



Beyond Pay Rises

Leveraging Career Pathways
to Retain Talent and Maximise
Reward ROI



Presented by
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It's not easy being an HR and Reward professional in 2025



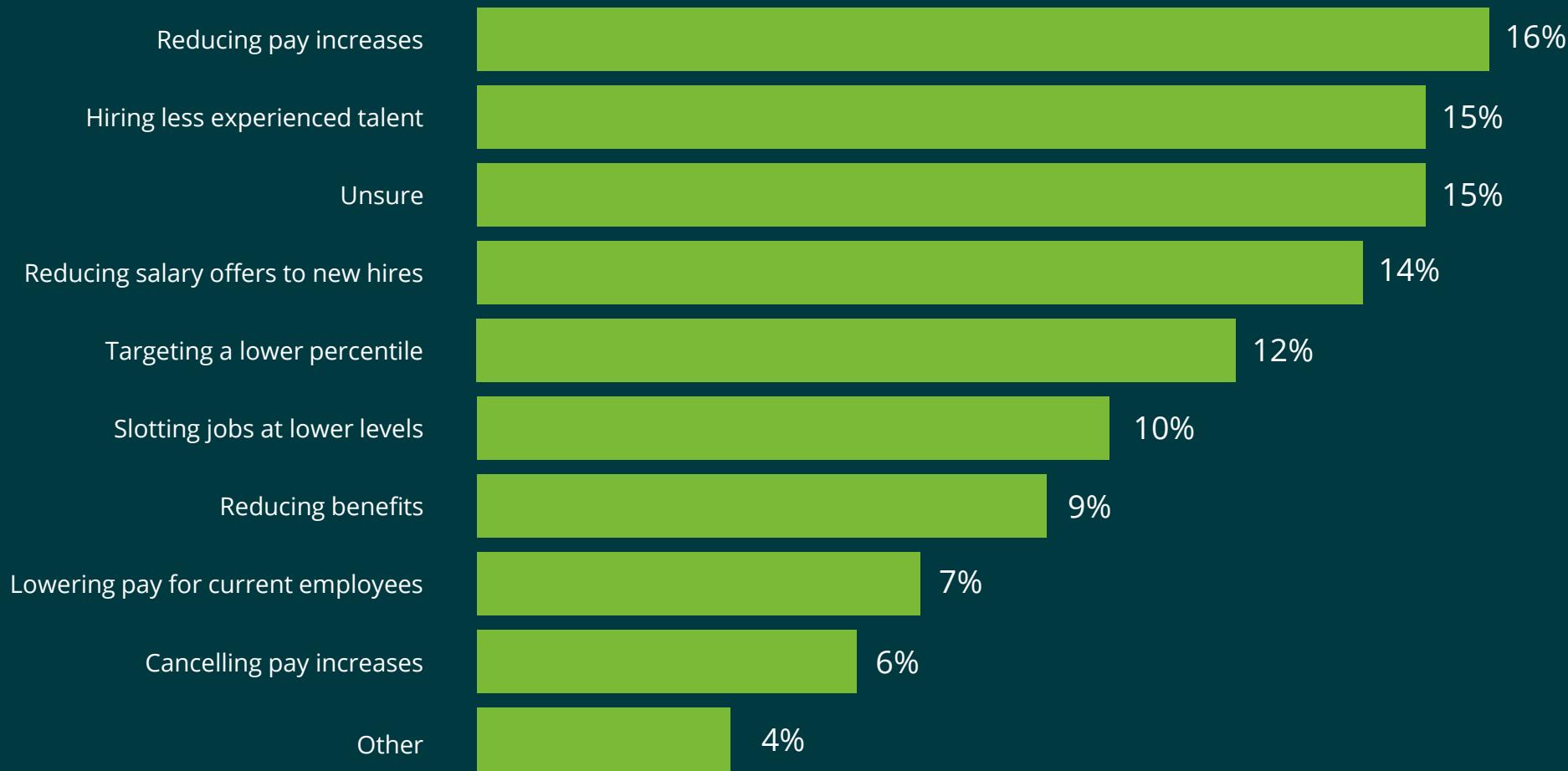
Employer confidence remains low



Source: CIPD

Tension over salary costs

In response to economic or labour market conditions, is there a strategy at your organisation to decrease spend following?

