

ARTICLE

The overlooked weapon in the war for talent

Three tactics HR leaders can use to optimize career development and employee retention in a hybrid world



During the height of the pandemic, HR leaders rightly prioritized employee health and safety and then reopening safely, while also dealing with a myriad of unforeseen pressures. Now, they are facing a fierce war for talent, and they must also prioritize creating organizations where people want to stay for the long term. Inclusive cultures, flexible work models, and competitive compensation all help, and companies are focusing on those areas. But, in a hybrid world, many are floundering in an increasingly crucial area: career development.

Lack of opportunity to advance has historically been one of the top reasons people left organizations; it's notable that our work has consistently shown that leaders see their companies' development processes as weak. And now, many millennials and Gen Z workers are concerned that opportunity will be even harder to come by in a hybrid work environment. Working mothers, who have more often than others seen their careers disrupted by the pandemic, are anxious about their next steps. More than half of respondents in a recent UK survey were worried they would miss out on ad hoc learning opportunities with peers and seniors in a hybrid environment.¹

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HR leaders are aware of the concern: in a recent poll we conducted, 37% chose career development as the biggest challenge their company faces right now, which was more than twice the percentage of those who chose the next response of inclusion. Another recent study showed that more than 80% of businesses face critical gaps in the skills needed to build resilience.² Of course, the best HR and people leaders have always understood the importance of career development, yet, based on employee engagement data, far too many employees consider this a weakness. And now, in a hybrid working environment, supporting employees in their career development has become more important than ever. While many HR leaders are still adapting to hybrid working norms, it is critical that they also commit to new strategies to support their employees in their career progression—or risk losing them.

This article, based on dozens of conversations with leaders across industries and our ongoing work, suggests three tactics HR leaders can use to address emerging learning, development, and inclusion needs and invest in progressive, differentiating career development programs. Companies that succeed will improve talent attraction and retention—and organizational performance—giving them an important competitive advantage in the war for talent.

Redefining what matters in a hybrid world

We are in a period of reinvention. People are reassessing their lives, careers, and relationship to employers.³ A recent Gallup survey found that 48% of the US working population is actively job searching, and the 2021 Beamery Talent Index found that 72% of respondents were confident in their ability to find a new job.⁴ Other recent research has shown that millennials and Gen Z consider the lack of belonging at work as one of the two most important reasons for leaving or considering leaving a job.⁵

1 Caitlin Powell, "Is hybrid working opening businesses up to discrimination claims?" *People Management*, October 21, 2021, peoplemanagement.co.uk.

2 Lisa Christensen, Jake Gittleton, Matt Smith, and Heather Stefanski, "Reviving the art of apprenticeship to unlock continuous skill development," *McKinsey Quarterly*, October 21, 2021, mckinsey.com.

3 Rachel Halversen, "The 'Great' Debate: Post-COVID workforce trends driving today's labor market," *Business Talent Group*, September 29, 2021, resources.businesstalentgroup.com.

4 Vipula Gandhi and Jennifer Robison, "The 'Great Resignation' is really the 'Great Discontent,'" *Gallup*, July 22, 2021, gallup.com; and Nada Chaker, "Employees have upper hand in pandemic-induced power shift, according to new 'Beamery Talent Index,'" *Beamery*, October 6, 2021, beamery.com.

5 Aaron De Smet, Bonnie Dowling, Marino Mugayar-Baldocchi, and Bill Schaninger, "'Great Attrition' or 'Great Attraction'? The choice is yours," *McKinsey Quarterly*, September 8, 2021, mckinsey.com; and Ron Carucci, "To retain employees, give them a sense of purpose and community," *Harvard Business Review*, October 11, 2021, hbr.org.

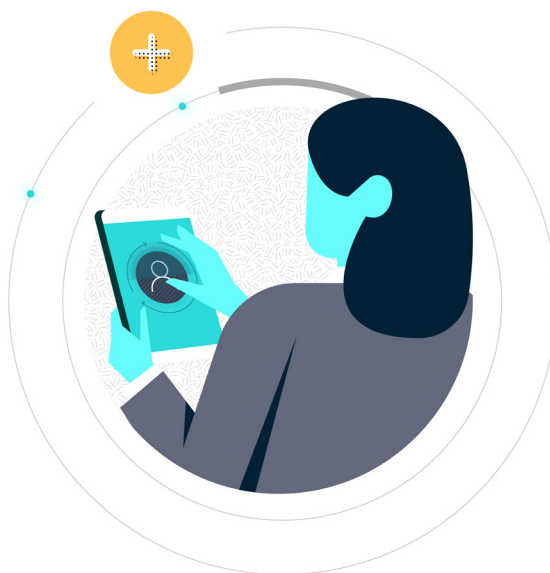
To attract and retain the best people now, HR leaders and their organizations must make the work experience itself inclusive and meaningful. In a recent interview, Satya Nadella suggested the need to shift the paradigm from “I work for Microsoft” to “How well does Microsoft work for me?” Most companies are struggling with this. Trying to engage workers with “trophy offices,” innovative spaces, and personalized snacks are missing the point.⁶

