



Authored by:
Madeline Laurano
Founder, Aptitude Research



THE NEW ERA OF INTERNAL MOBILITY:

DRIVING VALUE THROUGH SKILLS,
METRICS, AND A TALENT-FIRST APPROACH

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INTRODUCTION:

Over the past three years, the pandemic, labor shortage, and Great Resignation accelerated the demand for internal mobility strategies. In 2022, Aptitude Research found that over 70% of companies were increasing their investment in internal mobility and 47% of companies increased the number of internal hires. The movement of talent into new positions is not a new trend. Companies have been hyper-focused on internal mobility and career progression at various times periods of uncertainty. For many companies, internal mobility offers the perfect panacea to challenges facing both recruitment and retention by bridging the candidate and employee experiences and reducing turnover.

But, despite this increased focus on internal mobility over the past few years, only one in four companies are confident with their strategies moving forward and 77% have lost talent due to a lack of career development opportunities. Many organizations have adopted a superficial approach to internal mobility by promoting jobs through internal career sites without offering individuals opportunities and development. For other companies, lack of ownership creates barriers for implementing programs and technology.

As companies look to 2023, internal mobility needs to be more than a rally cry. It needs to be a clearly defined strategic investment that is less about moving an individual from job A to job B and more about driving value for the employee.



Fortunately, some companies are turning to skills-based internal mobility and prioritizing how they reskill and upskill their workforce to adapt to the future of work. They are empowering employees, leveraging technology, and encouraging collaboration across multiple stakeholders. A skills-based approach to internal mobility can help connect talent to the right opportunities, personalize the experience, and continuously update with every interaction. It transforms internal mobility from an employer-led initiative to a talent-first strategy.

This report, based on data collected in 2022 and 2023 will look at the next era of internal mobility based on skills and focused on empowering the individual rather than the organization. This report will answer the following questions:

Is internal mobility still a priority?

What challenges do organizations face with internal mobility?

What strategies should companies consider to improve the success of their internal mobility strategies?

What metrics should organizations use to track internal mobility?

What technology supports internal mobility?



Quantitative Research:

328 responses for TA and HR VP Level,
Recruiters/Sourcers/IT Professionals.

Company Sizes:

- 18% SMB (250-999ees)
- 22% Midmarket (1000-4999ees)
- 28% Mid-Market (5K-999K)
- 32% Enterprise (10,000ees+)

Qualitative Research:

Interviews with TA and HR leaders in
2022 and 2023



KEY FINDINGS

-  **Metrics that matter:** Companies need to consider a new set of metrics for measuring the success of internal mobility. Metrics should incentivize managers and recruiters to provide growth and opportunities for employees while supporting broader DEI and company objectives.
-  **Internal mobility needs to be talent first:** Current internal mobility strategies require employees to do most of the work to find their next opportunities for development. Companies promote jobs and employees are left on their own to find what might be next. The next era of internal mobility must make it simple for employees to understand their opportunities and develop the skills they need to be successful.
-  **Internal mobility must empower hiring teams:** One in two recruiters are feeling burned out this year and hiring teams are feeling additional pressure to find quality talent quickly. Internal mobility must be talent first, but it also must empower hiring teams by lifting the administrative burden and making it easier to find talent.
-  **Internal mobility must provide personalization:** Most companies are not personalizing internal mobility. Fifty-eight percent (58%) of internal candidates go through the same process as external candidates. Internal candidates are treated like strangers to their employer and often do not receive a response.
-  **Internal mobility is most successful when it involves multiple stakeholders:** Nearly 50% of companies stated that leadership and CHROs are either owning or directly responsible for internal mobility efforts. They are driving these initiatives and looking to work closely with key stakeholders and creating opportunities for employees.
-  **Skills are a priority:** According to this study, 82% of companies identified skills as a priority. Companies are increasing their investment in skills this year and the number one driver is to provide more career development opportunities for talent.