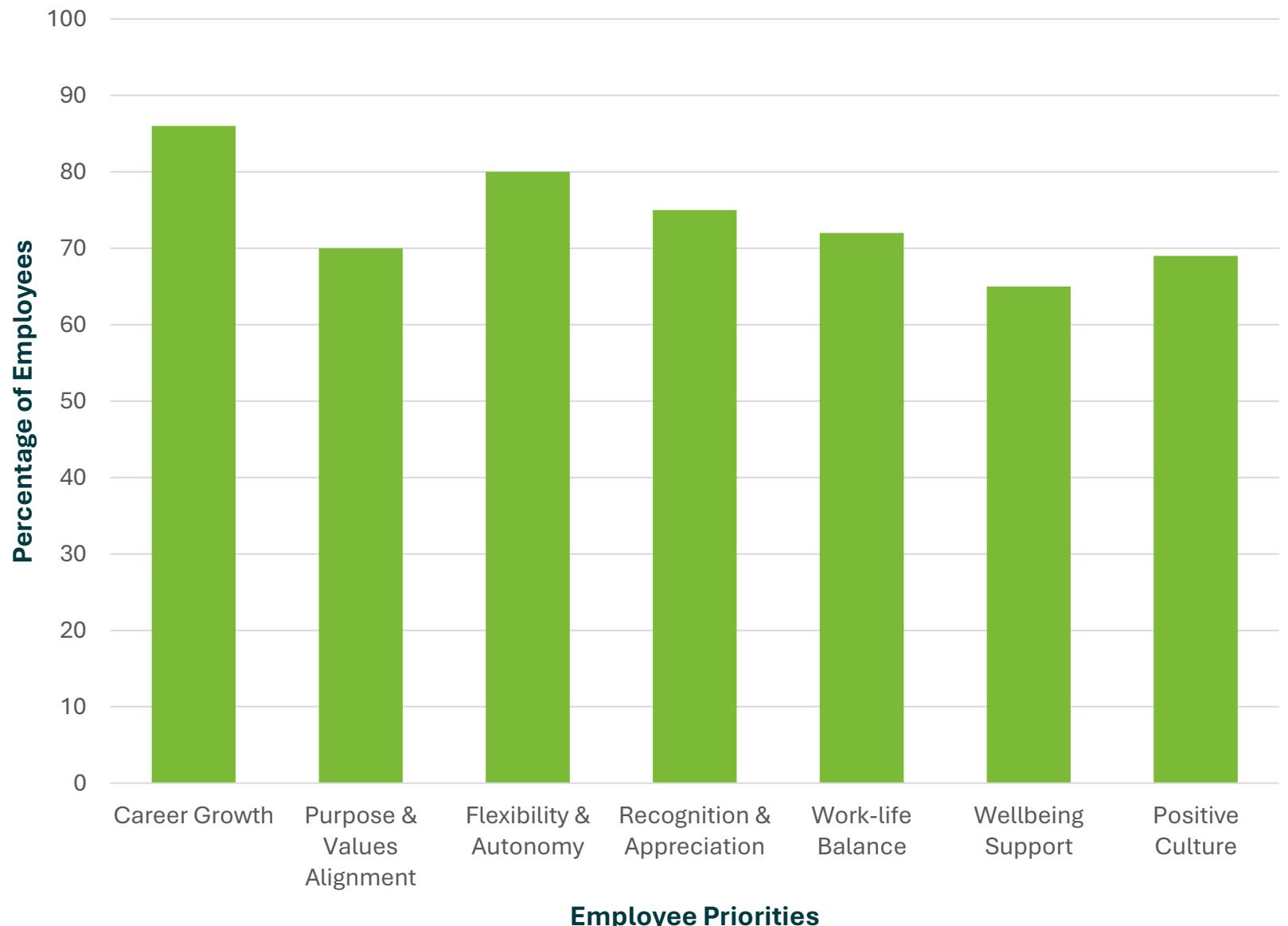


Limits of Pay Alone

- Pay increases are costly and short-lived.
- Employees seek growth, purpose, and progression.

84%

Of employees believe that learning adds purpose to their work (CIPD)



Sources: Adp research

Generational Impact

Gen Z values learning for career progress

Percentage of Gen Z who agreed that "Through learning, I can explore potential career paths at my company" compared to other generations

Millennials, Gen X, Baby Boomers



Gen Z

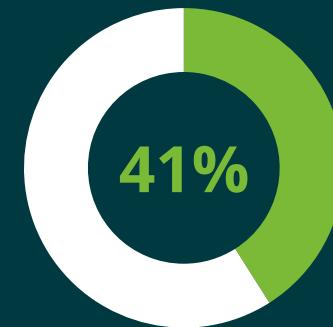


+16 percentage points

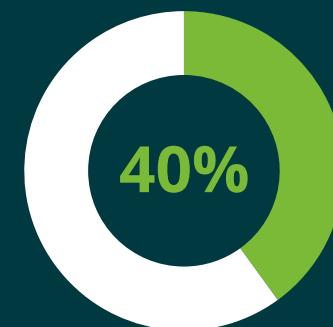
*"Career growth to me used to be climbing the ladder higher and higher. Not only just for the title, but also the prestige and the higher pay. I think **career growth now means really making sure that I am always learning** and always have more opportunities in my career, but also making sure that I am still passionate about the work that I do." Millennial, female (Deloitte)*

How purpose impacts career decisions

Gen Z

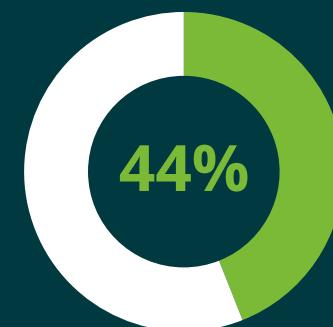


Millennials

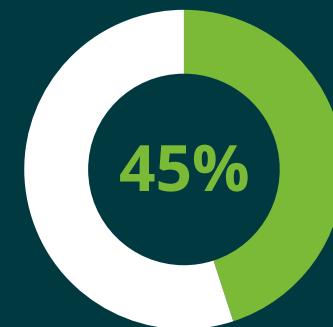


Percentage of responders who rejected a potential employer based on their personal ethics/beliefs

Gen Z



Millennials



Percentage of responders who left a job because it lacked purpose

We need to focus more on career growth

I have quit my job because...

