

# Why Your Employees Need Predictive Career Pathing



# IS THERE ONE THING WE CAN FOCUS ON THAT WILL ACTUALLY MOVE THE NEEDLE ON EMPLOYEE ENGAGEMENT?

It's the question that many HR professionals are trying to answer, and we know why. Companies with high employee engagement are more productive, more profitable, and experience less absenteeism. Engaged workers are also much more likely to stay with their employers. On the flip side, low employee engagement can be a pretty expensive problem.

On average, it costs businesses \$4,129 to hire new talent and around \$986 to onboard that new hire. In other words, companies lose over \$5,000 each time a disengaged employee decides to leave, plus the impossible-to-measure cost of losing an experienced employee and the hit to team morale.

Despite all the LinkedIn posts, blog articles, and countless tech solutions all focused on this issue; employee engagement continues to be a major sticking point for most HR teams. According to Gallup's State of the Global Workplace, only 15 percent of employees are engaged in the workplace

A 2017 study found that 81 percent of employees would consider leaving their jobs for the right offer, even if they weren't actively job hunting. These employees aren't just leaving for higher paychecks either. Close to a quarter of job seekers would take a new position without a pay increase, and almost two-thirds of younger employees would accept a pay cut for the chance to work at their dream job.



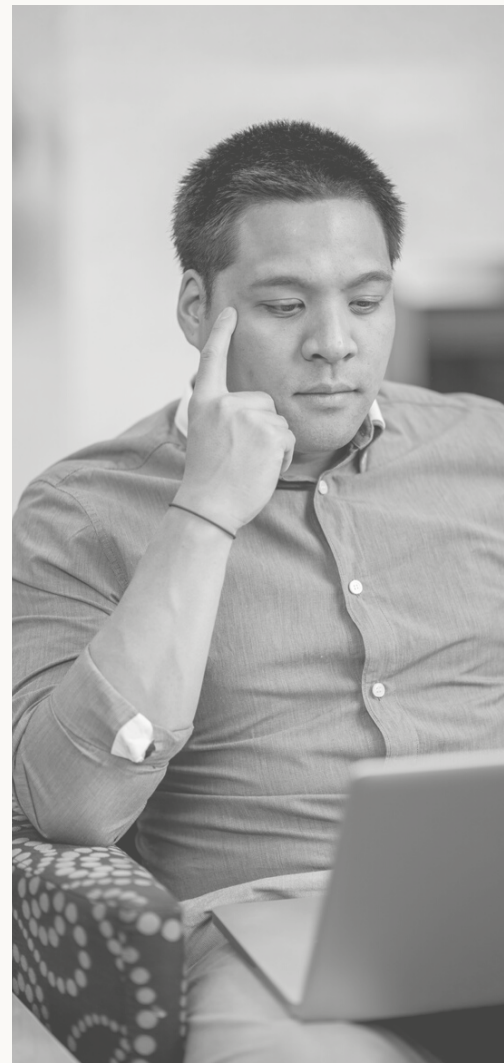
## THE WORST PART?

These employee engagement statistics have hardly changed in **more than a decade**.

## CAREER PATHING IN A NUTSHELL

Something needs to change – and fast. Fortunately, new evidence shows that career pathing may be the answer to slumping employee engagement. Here at Career Spark, we see career pathing as the underlying driver of career development. It's an approach that empowers employees to see what their career trajectory looks like at their current workplace, from potential promotions to lateral moves or even shifting into an entirely different department and role.

In short, it's a useful tool that allows employees to envision what long-term success looks like for them at your organization. Almost half of employees (41%) and up to 87 percent of millennials consider career advancement a critical factor in job satisfaction. Showing your employees how they can grow in your company can significantly impact their overall engagement level, which is what career pathing can do.





# WHERE TRADITIONAL CAREER PATHING MISSES THE MARK

When it comes to employee engagement, three points are pretty apparent to us.

01

Employee engagement is critical to the overall health and success of an organization.

02

Growth opportunities are an essential aspect of employee engagement.

03

Career pathing can be a powerful tool to help employees see what growth opportunities are available to them.

Unfortunately, career pathing is only an **effective** employee engagement tool if used correctly, and this is where we see a lot of HR teams missing the mark.



Here are a few of the **crucial mistakes** we see HR pros and managers make with career pathing

## CAREER PATHING IS BASED PRIMARILY ON AN EMPLOYEE'S EXPERIENCE

Organizations tend to look at what an employee has done and use that as the basis for what they can and should do in the future. Career pathing decisions are also susceptible to bias. For example, managers often overestimate the talents of people who are familiar or similar to them, known as in-group bias or only trust their own conclusions without seeking out other data before they take action, an example of confirmation bias.

It might seem counter-intuitive, but how well an employee performed at their job is not a great marker for future success. There are many factors employees and employers should consider before an individual makes an upward or lateral move in an organization in addition to their technical competence, such as their individual characteristics (e.g., thinking style, verbal reasoning, numerical ability, assertiveness, manageability, decisiveness, and independence), people skills, and job knowledge.



## THEY TAKE A TOO LINEAR APPROACH

Traditionally, employers see career advancement as a purely upward trajectory. It's a guide to show employees how they can climb up the corporate ladder. For example, if we were to look at the career path for an entry-level sales associate, their next role would be the sales manager, then sales director, and so on.