PART 1:

CURRENT STATE OF INTERNAL MOBILITY

Prioritizing Internal Mobility

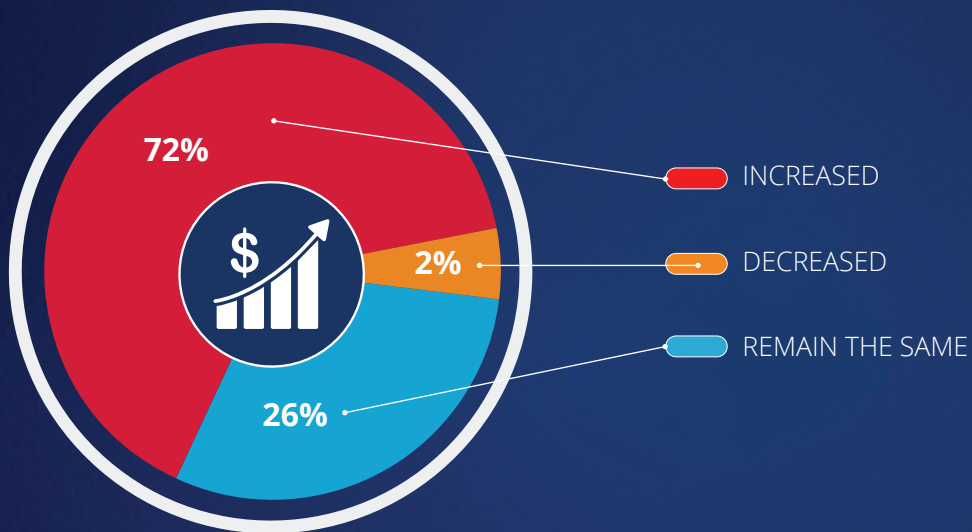
The interest and conversations around internal mobility that began in 2020 were not a moment in time. Companies continue to view internal mobility as a key priority despite uncertainty around the economy. When asked to identify top priorities in 2023, companies cited providing opportunities for career development, upskilling and reskilling the workforce, and recruiting talent (see Figure 1). Companies understand the value of internal mobility and upskilling and reskilling in achieving broader recruitment and retention goals.

Figure 1: Top Workforce Priorities



Additionally, the investment in internal mobility solutions over the past year has not declined. It has increased slightly from 70% of companies in 2022 to 72% of companies in 2023. Investment in internal mobility includes changes to talent strategies, percentage of internal hires, ownership, and technology. Even in an economic slowdown, companies recognize the value of these solutions and the impact on talent and business goals. The primary driver for this increased investment is retention.

Figure 2: Investment in Internal Mobility



Despite this increased investment and focus on internal mobility, many companies do not see value from their programs or find it challenging to implement a strategy. Aptitude Research found that:

25%

of companies are not satisfied with their internal mobility efforts

77%

of companies have lost talent due to a lack of career development opportunities

Only **14%**

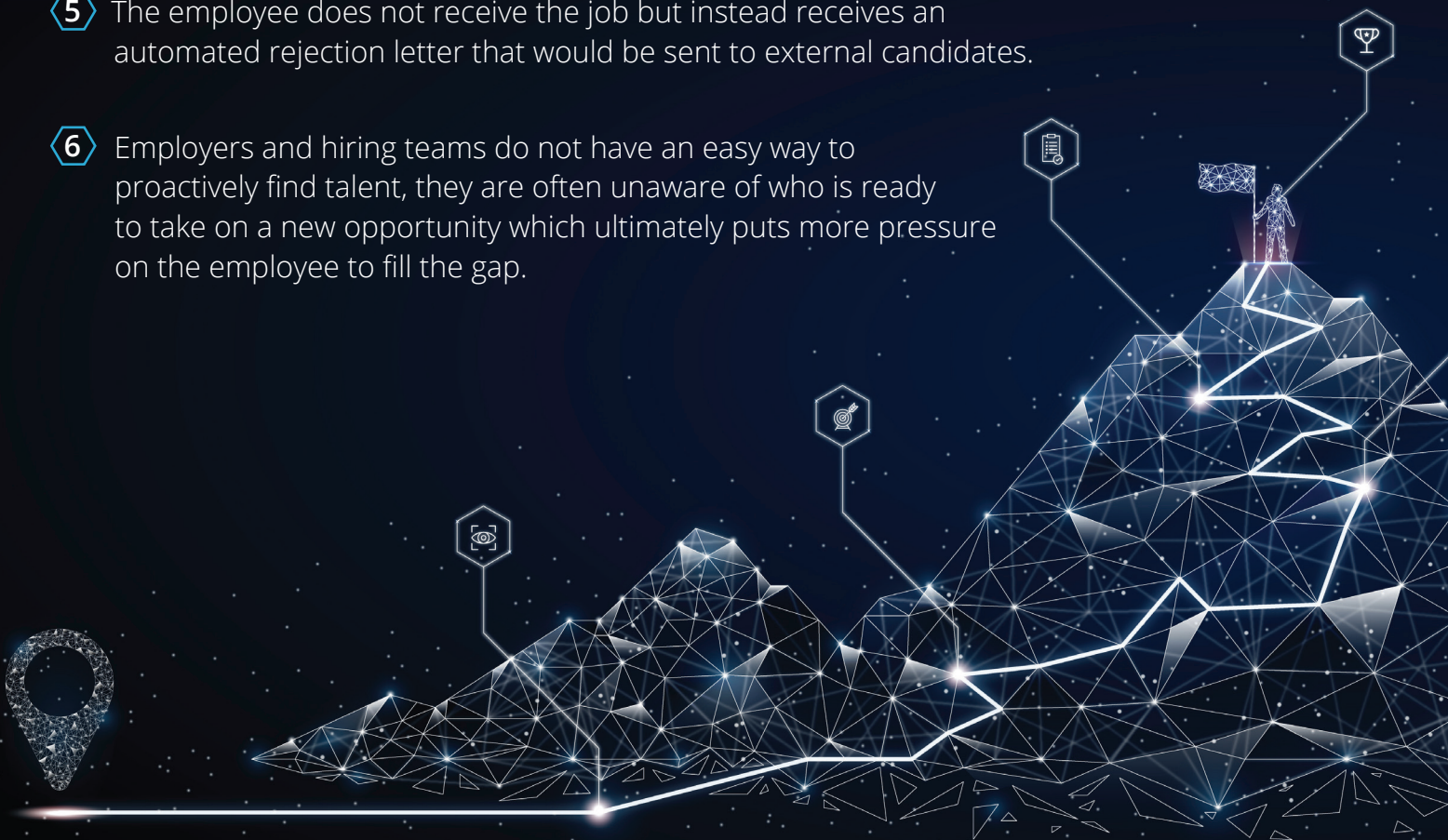
of companies state that employees are promoted often.

