Career Development
Alignment with Recruiting & Retention

Charles Goretsky
Agenda

• Career Development Overview
• Case Studies
• Alignment with Recruitment & Retention

“The path to our destination is not always a straight one. We go down the wrong road, we get lost, we turn back. Maybe it doesn’t matter which road we embark on. Maybe what matters is that we embark.”

Barbara Hall, American Writer and TV Producer
Objectives

• Understand the strategic importance of Career Development, both for the individual and the organization
• Provide an overview of the Four Leading Practices in Career Development
• Appreciate practices of leading organizations
• Consider the very high costs of employee turnover and how this may be tempered through employee development
Workforce Planning

Career Development

Education & Training (Continuous Learning)

Alignment with Recruiting and Retention


Business Need for Career Development

How employees feel.....

<table>
<thead>
<tr>
<th>What would encourage you to look for new employment?</th>
<th>What would keep you with your current employer?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of career progress</td>
<td>Promotion/job advancement</td>
</tr>
<tr>
<td>Lack of compensation increases</td>
<td>Additional compensation</td>
</tr>
<tr>
<td>Lack of job security</td>
<td>Additional bonuses or financial incentives</td>
</tr>
<tr>
<td>Lack of trust in leadership</td>
<td>Support and recognition from supervisors or...</td>
</tr>
<tr>
<td>New opportunities in market</td>
<td>Additional benefits (i.e. health and pensions)</td>
</tr>
<tr>
<td>28%</td>
<td>53%</td>
</tr>
<tr>
<td>24%</td>
<td>39%</td>
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<tr>
<td>24%</td>
<td>34%</td>
</tr>
<tr>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>22%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Employee ratings of their companies' talent programs

- **Inspiring trust in leadership**: 25% Poor, 23% Fair, 18% Very Good, 8% World Class
- **Creating career paths**: 25% Poor, 23% Fair, 20% Very Good, 7% World Class
- **Developing leaders**: 20% Poor, 26% Fair, 18% Very Good, 8% World Class
- **Maintaining high morale**: 28% Poor, 21% Fair, 16% Very Good, 6% World Class
- **Providing international assignments**: 23% Poor, 22% Fair, 18% Very Good, 7% World Class
- **Compensation and benefits**: 12% Poor, 22% Fair, 24% Very Good, 12% World Class

Source: Deloitte Consulting LLP, Talent Edge 2020: Building the recovery together, April 2011

- **Opportunities for career progression are both a top departure driver and a retention incentive**
- **Career paths are among the top 3 talent processes that need significant improvement**
Yet few organizations have implemented effective development frameworks.

More than 80% of respondents indicated that their organization has not implemented an effective development process.
What is Career Development?

Career Development is a critical part of a Talent Management strategy that is intricately linked with other Talent Management components (workforce planning, performance management, competencies, etc.) and is shaped by an organization's culture and values. It helps to drive vision and strategy through to tangible business performance. The goal of Career Development is to have a set of tools and processes to formalize and optimize employee development within the organization.

### Components of Career Development

<table>
<thead>
<tr>
<th>Talent Roadmap</th>
<th>Competencies</th>
<th>Career Path/Lattice</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The organization's talent programs that support career development</td>
<td>• The foundational element for devising career development strategies and customized career paths</td>
<td>• Highlights multiple alternatives for achieving career growth within an organization based on competency profiles</td>
</tr>
<tr>
<td>• Any supporting initiatives, such as mentoring, coaching, and mobility, that provide employees critical developmental support and experiences</td>
<td>• Helps to define key indicators for an employee's developmental progression over time and across different roles</td>
<td>• Customizable by role, level, and function and can evolve as an employee's developmental goals change</td>
</tr>
</tbody>
</table>
What is Career Development?