Unfortunately, even though it was never ideal, this type of career path was typical for most Baby Boomers and Gen Xers, but it doesn't work for Millennials and Gen Z, and no, it's not because they're "lazy." Numerous studies show today's twenty-somethings are eager to make a difference, get involved, and be taken seriously. This career pathing approach won't work going forward because different generations define success differently.

*As Millennial strategist Gabrielle Bosché writes, "for Boomers, success may include a title or promotion. For Gen Xers, it may mean more autonomy and independence. For Millennials, success must include opportunity for influence, involvement, and impact."*



## CAREER PATHING IS TOO FOCUSED ON THE EMPLOYER'S NEEDS

Finding skilled, quality talent is one of the top recruiting challenges faced by recruitment managers today. And while it can be challenging to have a vacant position stretch beyond the typical 30-day hiring window, filling a job with the wrong candidate can be even more stressful and expensive to remedy.

**ACCORDING TO THE US DEPARTMENT OF LABOR, THE COST OF A BAD HIRE CAN REACH UP TO 30% OF THE EMPLOYEE'S FIRST-YEAR EARNINGS.**

30%

74%

\$14,900

**A CAREERBUILDER SURVEY FOUND THAT 74% OF COMPANIES WHO ADMIT THEY'VE HIRED THE WRONG PERSON FOR A POSITION LOST AN AVERAGE OF \$14,900 FOR EACH BAD HIRE.**

On top of this, higher-level roles tend to be more difficult to fill, as hiring managers generally have to deal with a smaller pool of candidates and more barriers to filling the positions (e.g., relocation, using up PTO, etc.)

Knowing all of this, it makes sense why so many employers adopt the linear career pathing approach. Current employees have more organizational knowledge and require less ramp-up time than external hires, so it's logical to promote them into a more senior role. However, all too often, the wrong people are promoted for the wrong reasons. An employee can be an excellent salesperson or individual performer, but that doesn't mean they have the professional abilities and expertise to be a great manager or team leader.

## MANAGERS ARE HANDLING THE BRUNT OF THE WORKLOAD

Often, career pathing is a manager-led activity. The onus is on the supervisor to show an employee what career advancement could be like for them inside the organization. Depending on the manager's capacity, this endeavor could go several ways.





# HOW PREDICTIVE CAREER PATHING FILLS IN THE GAPS

So how can organizations better leverage career pathing to foster an **engaged** workforce?

Well, this is where we come in. Ultimately, traditional career pathing fails because it doesn't provide employees or employers enough information to make good decisions.

Employees don't fully understand what opportunities are available to them and what they would need to succeed. Employers know what employees have done but don't get enough insight to know what they're truly capable of and where they would make the most impact going forward. Predictive career pathing fills in these knowledge gaps by providing employees the power to generate their custom career paths and employers the ability to predict the likelihood of an employee's long-term success within the company.

While we won't dive too deep into the "how" (you can check out our website or book a demo to learn more about our platform), here's why predictive career pathing is the tool that every organization needs to supercharge employee engagement:

## A MORE HOLISTIC APPROACH TO CAREER DEVELOPMENT

Traditional career pathing only shows employees the next rung on the career ladder. In comparison, predictive career pathing offers employees the career moves that would make the most sense for the individual employee and give them the highest likelihood of long-term success. It also highlights what they will need to do and the skills they will need to develop to make those moves happen.



## CONSIDERS THE NEEDS OF EMPLOYEES AND EMPLOYERS



Employees aren't vending machines that you can put engagement coins in until more productivity falls out. Unfortunately, this is often the approach company leaders take when trying to engage their employees, so fun activities like Zoom happy hours and other team building activities can start to feel a lot like work.

When it comes to engagement, most employees just want to feel that their employer genuinely cares about their wellbeing and isn't solely trying to boost their company's bottom line. Employees want to feel excited and challenged by their work. Predictive career pathing can help them achieve this by showing them the roles that would be the best fit for them. Not merely based on their track record, but who they are as a person – and that's the key to fostering a truly engaged workforce.

## EMPOWERING EMPLOYEES TO MAKE THE BEST DECISIONS FOR THEM

If done correctly, predictive career pathing empowers your people to do the work. Rather than waiting for their overburdened manager to show them how, they can chart their own course and take ownership over their career.

And as your team grows, this type of career pathing can scale alongside with it since it's a tool your employee can access independently, at any time, with or without the support of their supervisor.

## DEVELOPING A MORE INFORMED AND RELEVANT CAREER PATH

As we've highlighted before, just because someone was great in sales doesn't mean that they will be a great sales manager or that they even should be a sales manager. Technical skills are just one piece of the career development pie, alongside other factors like their individual characteristics, job knowledge, people skills, and of course, their own needs and motivations.

When you empower employees with career path recommendations based on both their interests and where they're most likely to be successful, they will be much more likely to stick around and much happier and satisfied in their role as a result.

Career pathing can absolutely be a key driver of employee engagement, but offering a list of potential career paths for an employee isn't enough. Employers need to guide their employees to the paths where they can be successful and then give them the tools to fulfill their career development.





Career Spark's Smart System is a revolutionary career-pathing and employee development platform that continuously gets smarter at predicting the likelihood of employees performing well and staying longer - based on how they compare to an organization's own top performers.

Connect with **Career Spark** today to get more insight into our data driven solutions.

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