Organizations must shift away from tactical approaches to internal mobility that focus on promoting jobs, and begin to think about empowering the individual through experiences and opportunities.

Identifying Challenges with Internal Mobility

For many companies, internal mobility has not changed much over the past decade. Internal mobility often includes the following steps:

- 1 An employee finds a job on an internal career site or portal or an employee asks a manager about an opportunity.
- 2 The employee applies for the job and is taken through the same apply process as external candidates despite different messaging on the career site or portal.
- 3 The employee waits to hear about an interview or next steps.
- 4 The employee goes through the same interview process as external candidates with the same questions and same experience.
- 5 The employee does not receive the job but instead receives an automated rejection letter that would be sent to external candidates.
- 6 Employers and hiring teams do not have an easy way to proactively find talent, they are often unaware of who is ready to take on a new opportunity which ultimately puts more pressure on the employee to fill the gap.



This experience often leaves employees feeling misled, neglected, and mistreated during the process. And, it requires employees to do all the work. An employee may be more likely to look for new opportunities outside of the organization after this experience. As companies increase their investment in internal mobility, understanding and overcoming challenges is critical. We have identified several challenges to consider:



Lack of Communication: Companies must consider how employees learn about job opportunities and the role of the manager in this process. Many managers do not want to actively share jobs with their team members for fear of losing talent. As a result, employees have no way of learning about potential opportunities. This study found that half of all employees are not aware of internal job opportunities.



Lack of Personalization: Fifty-two percent (52%) of companies provide the same experience for internal and external candidates. As companies look at their candidate experience, internal talent is now facing the same challenges with limited feedback, personalization, or response. Companies that provide the same experience are treating internal hires like strangers to the company where they spend their time.



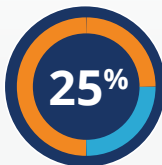
Lack of Follow-Up: What happens if an internal candidate does not receive a job? Many internal candidates may decide to leave the organization. Companies must consider how they will follow-up with internal talent when individuals do not receive a job offer and how companies can continue to engage them in future opportunities.



Lack of Promotion: Internal mobility for many companies is not consistent. Departments do not always communicate about opportunities and companies do not provide progression to every employee. According to this study, 74% of companies promote employees only sometimes or rarely.



Lack of Recruiter Incentives: Recruiters today are overworked and underappreciated. They are being tasked to do more with less and giving them responsibility for internal mobility needs to support their goals. Unfortunately, most companies are not incentivizing or motivating recruiters to support internal mobility. The result is that...