**Workforce Planning**
- Defined critical workforce segments for targeted development based on business priorities
- Workforce projections based on expected career mobility and key skills of current and future workforce

**Learning & Development**
- Learning strategy aligned to 70/20/10 development (on-the-job/coaching/classroom resources) in support of development for target roles
- Learning resources organized into learning paths and aligned to key career destination roles and/or career paths

**Recruiting**
- Internal pipeline of qualified candidates for key roles as a result of career acceleration or rotation assignments
- Expanded employer brand due to strong career development program with clearly outlined development opportunities

**Leadership Development**
- Defined management and technical career paths emphasize the importance of leadership skills for particular roles and/or level
- Alignment of programs to management vs. leadership behaviors and skills for specific target roles and/or levels

**On-Boarding**
- Acceleration of time-to-assimilate due to early exposure to competencies and performance expectations per role
- Faster on-boarding and development planning through development tools relevant for the level and/role

**Succession Management**
- Development of a deeper successor pipeline and/or talent pools based on expected career paths and/or target roles, especially for high potentials
- Tracked development of successors through rotations, stretch assignments, shadowing, etc.

**Performance Management**
- Evaluation feedback is used to identify and define development goals aligned with desired career paths
- Skills assessment for Individual Development Plans helps identify candidates for specific career development programs

**Compensation & Rewards**
- Compensation guidelines support lateral or developmental downward career moves through appropriate policies
- Rewards programs support stretch assignments and rotational opportunities through variety of monetary and non-monetary recognition
Succession Management Maturity Model

Level 4
- **Transparent Talent Mobility**
  - Dynamic Process, Highly Transparent, Pool-Based, Talent Movement, Professional and Management Roles

Level 3
- **Integrated Succession Management**
  - Business Strategy Alignment, Talent Management Integration, Enterprise Perspective, Owned by CEO
  - 12%

Level 2
- **Traditional Succession Planning**
  - Development Plans, Talent Reviews, Business-Unit Focus, Targets Key Positions, HR-Driven
  - 52%

Level 1
- **Replacement Planning**
  - List of Senior-Level Positions, List of High Potentials, No Development
  - 15%

Level 0
- **No Succession Process**
  - May Include Identification of Successors of Executive-Level Positions
  - 21%
### High-Impact Succession Management

#### Top 10 Best Practices

<table>
<thead>
<tr>
<th>Succession Management Best Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Facilitate Process-Driven Succession Management</td>
</tr>
<tr>
<td>2. Promote a Transparent Process</td>
</tr>
<tr>
<td>3. Align Capabilities with the Business Strategy</td>
</tr>
<tr>
<td>4. Ensure Executive Commitment and Engagement</td>
</tr>
<tr>
<td>5. Broaden the View of Talent</td>
</tr>
<tr>
<td>6. Implement Similar Processes at All Levels</td>
</tr>
<tr>
<td>7. Create a Culture of Sharing Talent</td>
</tr>
<tr>
<td>8. Integrate with Talent Management Processes</td>
</tr>
<tr>
<td>9. Establish a Measurement Strategy</td>
</tr>
<tr>
<td>10. Recognize Technology as an Enabler</td>
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</tbody>
</table>
The traditional "career ladder" does not fully support the needs of a diverse, multi-generational workforce. Career development across a "career lattice" provides desired alternatives for growth.

**Career Path Overview**

<table>
<thead>
<tr>
<th>Career Ladder</th>
<th>Career Lattice</th>
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<tbody>
<tr>
<td>• Singular path upward</td>
<td>• Multiple paths upward or across</td>
</tr>
<tr>
<td>• Move up or stop moving</td>
<td>• Move faster, slower, change directions</td>
</tr>
<tr>
<td>• Assumes employee needs and aspirations remain the same over time</td>
<td>• Adjusts as employee needs change over time</td>
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</table>
Traditional View Talent Mobility

- Back Office, Operational, Contingent Employees
- Functional Specialists / Front-Line Employees
- First Line Management
- Senior Specialists
- Middle Management
- Senior Management
- SMEs (Consultants)
- Top Management

Career Paths:
- Professional Career Path
- Management Career Path
- High Performers
- High Potentials
This is How it Really Looks

