



Clearing the career path

How employers can
fill their talent pipeline
from within



Introduction

Many companies are responding to economic uncertainty and potential recession as they always have—by planning layoffs.

More than half of U.S. chief executive officers (CEOs) surveyed by KPMG said they would reduce headcount in the near term to help manage through the downturn.¹ And while that tried-and-true cost-cutting move may prove effective in the short run, many recognize it could easily backfire. Seventy-three percent of CEOs say they are concerned about their ability to retain talent with the pressure of inflation and the high cost of living.²

At the same time, employee turnover is a persistent problem. November 2022 marked the 18th straight month of more than 4 million U.S. employees quitting, according to U.S. Department of Labor statistics.³ A labor shortage, thought to be temporary at the height of the pandemic, is likely structural. It's more important than ever to retain the talent on hand, in which the company has already invested.

It's easier, less costly, and more effective for companies to turn existing employees into the workforce of the future than to build with brand-new recruits. Unfortunately, finding, training, and connecting current employees to new requirements is difficult.

As many as one in four employees report internal obstacles to their development, including minimal access to on-the-job learning and new work experiences, as well as a lack of information about internal job openings.⁴ And when traditional promotional paths don't match employee career goals, many look to leave. Two-thirds believe there are better opportunities for career growth and development outside their current organizations.⁵

In this paper we discuss how modern career pathing, enabled by an internal talent marketplace, is essential to both developing employees and addressing the talent pipeline.

^{1, 2} [KPMG 2022 U.S. CEO Outlook](#)

³ Jennifer Liu, CNBC, "What the job market could look like in 2023, based on a surprisingly strong end to 2022," January 5, 2023

⁴ KPMG, "[Looking for more, American worker pulse survey | Summer 2022 report](#)"

⁵ Gloat, "[The Great Resignation Research Report](#)" (December 2021)



The case for modern career development programs

Career pathing drives a better overall employee experience and helps retain a diverse workforce.

Traditional career paths have focused almost exclusively on progression within the same department or business. More importance is placed on an employee's team, level, status (full-time, hourly, contingent, etc.), and other factors, and these factors are used as indicators of expertise while ignoring their overall skills and potential. Consequently, employees with critical skills or experience who are limited by their position or role may walk out the door.

And while traditional career development can help individuals excel in very specific skills, it also can result in a workforce so specialized that it's difficult to create a fungible talent pool or deep bench for critical roles.

Career progression in the past:

- Heavy reliance on traditional, upward movement within the same team/function
- Career progression mainly through promotions or permanent job changes
- Role title, level, location, status, and/or function determines perception of depth of experience, which impacts career mobility.
- One-size-fits-all career paths, with a lack of clearly defined progression for certain types of roles

Employees feel the constraints of traditional professional development

23% of U.S. employees surveyed by KPMG say they can't access learning opportunities that would allow them to pursue alternative career paths within their current organizations.

25% have limited access to diverse work experiences through lateral and upward job roles at their companies.

20% don't have clear visibility into career opportunities across the organization.



KPMG, "Looking for more, American worker pulse survey | Summer 2022 report"

Well-designed career pathing, the process by which companies align internal career opportunities with their skills needs, can improve an organization's overall profitability through more productive customer/supplier interactions and improved employee behavior.⁶

Career pathing also can help retain a diverse workforce, including full-time, part-time, and contracted staff; blue collar and knowledge workers; and as many as five generations of employees who are all at very different stages in their lives.

Career pathing of the future:

- Career mobility options mix lateral and upward movement
- Diverse, flexible, and continuous upskilling and reskilling experiences
- Short- and long-term opportunities that underscore the value of varied experiences and cross-functional skills
- Lower barriers/qualifications to participate in career mobility, with higher emphasis on skills and potential
- Career paths that develop role-specific critical skills without relying on title, educational degree, etc.
- Consistent and clearly defined career paths within teams, functions, and across the organization



⁶ "The importance of career pathing: A definitive guide," Indeed, April 25, 2022

Retention-enhancement strategies

Organizations can consider various methods for employee development and retention, including job redesign, enlargement, enrichment, and rotations.⁷

For example, they can:

- 01 Reduce the perception that blue-collar jobs have limited career progression by offering customized, on-the-job, formal learning along with clearly defined career pathways for workers.
- 02 Provide knowledge workers with exposure to different areas of the company through short- and long-term job rotations.
- 03 Champion continuous learning in parallel to employees' current roles.
- 04 Establish "people manager" versus "individual contributor" pathways to provide growth opportunities for a wider variety of strengths and career goals, acknowledging that becoming a manager isn't the only way to advance.
- 05 Rethink roles and hierarchy to create new and exciting career paths for employees with great experience and long tenure but little room left to climb the ladder.⁸ These include opportunities to lead a center of excellence or transfer to an overseas subsidiary.
- 06 Offer contingent workers, who represent more than 35 percent of the U.S. workforce and generate about \$1.3 trillion in revenue,⁹ career progression opportunities that match companies' future needs.

Companies that offer organized and proven internal mobility programs retain employees twice as long as organizations with weaker programs.¹⁰ Ultimately, career pathing becomes part of an organization's overall value proposition by providing employees with career development, growth, and challenges that contribute to their job satisfaction and fulfillment.



⁷ SHRM, "Developing Employee Career Paths and Ladders," (2021)

⁸ KPMG, "[Looking for more, American worker pulse survey | Summer 2022 report](#)"

⁹ Staffing Industry Analysts, "The US GIG Economy – 2021 Edition"

¹⁰ LinkedIn, "2022 Workplace Learning Report, The Transformation of L&D."