Many leaders have significantly increased their attention to purpose and well-being since the beginning of the pandemic, as part of building or maintaining an inclusive culture. For most of those, a more intentional focus on diversity and equity, alongside inclusion, became crucial after the murder of George Floyd and the resurgence of demands for racial and social equity. As we have explored elsewhere, messages and interactions that connect people to a larger purpose help to create belonging and bolster engagement.⁷ Leaders who make their DE&I initiatives visible, including being transparent about progress toward goals and role-modeling their own commitment, are central to success.

But maintaining inclusion and engagement isn’t only about culture initiatives. Expanded opportunities, challenges, learning, feedback, and career coaching are also important aspects of building meaning and commitment over time. Other studies, for example, have shown that organizations that prioritize career development see increased likelihood of engagement (+115%), opportunity (+167%), and personal success (+152%). The probability of increased engagement is 3.7 times higher for organizations that provide opportunities to grow in specific areas, acquire new skills, and work on special projects.⁸

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Of course, workers must take responsibility for their own careers, but it’s clear they want companies to step up—and that companies that don’t will lose them. HR leaders must promote a culture of professional growth that moves beyond old ways of thinking and leverages the hybrid talent development upsides rather than bemoaning the downsides.



6 Adi Ignatius, “Microsoft’s Satya Nadella on flexible work, the metaverse, and the power of empathy,” *Harvard Business Review*, October 28, 2021, hbr.org.

7 Yulia Barnakova and Steven Krupp, “The work anywhere paradox: Love it or hate it, how leaders can optimize it”; Emily Amdurer, “How leaders can help workers thrive now—and build a foundation for growth”; and Jennifer Flock and Dustin Seale, “Creating an inclusive culture: Five principles to create significant and sustainable progress,” Heidrick & Struggles, on heidrick.com.

8 “Hybrid Workplace,” in *Rethink: 2022 Global Culture Report*, O.C. Tanner Institute, September 2021, octanner.com.

Three ways to boost career development in a hybrid world

HR leaders should facilitate and highlight creative alternatives that make the most of virtual, such as being able to find a mentor from another business or geography, working on a stretch assignment with a diverse global team, or studying expansion into a new, less familiar market.

HR leaders who are building an agile, talent-first career development model today are employing three tactics.

1. Reconsidering the need for mobility in succession planning: One significant historic barrier to career or succession planning has been mobility. Not all the best and brightest could or would move. This has disadvantaged many, but especially working mothers. One benefit of being hybrid or virtual is that geography no longer needs to be an issue in all cases. HR and talent leaders should consider if mobility or geography is still relevant for all roles and identify which jobs truly require location proximity and which can be done anywhere. While living and working abroad or spending time at headquarters is invaluable experience, leaders should determine if it is necessary today. Virtual options can facilitate more equitable upward mobility—since everyone everywhere can have access to opportunities—and create new options for those who can't move. HR leaders should facilitate and highlight creative alternatives that make the most of virtual, such as being able to find a mentor from another business or geography, working on a stretch assignment with a diverse global team, or studying expansion into a new, less familiar market.

HR leaders can further benefit their companies by revisiting succession plan assumptions with these kinds of options in mind, as well as provide guidance on how managers deep into the organization can co-create with employees and HR personalized career paths, actionable succession plans, and more shared accountability for closing gaps.

2. Building agile, borderless support systems: To get the attention of people who are prioritizing their own development, HR leaders should take a dynamic approach. Hybrid settings and digital tools can expand options for learning, development, and support, including new ways to nurture high-potential employees, given that borders and silos should be less pronounced. In addition, at companies that had large campuses or significant travel expectations before the pandemic, HR leaders can make a case to dedicate some of the time people no longer spend traveling to more engaging activities. Leaders should focus on deliberately facilitating these systems in partnership with people managers at all levels. Following are some examples of actions leaders can take:

- **Build and value skills through virtual coaching and feedback.** Being virtual can make connecting for coaching easier and more efficient, since the participants can be anywhere. This means that the expectation for coaching and mentoring should be higher for all people managers. HR leaders can set a bar by making being a great coach and mentor part of their company's leadership competencies, core values, performance management system, and training for leaders. One important expectation to set is that all people managers understand and enable career aspirations, double down on what is working, and tackle any old or new barriers to career acceleration head-on.

