

Modern Career Pathway Playbook

Why traditional career pathways no longer work, and how to fix them to engage and retain your most important employees.



Introduction

Traditionally, an individual's career path in an organization was seen as a highly structured, hierarchical series of jobs an employee progresses through until they arrived at their target job.

The organization's job architecture reflected this hierarchical progression and success in lower-tiered roles was used as the primary qualifier for promotion to a higher tier. This approach is no longer effective for many organizations or employees. A more dynamic approach to career pathways is needed. This approach focuses on skills as the thread that connects one job to another as opposed to having worked in a similar, more junior role.

Employees still require and desire defined career paths. So how can we meet their need? Organizations need to implement career development solutions that truly foster engagement in today's workplace. To assist you in navigating the new world of work, we have created this eBook to guide you through the new realities of career pathways.

Part 1: The Argument for Career Pathways

Part 2: Why Career Pathways are Obsolete

Part 3: A Modern Career Pathway Playbook

Part 4: The Roles & Responsibilities for Modern Career Pathways

Part 5: Enabling Career Pathways with Technology



Figure 1: Traditional, structured hierarchical career progression.

Part 1: The Argument for Career Pathways

Effective career pathways are a win-win for both employees and employers. Establishing a clear career path for your employees can empower them to achieve their professional goals. Career pathing is also instrumental in helping you build a high-performing team.

Career Pathways Increase Employee Productivity and Morale

According to a [PwC Canadian Workforce Survey](#), 67% of Canadian employees said that upskilling opportunities made them more productive and confident in their organization's leadership. Career development instills employees with a sense of ownership in the organization's success. It's a tangible link between the success of the business and the personal achievements of the employee.

Career Pathways Increase Engagement and Retention

Lack of career development and advancement is the top reason cited by 41% of employees in [Guild's American Worker Survey Report](#), that causes employees to quit a previous job. Thirty nine percent of the same sample say they are unclear about career paths or plans with their current employer. The numbers tell us that by making sure employees have a clear sense of their future potential in the organization, we can reduce turnover and increase engagement. This makes career pathways an easy win for improving engagement and retention.

Career Pathways Help with Talent Planning and Cost Control.

Internal recruitment is an often overlooked but highly beneficial practice. It takes less time and money to hire someone internally and the starting salary of an external hire is on average 7% to 20% more than that of internal candidates.

Perhaps more importantly, the time required to recruit, hire and onboard an external employee can have an economic impact, estimated to be well above the annual salary according to [SHRM](#). As evidence, according to the [Saratoga Workforce Index](#) it takes 168 days to recruit an employee, then on average, another twelve months to reach productivity according to [Gallup](#). By providing career pathways and upskilling your existing employees, it becomes much easier to maintain a robust internal talent pipeline.

Effective career pathways are a strategic imperative for both employee satisfaction and organizational success. They not only empower employees to achieve their professional goals but also drive productivity, morale, and a sense of ownership in the company's success. With clear career development opportunities, organizations can significantly enhance employee engagement and retention, addressing key reasons for turnover. Moreover, internal recruitment through well-defined career pathways offers substantial cost savings and efficiency gains, creating a more agile and high-performing workforce. Another advantage of recruiting and developing from within is that existing employees have already demonstrated their ability to adopt the organization's culture. By investing in career pathing, companies can build a resilient talent pipeline, ensuring long-term growth and stability.



Part 2: Why Traditional Career Pathways are Obsolete

What's Driving the Change?

The traditional view of a career as a linear climb up the corporate ladder doesn't reflect the complex challenges leaders face today. Emerging technologies, and economic shifts, have made career paths less straightforward than they used to be and employee needs and interests have changed and hierarchal career pathways don't take those into account. Here we take a close look at these issues:

Change Driver 1: Work Requires More Employees and More Specialized Skills

Technology, automation, and now AI have made work more complex. For example, in the auto industry, we've gone on a journey from Model T's that could be assembled on a line by a few hundred workers to computers on wheels, containing hundreds of globally sourced components pieced together by thousands of workers. Many of these workers fill roles that require highly specialized skills that can be difficult to recruit.

Change Driver 2: Organizations are Flatter

Organizations are becoming flatter. According to [Gartner](#), the average manager's number of direct reports has increased by 2.8 times over the last six years. While climbing the corporate ladder was always an inverted funnel, today that funnel is narrower. Opportunities to advance a career are less likely to be through a traditional promotion into a managerial role.

Change Driver 3: Emergence of Project-Based Cultures

Project-based work is increasingly prevalent. Project-based work refers to organizing work around specific projects, with a defined scope, objectives, and deliverables. Unlike traditional work structures, project-based work is temporary, with a clear beginning and end. For organizations, project-based work offers numerous benefits. It allows for greater flexibility and adaptability, innovation and collaboration, as cross-functional teams come together to tackle complex challenges.

What does this mean for employees with regard to career pathways? If an employee moves from one team to another, they may not be following a traditional career ladders. Modern career pathways need to somehow account for these experiences and the skills that are developed while taking them on.

