. Virtually all the 66 million hires in the U.S. each year come about by back-filling vacancies, and nearly all of those come about because employees leave for opportunities elsewhere, especially when they cannot advance internally. We are in a hiring frenzy, bailing the boat to keep going, because there is a hole in it caused, at least in part, because we don’t fill those jobs from within.”

—Peter Cappelli
George W. Taylor Professor of Management
Director of the Center for Human Resources
The Wharton School of the University of Pennsylvania

Source: 3 Ways We’ve Gone Wrong with Hiring, HRExecutive.com, April 23, 2019
The most obvious answer to this problem is to refocus one’s efforts on internal mobility, especially given the consensus that filling positions internally is crucial to successful talent outcomes. In fact, most of the business and HR leaders—more than three-quarters—who responded to Deloitte’s Global Human Capital Trends 2019 survey rate “internal talent mobility” as being important while one in five rates it as “one of their organization’s three most urgent issues.”

So, if we’re all in agreement, then why do we continue to overlook the pipeline of talent that we have immediate access to?
We believe it’s important to bring new voices and viewpoints into the organization. The reasons organizations are lagging when it comes to internal mobility programs are varied and complicated, and they include biases regarding both the value and availability of internal talent.

Another challenge is that managers are often reluctant to lose the best members of their team to an internal opportunity. Gartner’s research indicates that only “37% of managers encourage their direct reports to seek internal opportunities.”

Our internal talent pipeline is not large or deep enough.

Our business objectives change rapidly, and we must hire from outside to keep up.

Source: 2018-19 Brandon Hall Group Leadership Development Study
Even among organizations that have structured internal mobility programs in place, the news isn’t good. Far too many fall short simply because they don’t cast a wide enough net.

SHRM’s most recent Human Capital Benchmarking Report reveals that only slightly more than half (57%) of companies had developed a succession plan. Of those, 79% of the plans addressed positions at the executive level compared to only 27% that included individual professional contributors.

It’s Time to Look Inward

The specific factors that keep organizations from fully leveraging internal mobility to improve recruitment, retention and performance outcomes no longer matter because the reality is that the benefits associated with these efforts far outweigh any existing concerns.
A Compelling Case for Internal Mobility

Investing in internal mobility as a core hiring strategy yields significant returns, so building a strong case for making it a priority is not difficult. Among the most impactful outcomes:

**Significant cost savings.** First up are the financial implications. Internal mobility programs have consistently demonstrated the ability to save money. This is due to several factors, including reduced recruiting costs, as well as the fact that external candidates usually have higher salary demands than internal candidates. Plus, internal hires possess a wealth of existing organizational knowledge they can tap into as they begin their new role, leading to faster time to productivity alongside lower training costs.

**Strong leaders.** Ensuring the right leadership is in place is more critical than ever because waves of retiring Baby Boomers are fueling demand for new leaders. As consulting firm DDI notes in Optimizing Your Leadership Pipeline℠, a company’s financial performance is directly linked to whether or not the organization is effective in executing leadership development processes and programs at all leadership levels. Further, organizations that fill a higher proportion of critical positions internally realize “2.2 times greater leadership bench strength and 3.8 times higher leadership success rates.”
**Greater employee engagement and improved retention.** Gartner’s benchmarking data reveals that engagement is 27% higher at organizations with a “vibrant internal labor market” while employee intent to stay is often 33% higher. Gartner also finds that managers rate the performance of internal hires as better than the performance of external hires, including when it comes to “meeting expectations.” The result? A 10% decrease in hiring decision regret.

Likewise, Mercer’s Global Talent Trends 2018 Study points out that employees who feel empowered in their career are three times “more likely to be committed to their company.” According to these employees, their organizations provide them with better access to both available career paths and the career coaching needed to make a transition.
Successful internal mobility programs require far more than simply changing the pool of candidates targeted by recruiters. Organizational structures and culture affect outcomes, too. Therefore, it’s essential to ensure an organization has the infrastructure in place to fully support internal mobility.