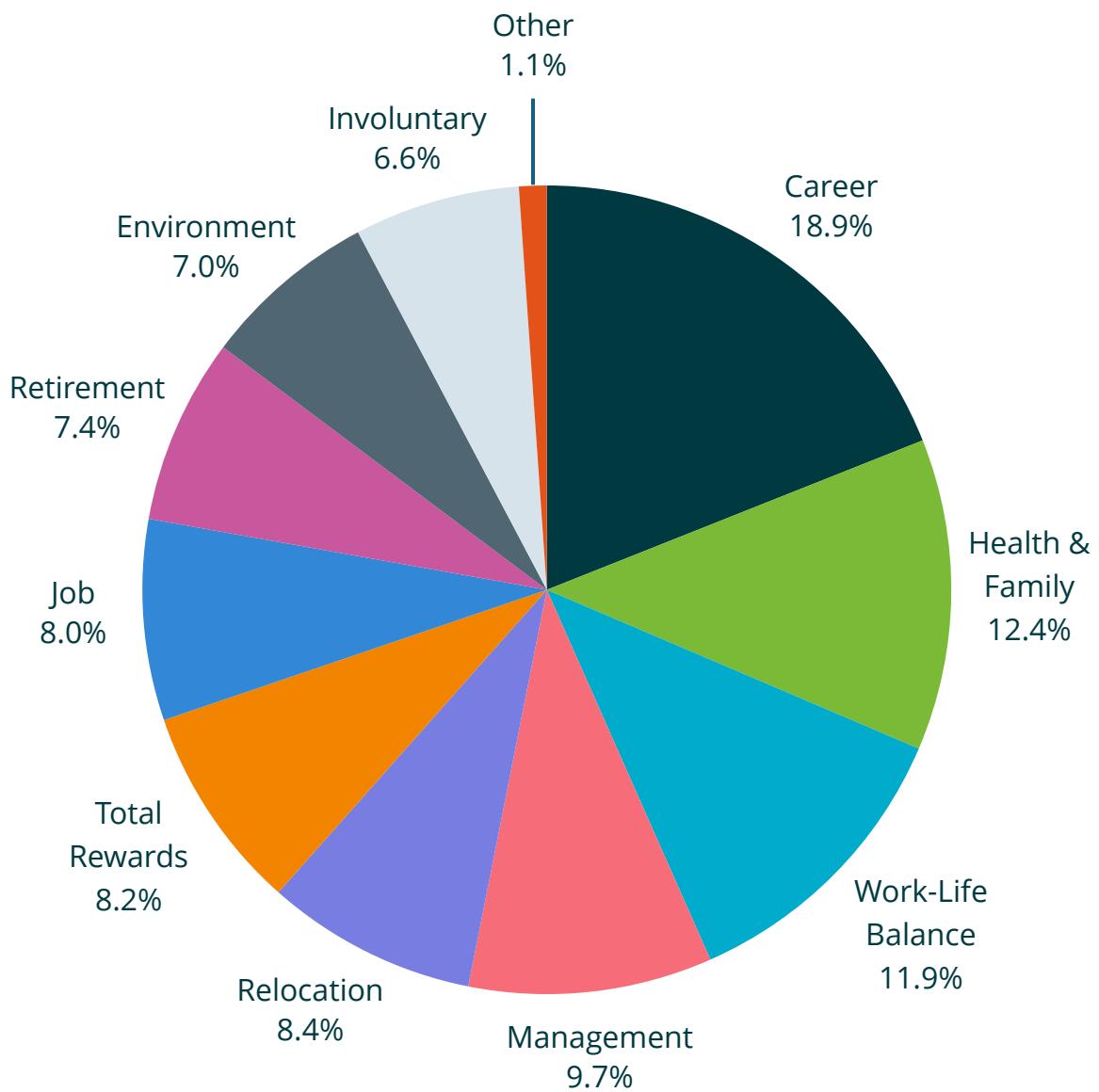
there was a lack of career progression opportunities



I wasn't offered opportunities to future-proof my skills



2024 Reasons for Leaving



There is a sound business rationale too

Retention of employees who change jobs internally



2.5x

It is 2.5x more expensive to hire a new employee than to reskill a current one

60%

Employees at companies with high rates of internal mobility **stay 60% longer** than those at companies with low rates of internal mobility

87%

87% of talent development pros say they can show business value by helping employees gain skills to move into different internal roles

Internal mobility needs new focus

33%

of organisations have internal mobility programmes

63%

of turnover in 2024 was preventable

Only 1 in 5

employees has strong confidence in their ability to make an internal move

70%

struggle with retaining key talent because they can't see the critical skills people possess until those skills walk out of the door