25% are not searching for internal candidates until after a job is posted.



50% post internally before externally

These challenges make it difficult for companies to drive results from their internal mobility efforts.

Understanding the Deeper Side of Internal Mobility

Internal mobility is the movement of employees across the organization into various job roles. Companies of all sizes and across all industries are prioritizing internal mobility this year. At a basic level, internal mobility includes two main elements: the awareness of internal job opportunities and the development of employees into those opportunities. The awareness level is typically part of a talent acquisition process and includes recruitment marketing efforts and candidate communication. The development level is often a shared responsibility between talent acquisition, HR, and management and includes the promotion and progression of careers. Companies must consider a strategy that includes both elements.

Figure 3: Two Core Elements of Internal Mobility



Connecting the awareness and development sides of internal mobility is critical and where most programs fail. Companies can invest heavily in an internal career site, but if an employee receives neither an internal job nor any development opportunities, they will be more likely to leave. One company shared their approach to connecting these two elements: They created two different roles to support each effort. One role sits in talent acquisition and serves as an internal recruiter responsible for internal hiring. The other sits in talent management and serves as an internal career coach responsible for employee development and career growth.

These roles work together to ensure that the company's internal mobility efforts are driving both awareness of jobs

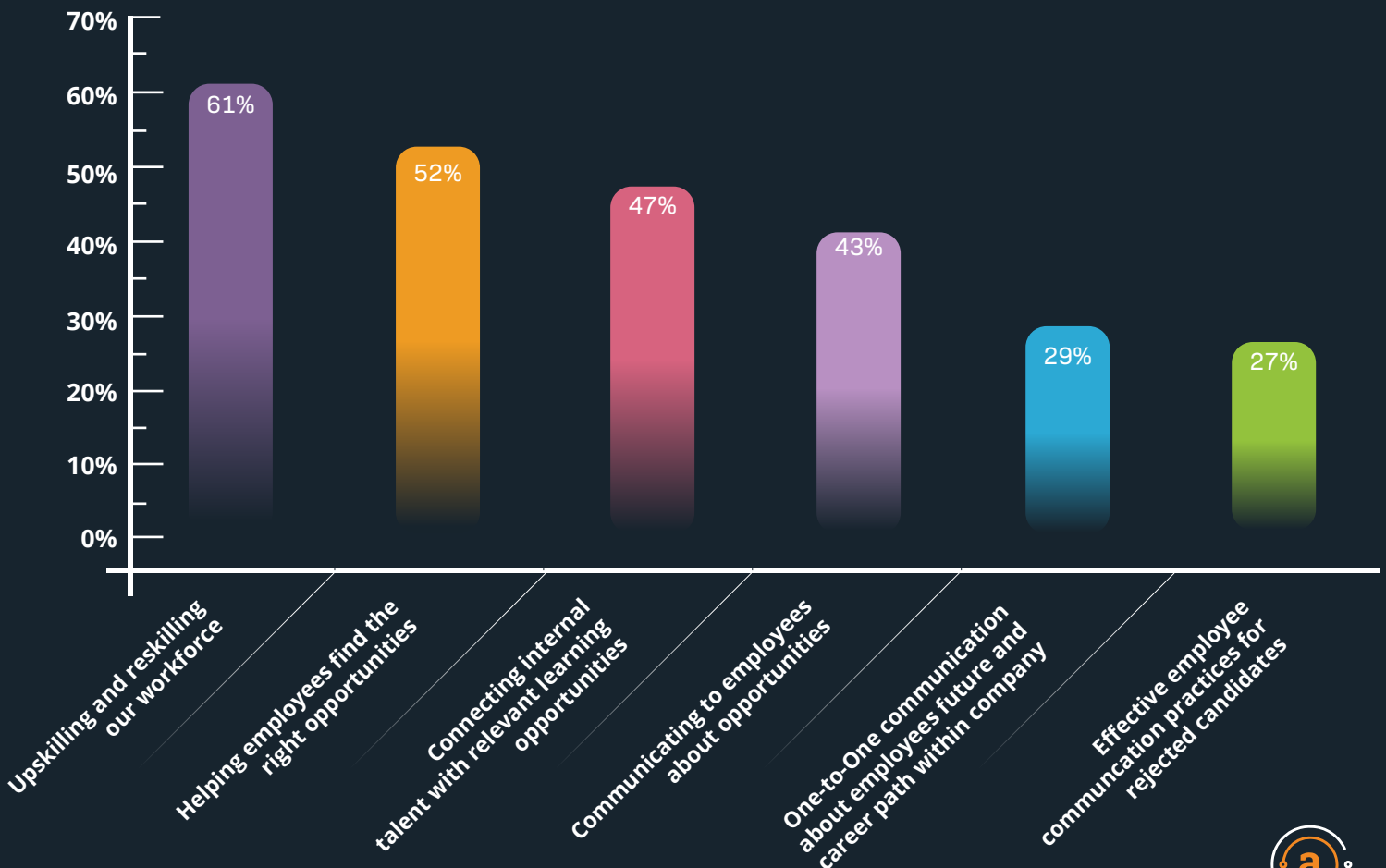
The following pages of this report will explore strategies that will help companies move beyond the early stages of internal mobility and help to drive outcomes.