Leaders were shocked at how easy giving feedback became, how well it was received, and how much it fostered a mindset of prioritizing talent development.

For example, during the pandemic, a global pharmaceutical company's manufacturing division had essential workers and line supervisors on the shop floor while other managers were remote. The company was able to maintain productivity and quality using two approaches. The first was tactical, focusing on the role of "leader as coach" and giving managers specific tools, tips, and guidelines for delivering feedback virtually. The second was a shift in strategy, to take advantage of virtual work to strengthen its 360-degree feedback systems and expectations. Rather than relying on individual managers, who offered feedback inconsistently, HR instituted an approach in which managers were expected to regularly share one specific area where they appreciated the contribution of each direct report, along with one thing the person could do better to enhance his or her career advancement. Leaders were shocked at how easy giving feedback became, how well it was received, and how much it fostered a mindset of prioritizing talent development. The company now offers this type of feedback monthly and has expanded the "leader as coach" module to hybrid leaders across the company.

- **Build virtual communities focused on development and opportunity.** HR leaders must make sure that people take advantage of the opportunity to expand their network of mentors, peer coaches, and sponsors beyond location or even function. Leaders should encourage and support people in being creative when identifying potential mentors, formal or informal and globally, and support the use of virtual meetings to expand horizons.

For instance, one organization launched a virtual program, "Walk in their shoes," aimed at strengthening connections among people from different parts of the organization. It consisted of weekly peer-mentoring sessions between people in adjacent functions and locations who depended on each other but did not know each other, because they were in different places. In addition to strengthening cross-functional collaboration, and knowledge of each other's worlds, the program helped open lateral career paths.⁹

- **Stay closer to high performers.** Given people's increased concern about development, it is no longer good enough to wait for annual or twice-yearly talent and performance review conversations. Being hybrid, it should be easier for HR to set regular, perhaps more informal, checkups to understand how key people are doing, revisit aspirations, refresh development goals, and monitor progress. And HR leaders should take advantage of the opportunity to include people beyond HR and direct managers. Other stakeholders engaged with talent development should share views via virtual meetings and collaboration tools in real time.

In one organization, HR leaders convened virtual career development meetings every other month. Each time, about five different key people were the focus of a targeted discussion with other leaders who interacted with them. Pre-meeting input was collected virtually so those who could not make the session could provide their views. The outcome of each meeting was to develop individualized feedback for the people reviewed and an action plan for each leader. Managers were held accountable for follow-through. These bimonthly discussions have allowed the company to stay in closer touch than ever before with all the people it most wants to retain.

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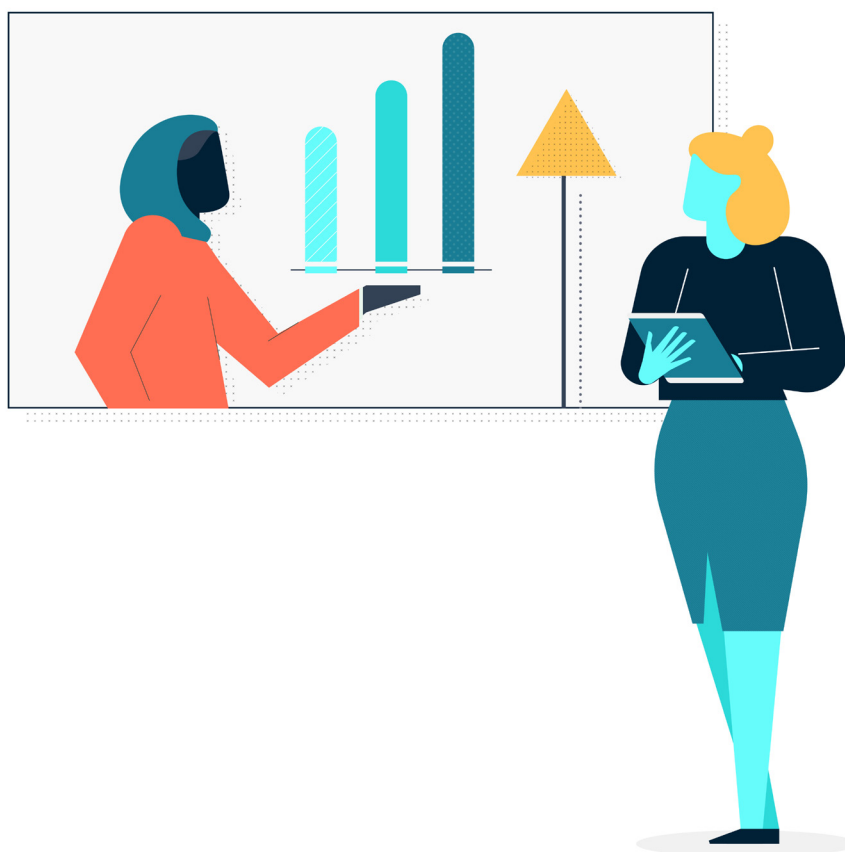
3. Upskilling people at all levels so they can thrive in hybrid