Source: Fuel50, LinkedIn

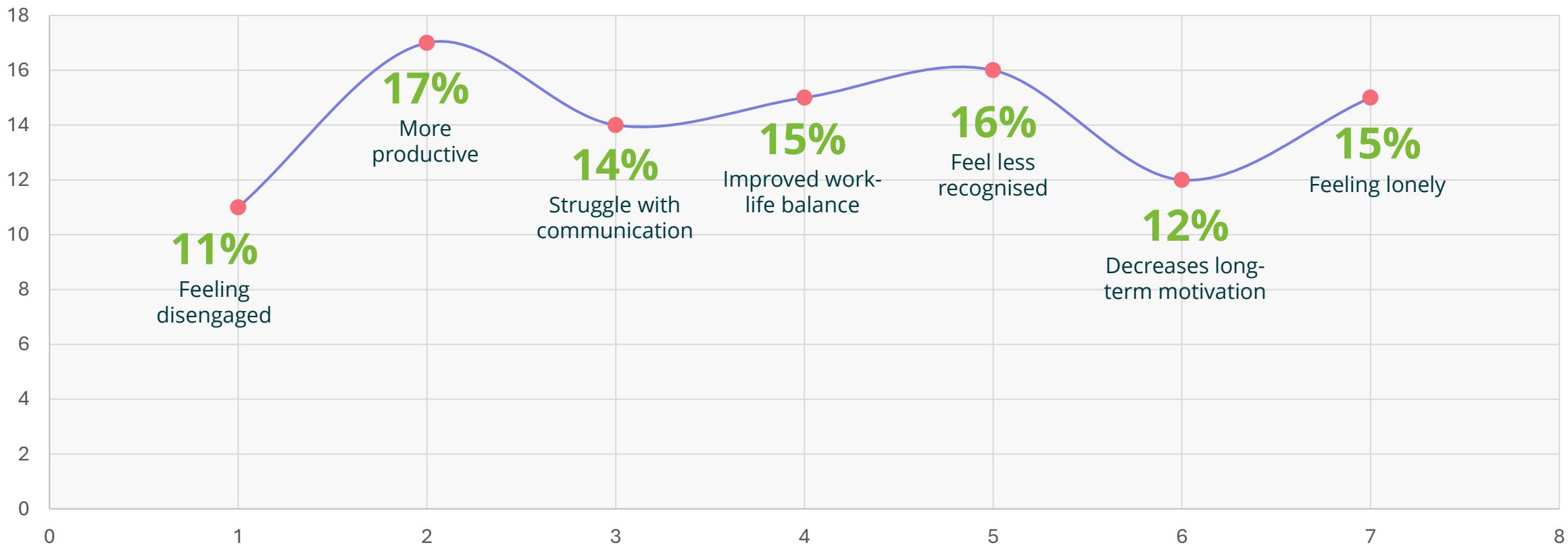


| Career paths are elusive to most employees

Challenge	Impact on Employees
Lack of transparency	Uncertainty about promotion criteria
Infrequent feedback	Poor understanding of growth opportunities
Managerial overload	Limited career conversations
No internal mobility structure	Stagnation and disengagement
Bias in promotion networks	Inequity and missed opportunities
Age-related development gaps	Career fog for mid- and late-career workers

| Often exacerbated by remote working

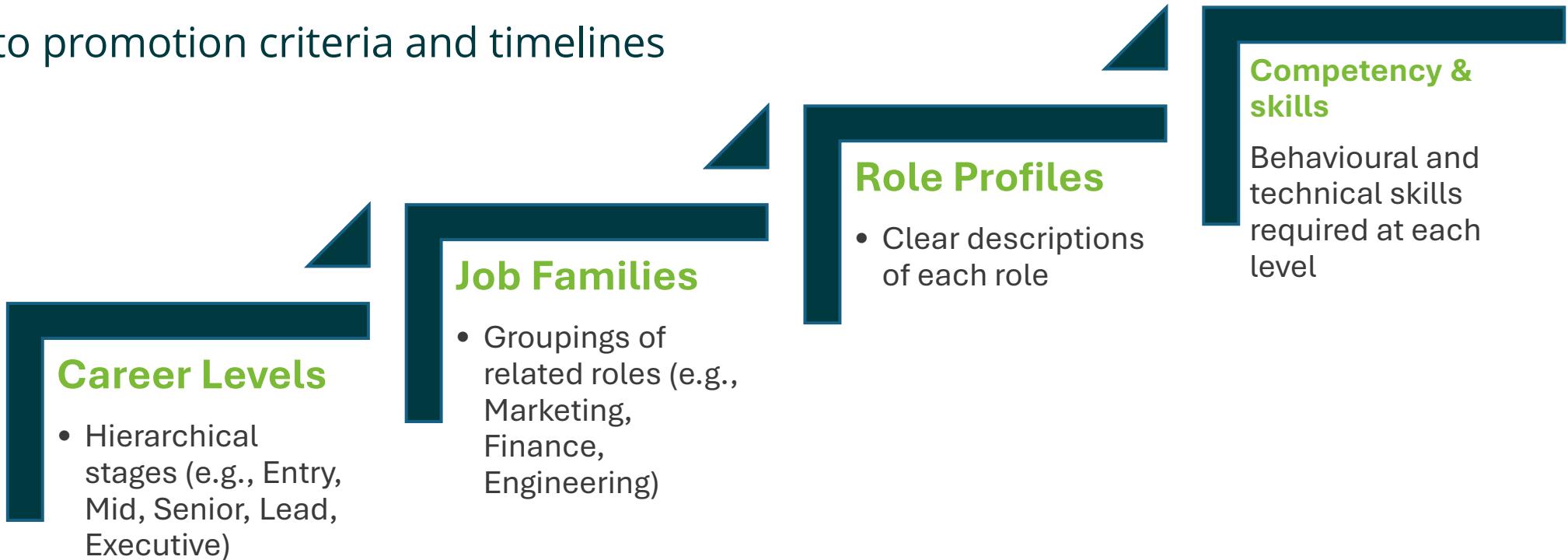
Motivation in remote work settings



| Start with the building blocks

Transparent career progression framework needs

- Clear roles, levels and expectation
- Defined competencies and skills
- Visibility into promotion criteria and timelines