PART 2:

THE FUTURE STATE OF INTERNAL MOBILITY

The future of internal mobility is a skills-based approach. When asked to identify the most critical aspects of internal mobility, companies cited upskilling and reskilling the workforce, connecting talent to learning opportunities, helping employees find the right opportunities, and improving communication. Most of these capabilities are not in the creating “awareness” layer of internal mobility, they are part of the deeper “development” area that supports growth and opportunities. These capabilities require companies to change their view of internal mobility to empower the individual.

Figure 4: Key Capabilities for Internal Mobility



Most companies take a narrow view of internal mobility. It is considered something for only senior positions or synonymous with a promotion or a lateral move. Yet, for many industries and job roles, mobility has not been an option. In the hourly workforce, for example, individuals only switch jobs if they need a new shift or are unhappy with their manager. These situations are not providing growth, they are just movement across the company.

The next era of internal mobility has three themes.



ADOPTING A SKILLS-BASED APPROACH:

Skills are becoming the new currency for talent development. Companies can provide a fairer hiring process and make smarter talent decisions to enrich upskilling and internal mobility. Companies can also identify skills gaps across the organization to plan and prepare for the future.

Ninety-five percent (95%) of companies that took this survey stated that skills are more important than job titles when promoting employees.



In a study conducted by HCI and Aptitude Research, high-performing companies that prioritize a skills-based approach have a better understanding of the skills they need for today and are more proactive with reskilling and upskilling for the future. These companies are also more likely to provide opportunities to every employee regardless of their job role. A skills-based approach to internal mobility gives these companies a competitive advantage.

Figure 5: High-Performing Organizations that Use a Skills-Based Approach



Skills-based development is on the rise, but it is not a new phenomenon in talent management. Companies have built skills frameworks and competency libraries in the past to better manage and develop talent. Unfortunately, many companies faced several challenges including:

- Outdated Information:** Companies would have to manually update the skills framework and libraries to reflect changes in the business or in the labor market. According to this study, 38% of companies built their own skills libraries for talent development. Yet, these libraries are not continuously being maintained.
- Employee Participation:** Employees would not typically provide feedback or input to skills libraries and the result was a set of skills that often did not match the current workforce. Employees would have to manually update their profiles. According to this study, 64% of employees would only update their profiles once a year or longer.



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Dynamic employee profiles and the use of AI can help companies improve internal mobility and create a more consistent and relevant experience. Today's companies are at different stages of maturity in their use of skills and AI. We found that 29% of companies have already implemented a strategy. Companies must take the time to rethink their processes and carefully consider the following:



Strategy

Understanding and supporting organizations where they are at in comparison to the industry and other organizations they are competing for talent.



Business Outcomes

The impact of a skills-based approach on both the business and talent objectives.



Execution

The roadmap and timeframe for investing in a skill-based approach.

Strategy:

Companies need a solid understanding of the business objectives and priorities to guide decisions and change. Organizations also need the expertise to drive a successful program. Companies can start by asking questions about their organization and asking questions to their employees that may include:

Organizational Questions:

What are the skills we need now and in the future?

What are the skills gaps that need to be filled?

What skills does the business need to achieve its goals?

Individual Questions:

What skills do I need to develop my career?

How can I build those skills over the next few years?

What are my opportunities based on those skills?



Business Outcomes

Success in internal mobility will look different for every organization. Companies must consider multiple stakeholders across talent acquisition, talent management, learning and development, leadership, and employees. When asked about the benefits of a skills-based internal mobility approach, companies identified employee retention, employee experience, understanding of employee skills, and increased ROI of organizational development efforts.