- New Candidate
- Part Time Loan
- Job Intern
- New Assignment
- Stretch Assignment
- Upward Promotion
- Lateral Assignment
- Lateral Promotion
- Executive Succession
- Middle Management
- Executive Succession
- New Leader
- Contract Hire
- External Assignment

Keywords:
- SMEs (Consultants)
- Senior Specialists
- Functional Specialists / Front-Line Employees
- Top Management
- Senior Management
- First Line Management
Entire Organization Must Contribute to Career Development

**Employee**
- Identify Career Goals
- Maintain Talent Profiles
- Demonstrate Values
- Socialize Interests
- Create Internal Network
- Share Expertise

**Manager**
- Engagement with employees around Talent Profile
- Provide Coaching
- Assess Potential
- Identify Development Opportunities
- Provide Candid Feedback
- Share Talent Openly

**HR**
- Provides Tools & Resources
- Develop Career Models
- Facilitate Process
- Offer Career Coaching
- Career Development Training
- Integrate with Talent Mgmt

**Company**
- Infrastructure – Process, Technology, People
- Create Culture of Mobility
- Communicate Expectations
- Create Transparent Marketplace

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PageUp People CareerPath Integration Overview

Integrating CareerPath with Talent Management Systems:

**Competency**
- Identify key competency gaps
- Identify development opportunities

**Report**
- Across all TM functions
- Dashboards and predictive analytics

**Assessments**
- Utilize assessment results to further enrich suggestions

**Recruitment**
- Integrate to existing careers site
- Utilize CareerPath to target feeder roles

**HRIS**
- Utilize realistic job families etc
- Sanitize existing data using PUP AI technology

**Learning**
- Link to LMS for formal training
- Save paths to customized development plans

**Informal Learning**
- Find mentors
- Manage on the job training

Measuring Career Path Effectiveness

Career Development – Four Leading Practices

1. Visible Leadership Engagement in Career Development
2. Tailored Program Offerings to Enhance Career Advancement and Mobility
3. Enabling Tools, Technology, and Resources for Customized Career Planning
4. Integration with Other HR Processes
## Career Development – Four Leading Practices

### Visible Leadership Engagement in Career Development

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<tr>
<th>Characteristics</th>
<th>Leading Practice Company Examples</th>
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</table>
| **Investment**  | • **Pratt & Whitney**: Has invested over $1B in their Employee Scholar Program, a company-sponsored, employee education program that provides employees the resources to stay current in their chosen field or enable new career opportunities.  
                     • **Hewlett-Packard**: Aligns career development practices to organizational business plans and objectives.  
                     • **Xerox**: Invested millions into training, and an additional $500,000 into self-paced learning  
                     • **Bank of Montreal**: Made a financial investment of $65 million in training and development and invested in training facilitators that consistently delivered career development training across the country |
| **Accountability** | • **Rio Tinto Alcan**: Holds managers at all levels of the organization accountable for taking ownership of the company’s career development process and champion its application in their respective environments.  
                      • **Royal Bank of Canada**: Reinforces accountability for developing talent by making 25% of managers' compensation contingent upon their ability to help employees with their Career Development. |
| **Preparation**  | • **Royal Bank of Canada**: Trains managers on how to support their staffs’ career development through a six-step coaching model (Royal Coaching Journey). The program provides a roadmap as well as tools (e.g., workshops, leaders guides, self-study guides, videos, online courses).  
                     • **IBM**: Trains managers on how to help employees with their career development through courses that the company offers on coaching skills, available on audio so that managers can easily access and listen to them at their convenience. |

All information was obtained through publically available sources
## Career Development – Four Leading Practices