Building blocks need to change shape



| Analogue mapping



Dynamic mapping

≡ Driving directions

Marble Arch London W2 2UH, UK

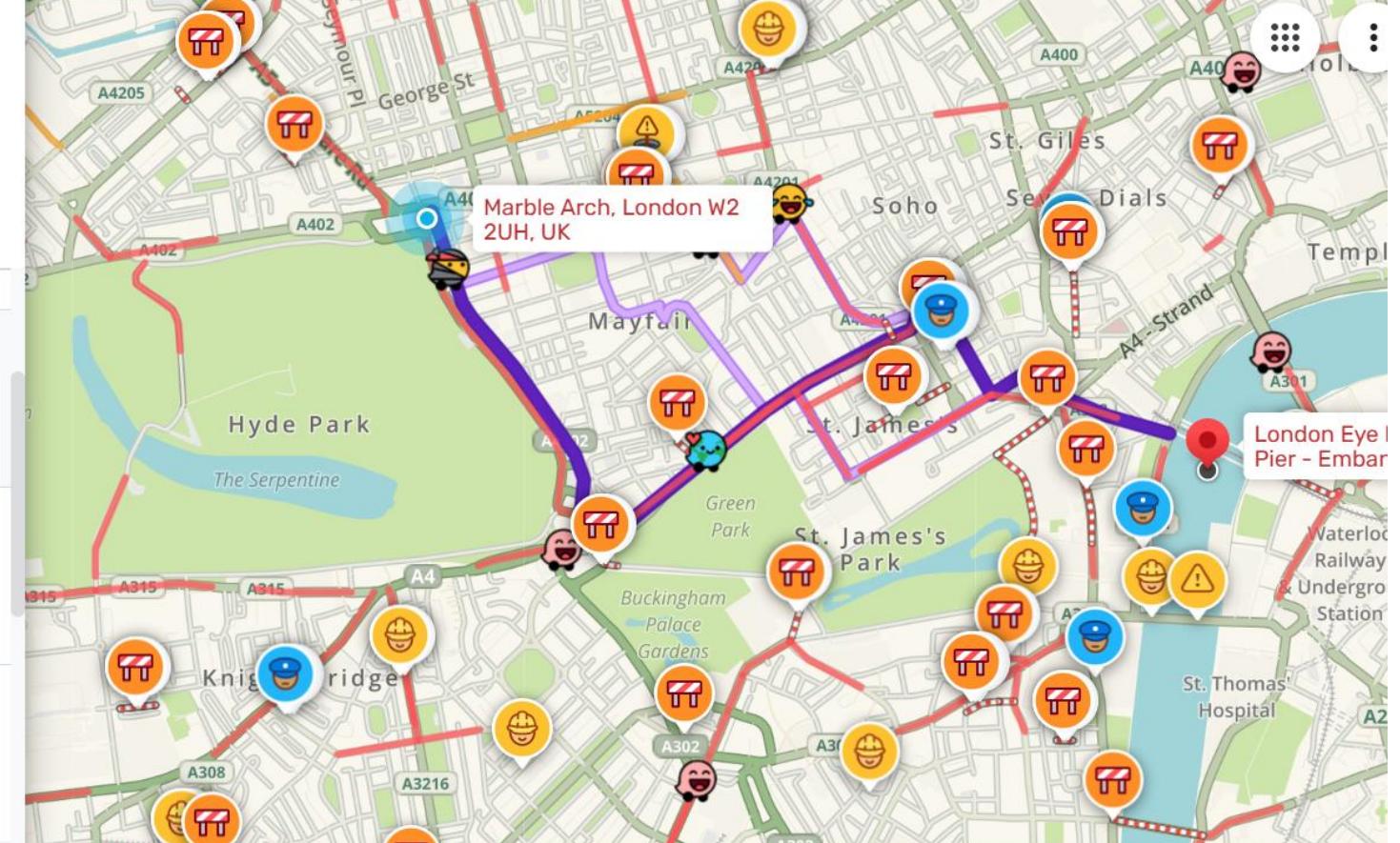
London Eye Millennium Pier - Embankm

Routes

1 22 min Arrive at 4:39 PM **BEST**
A4 - Piccadilly Mayfair
3.8 KM

2 23 min Arrive at 4:41 PM
A4201 - Regent St Mayfair
3.4 KM

3 24 min Arrive at 4:41 PM
Upper Brook St Mayfair
3.5 KM



Moving from static to fluid structures

81%

More than 4 out of 5 executives agree that work today is increasingly performed across functional boundaries

71%

More than 2 out of 3 workers perform work outside the scope of their job descriptions

Source: Deloitte



Modern architectures focus on skills not jobs

Skills-based organisations are:



More likely to **place talent effectively**



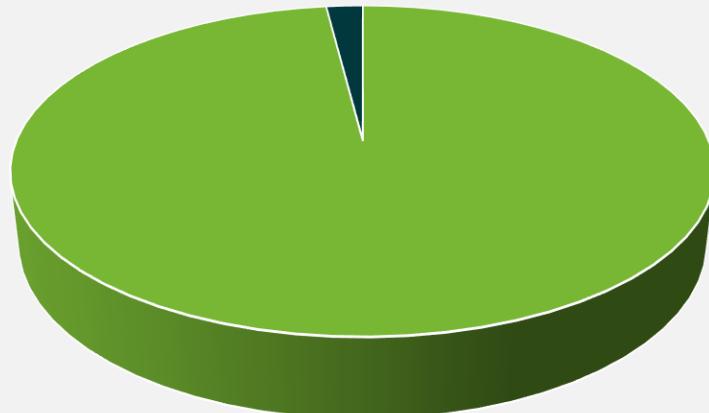
More likely to **retain high performers**