Develop a talent marketplace

A talent marketplace supports internal career mobility and helps create the agile workforce companies need with the skills to meet future business demands.

Technology enables the talent marketplace to match employees with jobs based on skills and, depending on the platform's sophistication, real-time performance data. These jobs or roles range from specific duties, taskforces, and projects to mentoring and other full-time roles.

The talent marketplace also prioritizes internal candidates, saving the company time and money on onboarding and related costs. And employees are empowered to expand their skill sets and grow their careers within their organizations.

A talent marketplace allows companies to:



Reduce organizational silos

Talent marketplaces break down barriers so that people can share their skills with colleagues across the organization. Employees can collaborate cross-functionally, assist when they have additional bandwidth, and develop critical skills to help the organization to achieve performance goals.



Upskill and reskill

Elevate training to the next level by matching people to projects, gigs, and mentorships that will provide the hands-on experience to improve productivity gains. This also develops adjacent (versus core) skills that help provide the right on-the-job opportunities and adapt the workforce for future needs.



Provide equal access and opportunities

Talent marketplaces have emerged as a powerful tool for breaking down barriers and democratizing career development. Internal candidates that the marketplace platform suggests are recommended based on their primary skills. This identifies qualified internal candidates who may have been previously overlooked.



Create a high-performance culture

Every business operates with staffing holes. A talent marketplace can alleviate some of that tension and fulfill both short- and long-term business needs by motivating high-performing teams.

Sustainable career pathing design



Align career pathing with the larger ecosystem, including workforce strategy and succession management.

- **Skills and capabilities strategy:** Determine if changed and/or new skills are required through a mix of on-the-job, formal, and social learning approaches.
- **Talent and workforce planning:** Source the right talent to be in the right place at the right time.
- **Performance management and competencies:** Well-defined, role-based critical competencies and performance management data are critical inputs to talent development.



Include a robust set of inputs to continuously improve and sustain career paths.

- **Operating model and job architecture:** Delineated job functions and families, job descriptions, job-level definitions, and the operating business model.
- **Competency and proficiency requirements:** Updated talent management philosophy, competency models, and proficiency definitions.
- **Organization culture and context:** Existing and upcoming strategic talent plans, employee opinion surveys, and performance management systems.



Use technology as a key enabler for career pathing.

- **Business-ready insights:** Organization leaders have access to real-time employee skills, proficiency levels, and performance data to identify talent pools for critical roles and determine upskilling requirements. Information and talent at the ready allow companies to quickly staff up to meet urgent needs, while employee engagement supports retention.
- **Customized and employee tailored:** Customize inputs from generated data to individualize career paths, find learning resources to address skills gaps, and identify internal opportunities and roles that can break through organizational silos to provide job satisfaction.
- **Automated career path management:** Artificial intelligence that can align employees and skills with internal jobs, development opportunities, and job rotations.



How KPMG can help

Companies that invest in career pathing now can enable organizational success by empowering the current workforce to develop the skills for tomorrow. This process introduces greater agility to meet future business needs, which helps realize material savings through improved retention.

Career pathing design and implementation is just one of many ways the Human Capital Advisory practice at KPMG helps companies become future ready. Organizations are rethinking their workforce strategies to address changes fueled by innovation and employee preferences. Our professionals have deep experience across all industries

and the knowledge to help them transform human capital by leveraging data analytics and technology to support effective leadership, upskilling, inclusion, high performance, career mobility, succession, and talent management.

Ultimately, we help reimagine talent strategy so that the companies we work with can drive a better employee experience and shape the workforce of the future.



Authors



Felicia Lyon

Principal, Human Capital Advisory

Felicia is a partner in KPMG Human Capital Advisory practice partnering with clients in solving their most challenging people issues. She supports Fortune 500 leaders when they face outside influences that require a focus on business growth or managing costs. Felicia helps her clients create a paradigm shift so they can organize work more effectively, engage and inspire their teams, and exceed their business goals.



Brock Solano

Managing Director, Advisory

For nearly two decades, Brock has helped companies consider new ways of thinking about how work will get done. He guides clients as they shape their organizations to identify and respond with agility to talent needs and organizational constraints, ultimately forwarding their short- and long-term business strategies. Brock has led large-scale workforce transformations and understands that success requires proactive planning to support positive interaction between leaders and the people who are affected by change.



Danny Seto

Managing Director, Advisory

Danny partners with Fortune 50 companies and C-suite executives to address workforce and organization challenges at the intersection of business strategy, technology, and human performance. For more than 12 years, he has consulted for mid-to-large-scale organizations, most recently assisting a global e-commerce company. Danny's breadth of knowledge and experience centers on organizational strategy, enterprise organization design, talent management, and workforce analytics.



Brianne Lumley

Managing Director, Advisory

Bri has more than 11 years of experience working on complex, global workforce transformation programs with Fortune 500 companies. She helps her clients define what the future of work looks like, leveraging the latest data analytics and talent insights to drive decision-making. Working side by side with C-suite leaders, Bri helps bring their organizational and talent strategies to life by articulating the capabilities, skills, roles, and career development paths to support high-level employee performance.

We would like to thank our contributors:

Dhara Gosalia, Deeparul Bhasin, and Eric Chen

For more information, contact us:

Brock Solano

Managing Director, Advisory

760-215-1458

brsolano@kpmg.com

Eric Chen

Senior Associate, Advisory

213-593-6531

ericjchen@kpmg.com

Dhara Gosalia

Manager, Advisory

212-954-6744

dgosalia@kpmg.com

Deeparul Bhasin

Senior Associate, Advisory

916-448-4700

deeparulbhasin@kpmg.com

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