### Tailored Program Offerings to Enhance Career Advancement and Mobility

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| Tailored Career Development & Pathing Initiatives | • **Pratt & Whitney**: Utilizes cross-functional, multidisciplinary teams to identify and position high potential executives, managers, and staff for key developmental opportunities, which allows management to "keep tabs" on individuals whom the organization believes are investable for leadership roles in the future; the Employee Scholar Program is a UTC company-sponsored, employee education program that provides employees the resources to stay current in their chosen field or enable new career opportunities.  
  • **Royal Bank of Canada**: Provides experiential assignments, usually 2-3 years in duration, to provide executives and non-executives a much broader feel of the organization rather than the traditional unit/silo perception. Career moves are discussed in terms of what the individual will bring to the organization and vice versa.  
  • **Blue Cross Blue Shield of North Carolina (BCBSNC)**: Offers career coaching, mentoring programs and on-site degree programs to help workers increase their skills in their current job as well as prepare them for a lateral move to another business area or move up into leadership.  
  • **IBM**: Has the Career Vitality Program, which supports employee career development and internal movement by providing tools and linkages to existing initiatives that support visibility of career paths, development opportunities, short term/long term skill development opportunities, and inter-business unit movements. |
| Career Moves                  | • **Bank of Montreal**: Introduced an initiative entitled "top talent management." This framework was put in place to identify high potential employees (the top 5%-10% performers) and more proactively manage this population in terms of development and career progression. |

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# Career Development – Four Leading Practices

## Enabling Tools, Technology, and Resources for Customized Career Planning

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<td><strong>Accessibility</strong></td>
<td>• <strong>Bank of Montreal:</strong> Provides career development training across the country through a 2 day workshop which introduces employees to the concept of career development and the different tools that were available to them.</td>
</tr>
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<td></td>
<td>• <strong>IBM:</strong> Leverages its career portal (CareerNet) as a communication channel for Career Development. The portal maintains the history of job postings so individuals can determine what types of jobs and skills have been in high demand in the past. Professional Profiles can also help employees compare their personal profile to potential roles.</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td>• <strong>Blue Cross Blue Shield of North Carolina (BCBSNC):</strong> All employees prepare a personal development plan in consultation with their manager to maintain focus on career development.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Hewlett-Packard:</strong> Has the Grow@HP system, enabling managers to guide employees through the career planning process and collaborate with them on ways for the employee to excel in their current role, while also identifying the skills needed for that employee to keep growing and contributing to the organization.</td>
</tr>
<tr>
<td><strong>Tracking</strong></td>
<td>• <strong>Xerox:</strong> Tracks the level of learning activities and the number of self-directed programs being ordered to inform future training and career development programming decisions.</td>
</tr>
<tr>
<td><strong>Targeted</strong></td>
<td>• <strong>Bank of Montreal:</strong> Developed a strong 2 year communication campaign to cascade different messages about Career Development in order to ensure that employees were aware of the tools available within the bank to support their career development. Messages also emphasized what the bank expected from them concerning Career Development.</td>
</tr>
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</table>

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## Career Development – Four Leading Practices

### Integration with Other HR Processes

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<tr>
<td>Leadership Development &amp; Succession Management</td>
<td>• <strong>Bank of Montreal</strong>: Introduced an initiative entitled “top talent management,” which was put in place to identify high potential employees (the top 5-10% performers) early in their careers and proactively manage their development and career progression.</td>
</tr>
<tr>
<td>Performance Management</td>
<td>• <strong>Royal Bank of Canada</strong>: Has the Performance Planning, Review &amp; Development (PPRD) Process, which is a tool that the bank has developed in order to support its career development programs. It includes a coaching and development component which assists employees in achieving their goals by identifying skill, competency, knowledge gaps, which when addressed, can enhance their overall performance and contribution.</td>
</tr>
</tbody>
</table>
| Compensation / Rewards       | • **Royal Bank of Canada**: Links Career Development to compensation such that 25% of managers' compensation is contingent on their ability to help employees with their Career Development; the “Star Performance Program” rewards managers for their excellence in people management.  
  • **Merck**: Allows employees to maintain their salary when pursuing a step down career move while also encouraging merits increases. This practice ensures that lateral moves are not viewed as a deterrent to Career Development programs.  
  • **Rio Tinto Alcan**: Performance bonuses contingent upon demonstrated assistance of employees with career planning. Promotion decisions are in part based on how well managers develop their people. |
| Learning and Development     | • **Royal Bank of Canada** and **IBM**: Has courses to prepare managers to support employees’ career development.  
  • **Bank of Montreal** and **IBM**: Offer career development trainings and workshops to employees to drive awareness and usage of career development programs, systems, and tools available to them. |