More likely to **improve processes to maximise efficiency**

98%

of organisations acknowledge they're eager to experiment with skills-based work



Unilever developed a future-fit workforce

70%

of assignments are cross-functional

41%

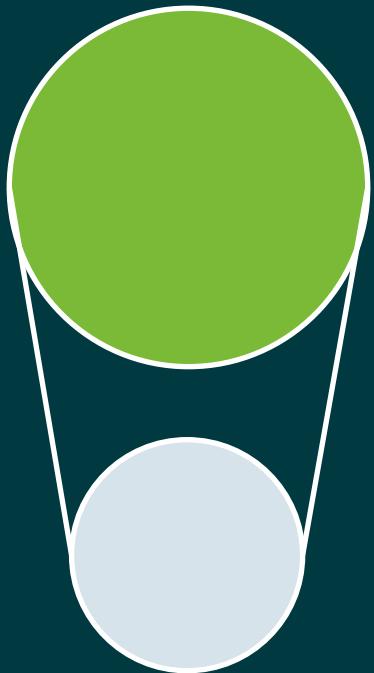
Over 650,000 unlocked hours and 41% improvement in overall productivity

Source: Gloat

INNECTO

| AI Impact

Employees are more ready for the change than their leaders imagine



3x

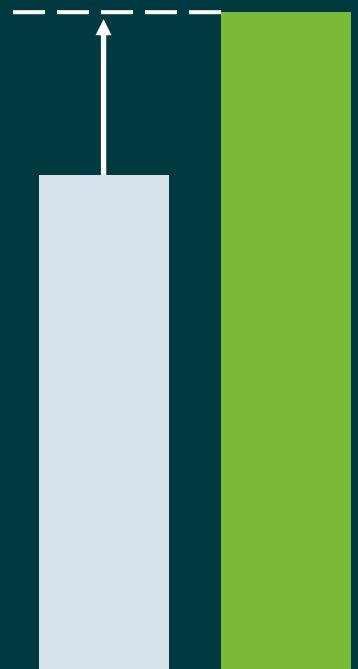
More employees are using AI for a third or more of their work than their leaders imagine;

More than 70% of all employees believe that within 2 years, gen AI will change 30% or more of their work.

1.4x

More likely for millennials to report extensive familiarity with gen AI tools than peers in other age groups;

They are also 1.2x more likely to expect workflows to change within a year.



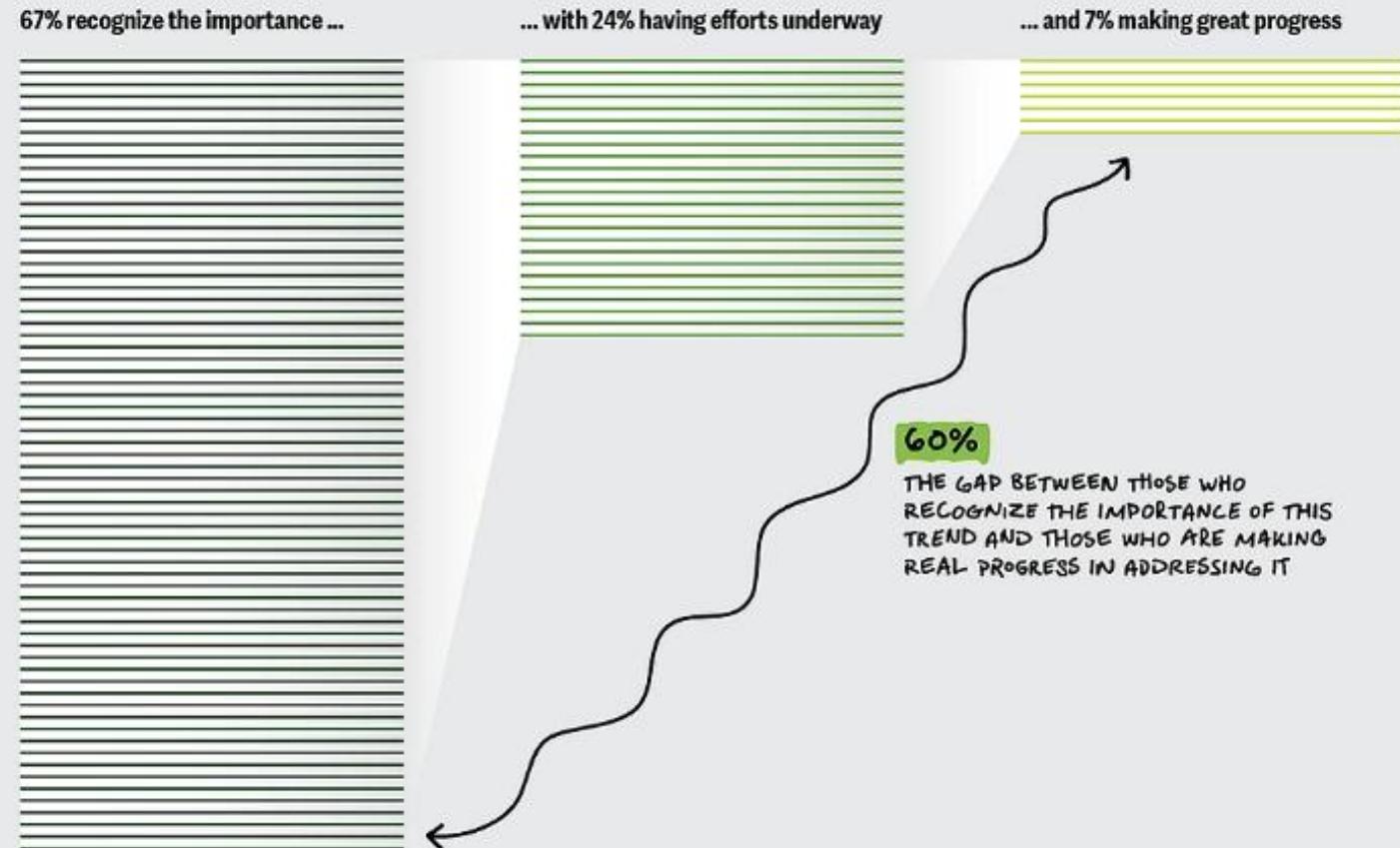
We are just at the start of the journey of customisation