**The Need for Infrastructure**

Consider these key questions →

1. Do hierarchical structures emphasize upward mobility?
2. Are performance evaluations structured to support mobility?
3. Can employees easily find and apply to current opportunities?
4. Does your internal mobility program serve all employees?
5. Does L&D support both individuals and teams?
6. Does onboarding address current employees?
7. How will success be measured?
8. Is there support at the highest levels of the organization?
If this is the case, then it will be far more difficult for employees to move across functional areas and divisions—yet lateral moves can be just as rewarding for employees and the organization as promotions are. Hierarchical structures also influence the views managers and employees have of mobility, which can further limit possibilities.

Rethinking what a talent career path might look like can help rid an organization of the biases that exist regarding what the next step in one’s career should be.

**1. Do hierarchical structures emphasize upward mobility?**

**2. Are performance evaluations structured to support mobility?**

Evaluations of managers should favor those who encourage internal mobility. If they don’t, managers will continue to resist losing high performers who help their teams achieve the goals and objectives that they are evaluated against.

Adapting performance evaluation criteria can also help reverse the misperception among managers that external talent is inherently “better.”

**3. Can employees easily find and apply to current opportunities?**

If it’s harder for existing employees to find a job at your company than it is for external talent, then you need to completely overhaul the way you communicate jobs internally. AI and automation are proving to be effective in both identifying internal matches and immediately sending communications that alert employees to matched opportunities.

Another approach is to encourage job shadowing for those considering an internal move but aren’t sure about the best match—letting people experience firsthand what the daily work involves will improve the odds that the change is positive for both the employee and the organization.

**4. Does your internal mobility program serve all employees?**

If you limit the program to those at the management level or above, you’re limiting the program’s impact.

Younger workers crave career development and advancement opportunities just as much as more experienced professionals, so ignoring staff-level employees who also happen to be younger can result in the loss of exceptional Gen Z and Millennial talent.
Learning and development opportunities are a must when it comes to making sure employees possess the skills needed for current job demands, as well as the training required to take on new roles and opportunities.

Plus, employees are increasingly concerned about the need to remain relevant in the workplace, especially as AI-driven technologies continue to take over tasks once completed by humans.

Finally, your L&D program should support the ability for workers to move across job families.

Most programs are designed with only external hires in mind. But onboarding shouldn’t be ruled out just because an employee already works for your organization.

Tailor onboarding experiences specifically to the needs of internal candidates who may find themselves working in a new division or an entirely new location that requires transitional support.

Determine what success will look like based on the specific goals of your program. Gather all available metrics prior to launching your new or expanded internal mobility program so that you’ll have benchmarking data.

Think about potential metrics from both corporate (quality of hire, recruitment cost savings and faster time to productivity) and employee (engagement and retention) perspectives.

As with any large-scale program or organizational initiative, you need to have executive sponsorship.

Find someone in the C-suite who is committed to improving internal mobility and willing to help champion the cause at every turn.
Another consideration as you build your internal mobility infrastructure is the role that AI can play to improve results. For example, many large organizations are using AI to assist employees in identifying ideal career paths that may not be obvious, as well as determining which skills potential candidates will need to acquire to pursue a particular path successfully.

Cisco has a dedicated internal mobility platform, known as My Development Space, for its employees. Users can create a profile that details their skills and career interests, while the platform leverages machine learning to deliver the roles that are the best match.

Other organizations are tackling mobility challenges by using AI to identify patterns—from performance and tenure to behaviors and interests—that can uncover larger internal talent pools simply because human bias has been mitigated. In the case of promotions, managers have historically been more likely to overlook the introverts on their team for a promotion due to our bias towards extroverts in the workplace. AI is helping us overcome this bias so that we can make better talent decisions.
While the tight labor market is partially responsible for a renewed interest in internal mobility, the strong results achieved by organizations that prioritize these programs in order to fill openings and retain top talent are shining a spotlight on their potential. From shorter time to hire and faster time to productivity to greater employee engagement and improved hiring manager satisfaction, the benefits translate into big wins for the business—and for the talent acquisition teams that are tapping into the exceptional talent they already have access to.

Conclusion
GR8 People is 100 percent purpose-built to deliver the unfair advantage companies demand to compete for talent around the world. It is the talent platform that brings CRM, recruitment marketing, applicant tracking/hiring, and onboarding together; connecting entire talent ecosystems with one-experience to perform branding, sourcing, recruitment marketing, hiring, strategic communications and so much more.

Contact us today to experience how GR8 People can revolutionize the way you attract, engage and hire the world's best talent.