All information was obtained through publicly available sources
Case Studies

Career Development Leading Best Practices Across Industries
### Career Development Leading Practices – Energy & Resources

<table>
<thead>
<tr>
<th>Company</th>
<th>Company Challenges</th>
<th>Leading Practices in Career Development</th>
</tr>
</thead>
</table>
| **Inorganic Chemical Manufacturer** | Challenges: Growth requirements due to new production, M&A activities, aging workforce and lack of interest in mining industry. Vision of being the dominant nuclear energy company. Acknowledgement that employees are the essential ingredient to fulfilling this vision. Goal to establish a clearly outlined Workforce Plan and Strategy as well as a Career Progression framework to align talent strategy with business objectives, and to guide employees’ development/career opportunities to enable them to have a long and successful career with the firm. | • Developed a Workforce Plan and Strategy to enable growth. Designed and developed a new Career Progression Framework that outlines specific career paths and expectations for various job families, such as Engineering, IT, and Project Management, to make transparent the career progression for employees.  
• Performed Workforce Assessment to assess and evaluate strategy and identified Critical Workforce Segments.  
• Performed Workforce Diagnostic to help define, capture, and report metrics around talent situation.  
• Applied Workforce Planning: Gap analysis and Workforce Plan and Strategy to connect the organization’s competitive strategy with its Talent Strategy.  
• Assessed existing Career Path and Career Progression process and defined desired future state. |
## Career Development Leading Practices – Tech, Media, and Telecomm Industry

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Leading Practices in Career Development</th>
</tr>
</thead>
</table>
| Hewlett-Packard | Hewlett-Packard is an American multinational information technology corporation. It provides products, technologies, software, solutions and services to consumers, small- and medium-sized businesses (SMBs) and large enterprises, including customers in the government, health and education sectors. | • At HP, career development is driven by the organization's business plan and business objectives. This is in turn linked to employees’ goal setting and individual development planning processes.  
• Using the Grow@HP system, managers will guide employees through the career planning process and collaborate on ways to excel in the employee’s current role, while also identifying the skills needed for that employee to keep growing and contributing to the organization. |
| Xerox         | Xerox Corporation is an American multinational document management corporation that produces and sells a range of color and black-and-white printers, multifunction systems, photo copiers, digital production printing presses, and related consulting services and supplies. | • Xerox encourages flow-through of developmental positions in order to help managers gain the skills that will help them progress in the organization.  
• The organization tracks the level of learning activities and the number of self-directed programs being ordered to inform future training and career development programming decisions.  
• Xerox spent over $10 million dollars in training with an additional $500,000 dollars allocated to online self-directed learning. The company has multiple training centers across Canada (Montreal, Toronto and Calgary). |

*Note: Client information referenced was obtained through publicly available sources.*
# Career Development Leading Practices – Tech, Media, and Telecomm Industry

<table>
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<tr>
<th>Company</th>
<th>Description</th>
<th>Leading Practices in Career Development</th>
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</thead>
<tbody>
<tr>
<td>IBM</td>
<td>International Business Machines Corporation, or IBM, is an American multinational technology and consulting corporation. IBM manufactures and markets computer hardware and software, and offers infrastructure, hosting and consulting services in areas ranging from mainframe computers to nanotechnology.</td>
<td></td>
</tr>
</tbody>
</table>
  - Managers are trained on how to help employees with their career development through courses that the company offers on coaching skills, available on audio so that managers can easily access and listen to them at their convenience.  
  - IBM leverages its career portal (CareerNet) as a communication channel for career development. The portal maintains the history of job postings so individuals can determine what types of jobs and skills have been in high demand in the past. Professional Profiles can also help employees compare their personal profile to potential roles.  
  - The Career Vitality Program supports employee career development and internal movement by providing tools and creating linkages to existing initiatives that support visibility of career paths, development opportunities, short term/long term skill development opportunities, and inter-business unit movements  
  - Employee development is promoted through awareness campaigns that included intranet articles, signage and mentoring workshops. |