High-performing companies with skills-based internal mobility programs were able to see improvements in diversity, equity, and inclusion (DEI), retention, and employee experience. One reason for these improvements is that a skills-based approach empowers employees. It takes a more accurate look at the workforce and allows employees to manage their career path, building skills that they need in their current or future jobs. It identifies opportunities for individuals and shows them the resources available to achieve their goals.

Figure 6: High-Performing Organizations that Use a Skills-Based Approach





Execution

A skills-based approach to internal mobility will take time. Companies will see results if they are committed to better understanding their organization and their workforce. It is a long-term approach to talent development, and it represents a commitment to the individual.

Companies that are successful in their skills-based approach share several characteristics including:

- **Leveraging Strategic Partnerships:** Companies with successful internal mobility strategies were twice as likely to use third-party technology for support rather than internal resources.
- **Creating Change Management Strategies:** The lack of change management was a major barrier in a skills-based strategy. Companies need to stay prepared with the right resources and communication.



PUTTING TALENT-FIRST:

Traditionally, internal mobility would require employees to do the work. Employees would need to find opportunities and create their own experiences. Skills and AI allow companies to provide opportunities for every employee and offer recommendations for opportunities, connections, and learning and development. A talent-first approach gives employees control without making them do all of the work involved. It personalizes that experience through better communication and AI inference to determine the best opportunities for everyone.

One way that companies take a talent-first approach is by overcoming issues with ownership and encouraging more collaboration with internal mobility. Companies often struggle with the question of ownership and placing responsibility either on talent acquisition, talent management, or learning and development functions. This study found that high-performing companies have multiple contributors who share responsibility for internal mobility efforts. High-performing companies were more likely to have leadership, Chief Diversity Officers, and employees all take an active role in creating and supporting internal mobility efforts (see Figure 7). This cross-company collaboration and employee involvement is even more effective for companies with a skills-based approach because multiple stakeholders are involved and accountable for employee development.

Figure 7: Contributors to Internal Mobility


Companies with a talent-first approach share several characteristics including:

- **Leveraging skills:**

Skills allows companies to truly understand each individual beyond keywords or what is found on an employee profile.

- **Personalizing communication:**

If an internal candidate applies for a job, companies must consider personalized communication through every stage from the interview to the offer or even the rejection. We found that most companies provide the same interview experience to internal and external talent.

