
Research Summary

Career Conversations: How getting them right helps your business flourish

Today's post-recession climate continues to pose challenges to businesses. Potentially one of the biggest is the shift in the employment market back in favour of the candidate. This is clearly evidenced by the number of vacancies left unfilled last year as businesses were 'gazumped' by graduates who accepted a job but then took a better offer elsewhere¹, a ten-year low unemployment rate² and an increase in individuals choosing self-employment. Taking these factors into consideration, holding on to talent once you've got it is crucial, as attracting that talent in the first place is becoming increasingly difficult.

Such changes in the world of work mean that employees are voting with their feet if they don't get what they want from their employer. And whilst salary is likely to remain top of the list of reasons to join or leave an organisation, it is closely followed by the demand for greater support and opportunities in terms of career development.

The improving employment market means holding on to talent once you've got it is crucial, as attracting that talent in the first place is becoming increasingly difficult.

Investing time to understand employees' career aspirations and how they align with overall business objectives is the first visible step an organisation can take to demonstrate the importance they place on developing their employees' careers. The benefits of doing so are tangible: encouraging a 'career activist' mind-set positively impacts on employee engagement, productivity and retention. Crucially perhaps for today's competitive climate,

it emboldens employees to take responsibility for their continued personal development and provides a pipeline of talented and agile employees - essential to creating a source of ongoing competitive advantage.

Companies that recognise the importance of supporting employees' career development don't leave it to chance. They take a systematic approach: career development is embedded in their culture, managers understand their role and have the skills to confidently hold conversations with their direct reports around careers, while employees are given the tools and resources to support their development.

Keen to understand how well this key people management tool was being used, Lee Hecht Harrison | Penna conducted research amongst 1,000 people managers and 1,000 employees to understand whether conversations around employees' careers were a regular occurrence. More importantly, the research explored how effective employees felt their managers were in supporting their career development.

1. High Fliers Research 2016: www.highfliers.co.uk/download/2016/graduate_market/GMReport16.pdf

2. ONS UK Labour Market statistics March 2016: www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/march2016

3. ONS UK Labour Market statistics November 2015: www.telegraph.co.uk/finance/jobs/11990890/The-UKs-freelancing-hotspots.html

Flight risk

Worryingly, despite the positive impact career development has on employee retention, nearly two thirds of employees (63%) said that a lack of career development at their current organisation would be enough to make them start looking for a new job. When asked how satisfied they were with the current level of career development they are receiving, employees gave a measly five out of ten. The combination of the two – not being overly enamoured with opportunities to develop with their current employer and the temptation to leave – should send a warning signal to businesses that they can't afford to take their employees' development for granted if they want to retain their top talent and keep them engaged.



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The value of experience

With the ageing workforce now a reality rather than a forecast for the future, it's concerning that according to the research, older employees (those aged 55 and over) are less likely to be asked about their career goals than their younger colleagues aged 18-24 years (72% vs. 56%). By ignoring their ambitions and appetite for continued personal development, businesses are at risk of missing out on the ability to leverage the skills and experience this population possesses.

Ill-equipped managers

Employers may be making a dangerous assumption about the capability of their manager population to support and encourage the development of their direct reports, and how satisfied employees are with the support they receive from their manager. Only 37% of managers were confident that their organisation provided people management training for managers. Furthermore, only one in four managers said they were actually confident

in talking about difficult career related topics such as salary (23%), managing expectations around delayed promotions (26%) and development needs (29%) with members of their team. This clearly highlights that managers are expected to hold career conversations with direct reports on topics that can be sensitive, with little or no training.



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Poorly handled meetings with managers are frustratingly an all too common occurrence, but if it's an inadequate conversation about an employee's future, then Lee Hecht Harrison | Penna's research indicates that it may be enough to cause employees to mentally - or even physically - check out of an organisation. In order to prevent potential productivity or talent loss, organisations need to upskill their managers to confidently hold such conversations.

There will also be managers that haven't deliberately set out to be managers, who find themselves in a position of responsibility as a matter of course, for who specific development support will be essential in helping them to perform well in the role.

The art of career conversations

Career conversations are much more than a quick chat. To be effective they must have purpose and meaning for the employee, requiring managers to possess a broad range of skills and an ability to flex depending on each individual's unique situation.