*Note: Client information referenced was obtained through publicly available sources.*
Workforce Planning

Career Development

Education & Training (Continuous Learning)

Alignment with Recruiting and Retention
Human Capital Trends Rated Urgent or Important by Business Leaders

- Leadership Gaps: 89%
- Retention & Engagement: 78%
- Reskilling HR: 78%
- Talent Acquisition & Access: 75%
- Workforce Capabilities: 75%
- Talent & HR Analytics: 74%
- Globalized HR & Talent Management: 71%
- Integrated HR Technology: 70%
- Reinventing L&D: 69%
- Fixing Performance Management: 67%
- The Overwhelmed Employee: 62%
- Diversity & Inclusion: 60%

Engaging and retaining top talent is increasingly more difficult

12 Month New Hire Turnover

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>12.6%</td>
</tr>
<tr>
<td>2012</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

Source: Bersin Talent Acquisition Factbook, 2012

Do you expect to stay with your current employer for the next 12 months or longer?

<table>
<thead>
<tr>
<th>Experience</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>2 to &lt;3 years</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>3 to &lt;5 years</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>5+ years</td>
<td>85%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Deloitte Talent 2020: Surveying the talent paradox from the employee perspective, September 2012
Talent Acquisition Maturity Model®

Level 1: Paper-Based Talent Acquisition Process
Excel Spreadsheets, Manual Recruiting Process

Level 2: Automating the Process
Investment in Talent Acquisition Systems, Job Boards, Sourcing Tools

Level 3: Evaluating Talent Acquisition Technology
Measuring the Effectiveness of Existing Tools, Evaluating Innovative Tools

Level 4: Plan of Action
More Strategic Talent Acquisition Technology Decisions
Recruitment is Costly

- Recruitment is becoming more costly due to demand and/or distribution and/or specialty issues
- Average costs to recruit $30,000
- Turn over rates are 5% and up
- A well planned retention program reduces costs and turn-over

Medical Staff Retention

National Rural Recruitment and Retention Network
Recruitment is Costly

Studies on the cost of employee turnover are all over the board. Some studies (such as SHMR) predict that every time a business replaces a salaried employee, it costs 6 to 9 months’ salary on average. *For a front-line employee making $40,000 a year, that's $20,000 to $30,000 in recruiting and training expenses.*

Others predict the cost is even more - that losing a salaried employee can cost as much as $2x their annual salary, especially for a high-earner or executive level employee.

Turnover seems to vary by wage and role of employee. For example, a CAP study found average costs to replace an employee are:

- 16% of annual salary for high-turnover, low-paying jobs (earning under $30,000 a year). For example, the cost to replace a $10/hour employee would be $3,328.
- 20% of annual salary for mid-range positions (earning $30,000 to $50,000 a year). For example, the cost to replace a $40k employee would be $8,000.
- Up to 213% of annual salary for highly educated or executive positions. For example, the cost to replace a $100k manager or director is $213,000.

Source: “There Are Significant Business Costs to Replacing Employees”, Center for American Progress
One Example: Recruitment vs. Retention

### Total Cost of Replacing a $60,000/Year Employee

**Possible Direct Costs**
- Job ads: Develop a job description, write a job ad, get approval, & post to internal & external job boards ($600 x 10/hr x 3 hrs = $1,800).
- Interviewees: Run a 2-week ad on Monster & schedule interviews ($100 x 5 interviews = $500).
- Pre-employment testing: Reference check ($100).
- Salary increase ($60,000 x 5%): $3,000.
- Sign-on bonus ($67,200 x 5%): $3,360.
- Relocation: $5,000.
- Training: $7,000.