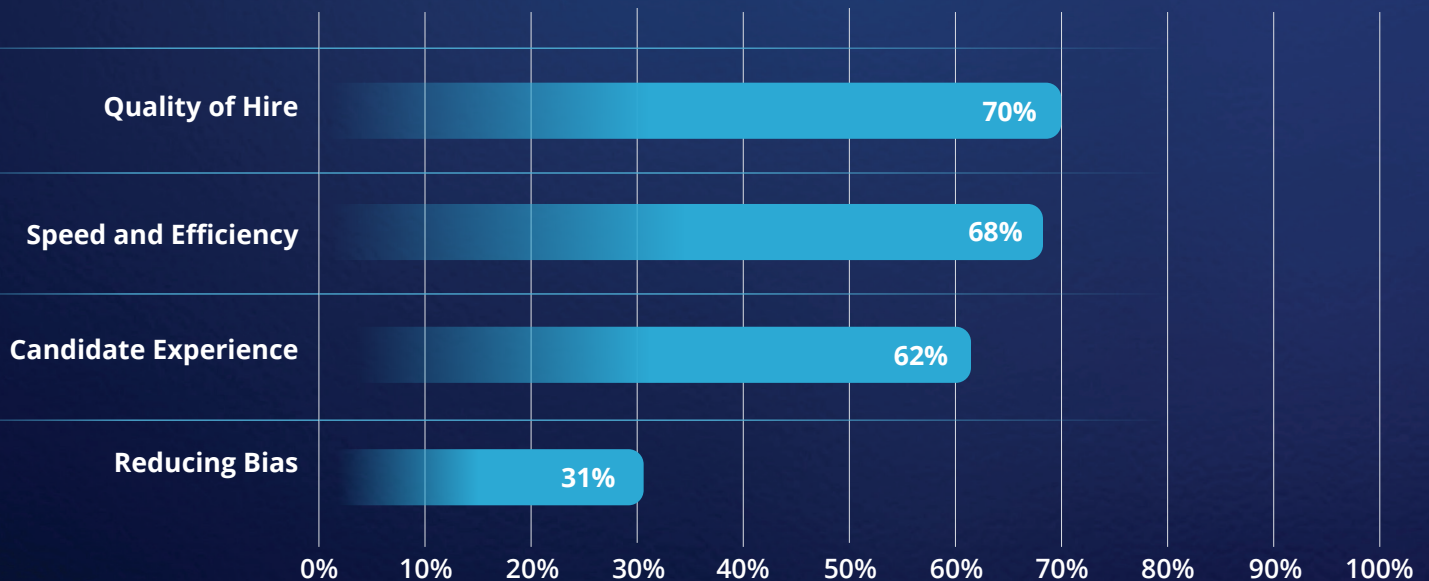


Align Internal Mobility with DEI Initiatives

Companies have different views on the impact of internal mobility programs on DEI initiatives. On one hand, if a company does not have a diverse workforce, external candidates can add more value. On the other hand, a strategic approach to internal mobility can provide fair and equal opportunities to every employee. Aptitude Research found that 23% of companies believe that internal mobility efforts may hurt DEI initiatives because their organization lacks diverse talent, while 58% of companies believe it will strengthen DEI initiatives. Only 15% of companies believe that it will have no impact on DEI initiatives. The way that internal mobility can strengthen DEI is by ensuring that every employee has an opportunity for advancement.

One of the most surprising results from this year's survey is the reduced focus on DEI and reducing bias. Our research found that reducing bias was the second largest driver for technology investments in 2020, but this year it has fallen below quality, efficiency, and experience. Companies are twice as likely to prioritize other metrics over reducing bias. For some companies, DEI was a reaction to the events of 2020 and not a strategic commitment to how they recruit talent. For other companies, technology is not as important as process or strategy design. As companies consider internal mobility and invest in solutions, providing a fair and equitable experience to every candidate must be more of a priority.

Figure 8: Key Drivers for Investing in Talent Acquisition Technology





MEASURING SUCCESS

When companies measure internal mobility, the most common metric is the percentage of internal hires. We found that 82% of companies measure this KPI. While this percentage gives companies a starting point, there are other critical success metrics to consider. A few of these metrics include:

- **Employee Experience Scores:** Employee engagement surveys that ask about career development and advancement opportunities can provide some metrics and insights to companies looking to improve internal mobility efforts.
- **Time to Fill:** The average time to fill for most companies is 40 days. For high-volume industries, time to fill may be two weeks or shorter. With an effective internal mobility program, companies should be able to shorten time to fill significantly.
- **Time to Respond:** After a company fills a position, some candidates do not receive a response until several weeks or months later. By shortening the time to respond and improving communication, companies can strengthen their internal mobility efforts and provide more transparency to internal candidates.
- **Diverse Hires:** Companies often track diverse hires for external candidates but should consider doing the same for internal hires as well.
- **Manager Internal Mobility Metrics:** Companies should consider how to motivate and incentivize managers to leverage internal mobility and empower their teams.
- **Recruiter Internal Mobility Metrics:** Most recruiters are not incentivized to fill positions with internal candidates. Consider metrics that motivate recruiters to look at internal candidates as well as external candidates.

CONCLUSION

Internal mobility helps companies better engage talent, fill critical skills gaps, and prepare for their future workforce and talent needs. It is the connection between talent acquisition and employee experience and it provides opportunities for employers and individuals. While technology plays a critical role in improving internal mobility efforts, it is not a quick fix. Companies must think through their processes and culture for advancing and promoting employees. Companies that take a strategic approach to internal mobility are more likely to impact both business and organizational results.

ABOUT US



Aptitude Research is a leading human capital management (HCM) research and advisory firm. Our in-depth research and vendor assessments help HR leaders develop a deep understanding of the HCM technology landscape, including talent acquisition and engagement, to ultimately make better purchase decisions.

Our flagship research, The Aptitude Index Report, delivers a comprehensive look at talent acquisition trends and technology. This knowledge, combined with our consulting and advisory services, enables companies to save time, money and improve the recruiting, hiring and workforce management experience.

Founded by leading analyst Madeline Laurano and based in the Boston area, Aptitude Research provides a wealth of HCM expertise to companies, vendors and investors. View our recent and upcoming research at [AptitudeResearch.com](https://www.AptitudeResearch.com) or connect with us on [Twitter](#) or [LinkedIn](#).



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