When asked to rate their managers abilities in speaking to them about their careers, only 55% said their line manager "listens" during career conversations and only half (50%) felt that their manager had "helped them reflect on their performance in their current role".

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When it comes to having career conversations with direct reports, there are many other skills and behaviours that managers need in their toolkit to ensure conversations do not fall flat. It's not simply a case of saying the right things, managers need to know how to use body language, open questioning, constructive feedback as well as being able to read the situation, for example, knowing when to step back to give people time to reflect. However, this can be a lot to remember when holding career conversations and something which organisations must take seriously if they are to avoid an exodus of talent who feel their development needs and career goals will be better met elsewhere.

Only **55%** said their line manager "listens" during career conversations

As little as **50%** felt that their manager had "helped them reflect on their performance in their current role"

A good career conversation should:

- Discuss long-term goals and how these align with the company's objectives
- Determine what employees enjoy/dislike about their current role
- Identify any existing or perceived obstacles to career development
- Explore opportunities they feel would help them develop
- Advise them on any further experience or skills they may need to develop to support with their goals
- Educate them on the full range of development opportunities available besides upwards promotion
- Encourage them to take ownership for their career development

Manager tips for how to hold effective career conversations:

1. **Prepare:** Spend time thinking about your direct reports' current performance and their future potential, along with options for development. Come armed with possible topics for discussion
2. **Set the tone:** Agree on objectives and re-iterate confidentiality to build trust
3. **Let them lead:** It's their career after all, so let them speak. Use open questions to encourage dialogue – such as "what would you like to discuss today?"
4. **Agree an action plan:** Set objectives and next steps
5. **Follow up:** Put regular catch-ups in place to check on progress and to offer additional support to implement plans

Time well spent

There also appears to be a large perception gap between how much time employers felt they dedicated to talking to employees about their careers and how long employees actually felt they were given for such conversations. On average, employees said that their line managers spent just over an hour each month discussing career goals with them, while managers claimed to spend twice as long (2.3 hours).

A potential explanation for this discrepancy could be the adoption of less formal processes around career development by organisations, which if left uncommunicated, may cause confusion. On that basis, when managers approach direct reports to talk about their careers in a more ad-hoc manner it may not be recognised as career support by employees, affecting their interpretation of the level of career development they are receiving. So, what's the answer? Communication is key. Employees should understand how their business approaches career development to avoid any confusion in this area.

Planning for the future

It's an undisputed fact that succession planning is a critical component to ongoing business success. In light of the dynamic environment in which many of us now find ourselves operating, a broader view to succession planning is necessary. Here too, career conversations have an important role to play. Information gleaned during these conversations can be fed into wider succession plans, helping businesses to identify those individuals with the skills and ambition to develop themselves in line with future business needs, thus enabling the business to outperform the competition.



Yet our research revealed that nearly a quarter of managers (23%) said that information gathered from career conversations is not fed into succession plans. A further third (33%) admitted that their organisation doesn't have a formal process for recording and tracking the long-term career goals of its employees. Employees are aware that this is the case too, with more than a third (34%) saying their organisation doesn't track their long-term career goals.

Regardless, career conversations remain a valuable first step in demonstrating that businesses genuinely want to retain and invest in their employees. By taking the time to explore how they can develop their employees' careers within the business, companies can retain valuable talent and prevent losing them to competitors. Developing processes so that outcomes are fed into wider succession planning activity will only further benefit organisations, allowing them to have a clearer understanding of who can take them forward in the future.

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In conclusion

It is apparent that employees are not happy with the quality of career conversations that they are currently having with their line managers. Indeed, line managers are not confident in their abilities to hold conversations with their direct reports about careers. By ignoring the issue, businesses risk losing key individuals who may be disgruntled by the lack of support they are receiving with regards to their careers and development.

Equipping managers with the skills needed to hold career conversations, helping them to understand how to support their direct reports in achieving their professional goals and how this fits with overall business objectives, will enable them to have more action-oriented and positive discussions. Employees will have a better understanding of the direction of their career and will be able to make more informed decisions as to their own development and next steps. Empowering managers with the skillset to hold effective career conversations will require development support upfront, but businesses will ultimately benefit from employees who are in greater control of their career trajectory.

For more information about how businesses can support managers to be more effective when holding career conversations with direct reports

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