**Possible Indirect Costs**
- Loss of training: $5,000.
- Loss of institutional knowledge: $15,000.
- Loss of productivity: $26,000.
- Loss of morale in other employees: $18,924.
- Additional stress on management: $12,000.
- Consulting fees: $18,000.
- Overtime expense: $5,640.

**TOTAL DIRECT COSTS**
$49,436

**TOTAL INDIRECT COSTS**
$100,554

**TOTAL COST = $150,000**

*Based on statistics, the total cost of replacing this employee could range from $120K to $180K.*

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### Total Cost of Retaining a $60,000/Year Employee

**Monetary Rewards**
- Salary increase ($60,000 x 10%): $6,000.
- Annual bonus ($60,000 x 12%): $7,200.

**Non-Cash Incentives**
- Flexible scheduling: $0.
- Laptop: $1,000.
- Internet access: $1,500.
- Employee appreciation: $100.
- One week of additional vacation: $1,270.
- Clear & precise career path: $0.
- One training course per quarter: $4,000.
- Additional exposure: $0.

**TOTAL MONETARY REWARD COSTS**
$13,200

**TOTAL NON-CASH INCENTIVE COSTS**
$7,870

**TOTAL COST = $21,070**

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Source: “Cost of Hiring/Retention (COH)” by JDA Professional Services
What are the **Other** costs of losing an employee?

In a recent article, Josh Bersin of Bersin by Deloitte outlined factors a business should consider in calculating the "real" cost of losing an employee. These factors include:

- The cost of hiring a new employee
- Cost of on-boarding a new person
- Lost productivity
- Lost engagement
- Customer service and errors
- Training cost
- Cultural impact

Source: “Employee Retention Now a Big Issue: Why the Tide has Turned” by Josh Bersin
Which Brings Us Back to…. 

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<tbody>
<tr>
<td>Lack of career progress</td>
<td>Promotion/job advancement</td>
</tr>
<tr>
<td>Lack of compensation increases</td>
<td>Additional compensation</td>
</tr>
<tr>
<td>Lack of job security</td>
<td>Additional bonuses or financial incentives</td>
</tr>
<tr>
<td>Lack of trust in leadership</td>
<td>Support and recognition from supervisors or…</td>
</tr>
<tr>
<td>New opportunities in market</td>
<td>Additional benefits (i.e. health and pensions)</td>
</tr>
</tbody>
</table>

28%  24%  24%  24%  22%
53%  39%  34%  30%  21%

Employee ratings of their companies' talent programs

<table>
<thead>
<tr>
<th></th>
<th>Poor</th>
<th>Fair</th>
<th>Very Good</th>
<th>World Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inspiring trust in leadership</td>
<td>25%</td>
<td>23%</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>Creating career paths</td>
<td>25%</td>
<td>23%</td>
<td>20%</td>
<td>7%</td>
</tr>
<tr>
<td>Developing leaders</td>
<td>20%</td>
<td>26%</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>Maintaining high morale</td>
<td>28%</td>
<td>21%</td>
<td>16%</td>
<td>6%</td>
</tr>
<tr>
<td>Providing international assignments</td>
<td>23%</td>
<td>22%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>12%</td>
<td>22%</td>
<td>24%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Deloitte Consulting LLP, Talent Edge 2020: Building the recovery together, April 2011

Opportunities for career progression are both a top departure driver and a retention incentive

Career paths are among the top 3 talent processes that need significant improvement
Quick Recap: Key Takeaways

✓ Consider the strategic importance of Career Development, both for the individual and the organization
✓ Develop a career path strategy that aligns the career aspirations of employees with the business requirements of the organization
✓ Integrate “lattice thinking” into a talent mobility strategy
✓ Reference the Four Leading Practices of Career Development as you assess the maturity of your own organization
✓ Consider best practices of other organization
✓ Weigh the very high costs of employee turnover and discuss how this may be tempered at Kaiser through employee development