settings: New capabilities are required as companies shift to digital and virtual ways of working. Though some will be unique to individual companies, there are a number of capabilities that we know most companies are focusing on. HR leaders must help identify and address their company's specific gaps, with refreshed definitions of core skills, capabilities, and solutions designed for new ways of working, such as the following:

No matter how good a leader is, in the long run even the best are only effective in the context of a culture that supports innovation, experimentation, and agility.

- **Being inclusive in a remote environment:** Given the importance of inclusion, being able to lead inclusively *and* virtually is a critical skill for leaders at all levels. One company developed a virtual learning module on establishing a psychologically safe culture for open dialogue and peer coaching in a remote environment. Another had managers participate in working sessions to develop aspects of inclusive leadership such as self-awareness, curiosity, courage, vulnerability, and empathy. They practiced and got coaching on how to build safe, open, cohesive teams in a virtual setting and developed inclusive team charters to codify their inclusive ways of working and help hold each other accountable. These leaders also practiced getting the most out of their digital tools and platforms to make sure everyone felt fully included regardless of device or location.
- **Presenting virtually with impact:** Being persuasive and informative on-screen is no easy task, as most leaders have learned over the past two years, though the specific challenges vary from person to person and company to company. One R&D organization, for example, found that its scientists were trying to make an impact virtually by relying more than ever on detailed science, data, and charts. What they were missing, however, was what senior-level audiences cared about: implications, options, and decisions. It became clear that hybrid required a different presence, skills, tools, and digital know-how to convey these insights. HR and business leaders put together a learning plan that included everything from making messages more targeted, “sticky,” and impactful to amplifying the storyline through little-used digital features such as real-time annotations, in-slide hyperlinking, and interactive Q&A summaries. Scientists also received coaching on improving their digital presence and appearance. Participants say the program has accelerated their influence capabilities, personal brand, and leadership impact; it is now in demand across the organization.
- **Collaborating effectively in virtual teams:** With virtual working becoming the norm, most companies need to help teams work together better, take advantage of new digital tools, and optimize the upsides—while managing the downsides—of distance. One simple but powerful tactic is helping people build their skills, comfort, and confidence with activities such as digital sticky-note sessions and whiteboarding. Once those things are mastered, people can more easily contribute in real time to team discussions. This promotes creative expression as well as open dialogue and trust, which encourages people to more actively participate in meetings.

- **Leveraging the power of digital:** As almost every aspect of interactions with fellow employees, customers, suppliers, and other stakeholders gets digitized, people need to understand new technologies and the data and insights they make available. HR leaders across industries are collaborating with business leaders to ensure their people learn about technologies that could affect the business, including everything from virtual dressing rooms for retailers to AI-driven customer support tools. Others are focused on ensuring people know how to ask the right questions of data, whether it's customer data, HR data, or market data. Whatever their organization's specific needs are, HR leaders must make sure that people can learn what they need to support digital transformation efforts and accelerate outcomes for their business lines.
- **Building agility for the long term:** As hybrid becomes the norm, leaders are increasingly working to help people build agile mindsets and skill sets to adapt long term to new ways of working, uncertainty, and ambiguity. One company's HR leaders, for example, designed a series on agility to help their commercial team adapt to a new go-to-market strategy relying on a hybrid field sales force. Customer feedback indicated a need to move away from a one-size-fits-all sales approach to adapt better to busy medical practices and the demands generated by COVID-19. They wanted salespeople to provide more customer-centric virtual or hybrid interactions and to build the skills of asking questions, listening, and soliciting input with the intent of building long-term, sustainable, mutually rewarding relationships. This was a mindset shift that took particular agility to make the double leap.¹⁰



¹⁰ For more, see Steven Krupp and Becky Hogan, "Agility for the long term," Heidrick & Struggles, on heidrick.com.

In today's world where people are increasingly judging their satisfaction and bond with their employer, companies face a crucible for attracting and retaining talent. Addressing people's new expectations for career development, and doing so in a hybrid world, requires a talent-first mindset. HR leaders need to reinvent career development strategies to make development a core priority, regardless of where people work. Successfully developing and engaging their people is a crucial element to ensuring their organizations are talent magnets, positioned on the winning side of the ongoing talent wars.

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