"last mile" of truly connecting with workers in ways that move them most toward positive outcomes, organisations should tap into motivation at the unit of one: the individual worker as a unique human being.

Figure 4

Organizations say customizing the design and experience of work is important, but few are making great progress

Percentage of respondents answering the questions: "How important is customizing the design and experience of work and workforce practices based on worker skills, behavioral patterns, motivations, passions, work styles, etc.?" and "Where is your organization on its journey to address this issue?"



Source: Analysis of Deloitte's 2025 Global Human Capital Trends survey data.

| New talent mobility options

Skill passports



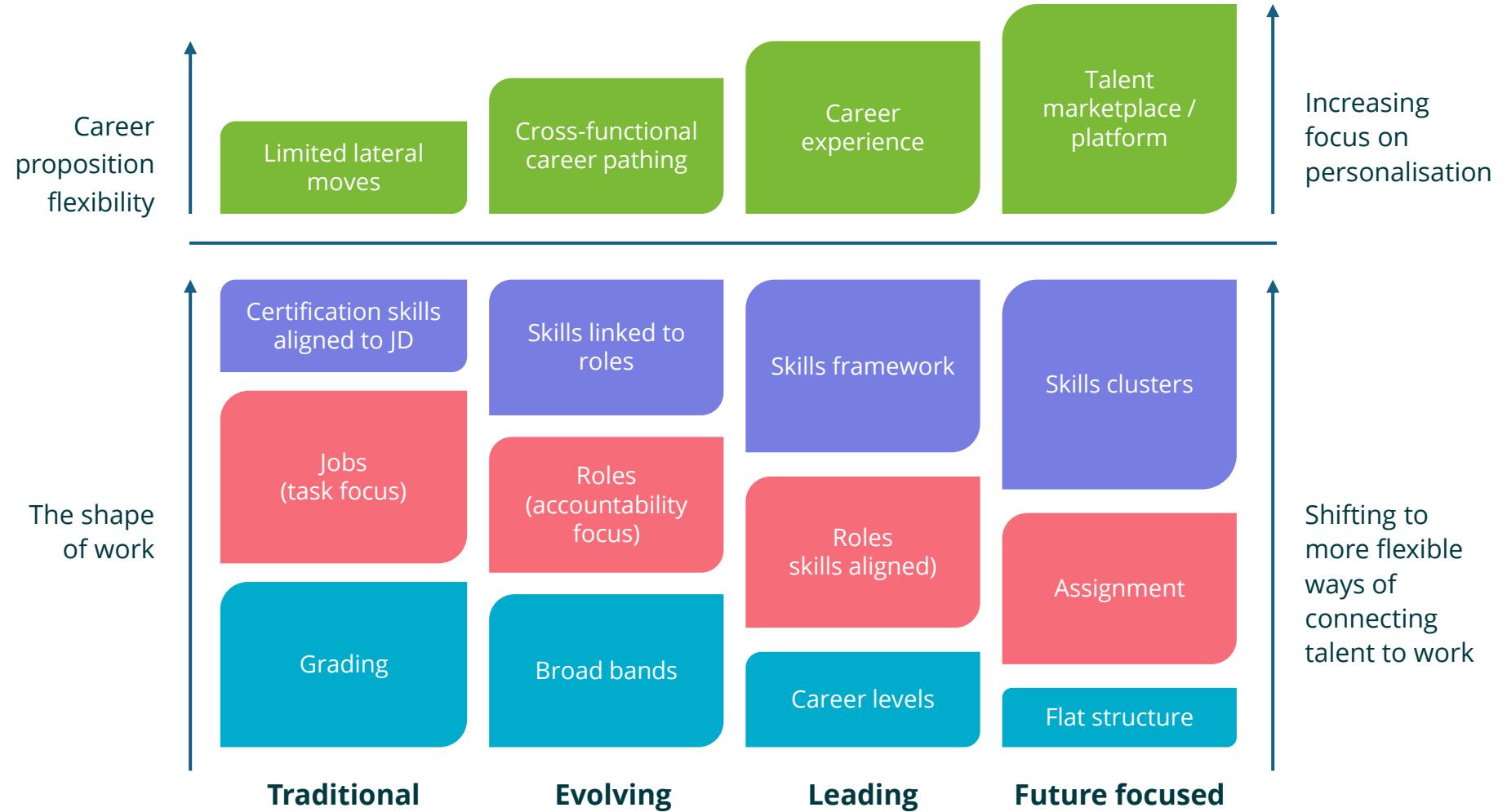
Cross organisational boundaries



Think evolution not revolution

Skills-powered talent practices continuum

Whilst nearly 90% of executives agree that skills are becoming more important for the way organisations define work, only about one in five companies are truly adopting skills-based approaches to a significant extent



Evolutionary steps

Recruitment

- Relax hiring requirements and consider skills & capability

Role review

- Deconstruct jobs into work to be done

Tech enabled

- Using tech to create visibility of skills and roles



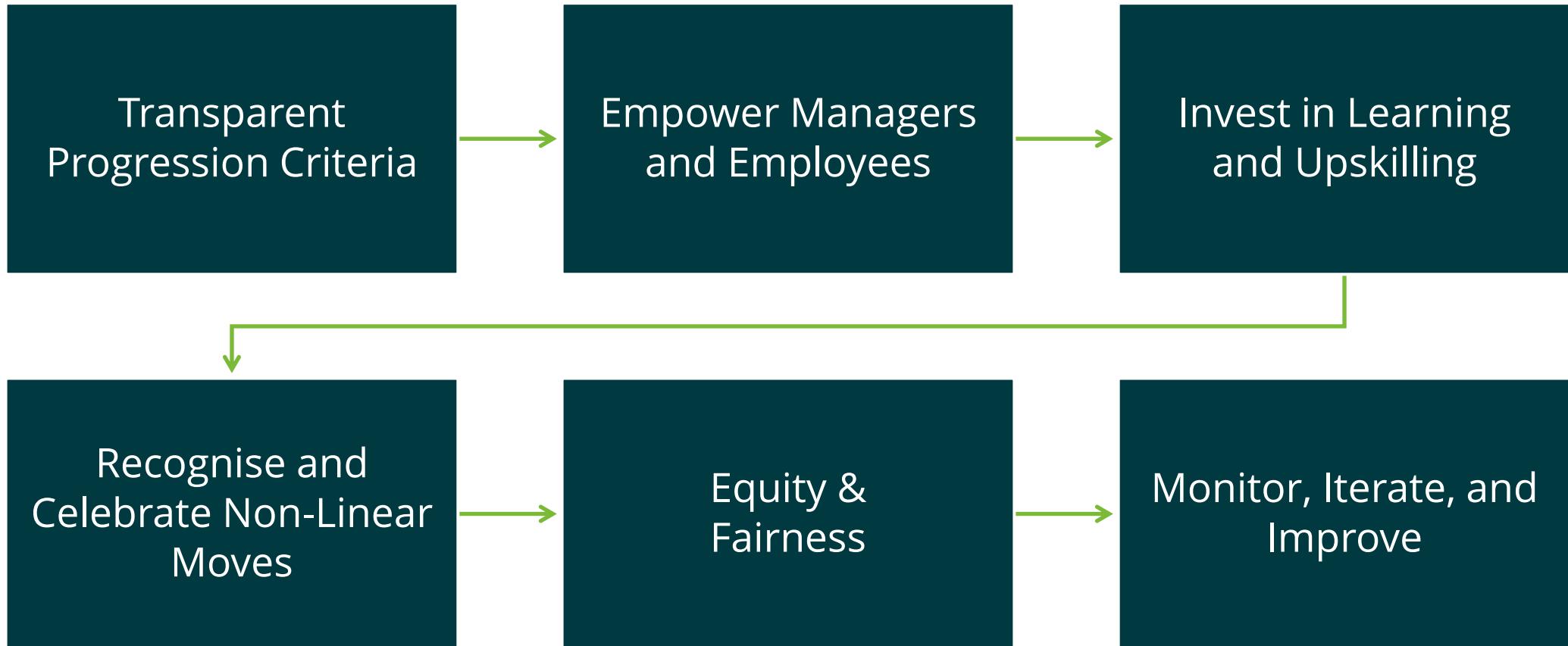
Introducing: Pathfinder

The career
SatNav that makes
progress visible

The image shows a laptop screen with the INNECTO software running. The interface is a career development tool with the following sections:

- Header:** iXApp, File, Edit, View, Vectors, Window, Help, INNECTO, My Paths, My Account, Search.
- User Profile:** John Smith, JohnSmith@Company.com
- Role Details:** UX Designer, Information Technology, Product Delivery. Description: UX Designers create meaningful and user-centric digital experiences. They use design principles, psychology and research methodologies to make sure that products and services are easy to use, visually appealing and in line with user expectations. Buttons: View Role, My Role (dropdown).
- Skills:** My Skills, Skills from 'My Current Role'. List: Design (Not Achieved), UX Research (Achieved), A/B Testing (Achieved), Presenting (Working Towards), Communication (Not Achieved), Leadership (Not Achieved).
- Pathways:** My Active Target Role, Project Manager, Global Delivery. Description: Project managers plan and coordinate projects from inception to delivery - managing resources, budget and people to achieve a desired outcome. Buttons: View Role, View Pathway.
- Pathways List:** Finance Director (4 Steps), Finance Director (4 Steps), Finance Director (4 Steps). Buttons: View All Pathways.

| Embedding career pathways



ROI metrics

- Start measuring now to build your business case



Retention rate



Time to fill



Employee engagement scores



Cost per hire



Time to productivity

| Key takeaways

- Career pathways retain talent beyond pay
- Transparency and agility are key
- Non-linear progression unlocks are key
- Reward leaders must champion mobility



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Part of the PG family