

A photograph of three people sitting on the floor against a dark blue wall. On the left, a woman with blonde hair and glasses, wearing an orange top, is smiling and looking at a laptop. In the center, a woman with dark hair in a ponytail, wearing a black and white striped shirt, is holding a smartphone and looking at it. On the right, a man with glasses, wearing a blue patterned shirt, is smiling and looking at a laptop. A pair of white sneakers and a red and white sneaker are visible on the floor in the foreground.

How to Create a Culture of Internal Mobility

Why internal mobility and talent development are essential to a thriving company culture

Internal mobility and employee development are essential components of a healthy company culture and a thriving business. Investing in employee growth and individual success is proven to significantly improve core HR metrics, including employee retention, satisfaction, and performance.

In fact, a staggering **87%** of millennials say career growth and development opportunities are essential for staying at their job, according to a [Gallup poll](#). It's no surprise that **63%** of US employees who quit their jobs cite a lack of opportunities for advancement as the main reason for leaving.

As an HR leader, you know that your employees are the driving force behind your company's success. That's why it's so important to invest in their growth and development, and to create a culture of internal mobility.

What is internal mobility?

Internal mobility refers to the movement of employees within a company, from one role to another. This can include both vertical mobility, in which an employee is promoted, as well as horizontal mobility, in which an employee moves laterally to a role in the same tier of the organizational hierarchy.

In a culture of internal mobility, employees feel empowered to expand their skill set and seek promotions, because they are considered viable candidates when new positions open up in an organization.

Without room to grow, employees are more likely to go.

US businesses lose \$1 trillion annually because of voluntary employee turnover, according to Gallup. The cost of replacing an individual employee can range from one-half to two times the employee's annual salary — and that's a conservative estimate.



Failing to provide opportunities for advancement and internal promotions are key factors of voluntary employee turnover.

Top Drivers of Employee Turnover

Lack of career development and advancement opportunities

41%

Uncaring and uninspiring leaders

34%

Lack of meaningful work

31%

The cost of voluntary turnover extends beyond the expense of acquiring new talent to fill vacancies. Internally, it can break down team morale, leading to a host of other issues. Externally, it can add up to strained business relationships and damaged company reputation.

A high rate of voluntary turnover is an indicator that a culture of internal mobility is lacking. HR and L&D leaders need to look inwards and consider how to build a culture that encourages talented employees to look for their next opportunity to grow right where they are.

Grow your people, grow your company

Internal mobility satisfies more than just the need to fill a role. It motivates existing employees to improve their skills, develop new ones, increase engagement, and remain at the company longer. More than ever before, employees are eager to work for organizations that not only provide a clear career trajectory for growth, but actively invest in their development.

Organizations that develop a strong culture of internal mobility gain the following benefits:

Increased levels of employee engagement and retention

Employees who are given the opportunity to move to new positions internally are 3.5x more likely to be [engaged](#) and more likely to stay. According to a [study](#) by Gallup, organizations with highly engaged employees have 41% lower absenteeism. They don't only show up more, they do better work.

Improved performance and productivity

Companies that invest in their employees' learning and development achieve [21%](#) higher profitability and 24% higher productivity. A study by the [Association for Talent Development](#) found that companies with a strong focus on learning and development earned an average of 218% higher revenue per employee compared to those that did not prioritize learning.

Enhanced reputation among top talent

Talented employees that know their worth look for roles that promise future growth. According to a survey by LinkedIn, **78%** of professionals say they would consider switching to a job with a company that invests in their learning and development, even if it means a lower salary.

A culture of internal mobility shows that you're serious about employee growth and that you have the systems and structures in place to help people achieve their professional ambitions. By becoming known as a company that invests in their employees, it will be easier to attract talented and motivated candidates who are interested in growing with their organizations.

Reduced spending

The process of recruiting and hiring new employees is expensive and time-consuming. According to Deloitte, large enterprises spend more than \$400,000 annually on recruiting and training new hires. Developing the systems and culture required to enable internal mobility allows you to bypass costly recruiting and onboarding by developing many of the skills and capabilities you need in-house. Organizations that are motivated to reduce workforce spending stand to save significant budget by focusing on internal mobility, especially as the cost of hiring rises. A recent report showed that companies in the United States saw a \$50 billion increase in hiring costs in 2022.

Improved morale

When your people have the opportunity to develop their skills and build on their experiences, they will be inspired to achieve their full potential.

Despite the many benefits of developing a culture of internal mobility, data shows that currently less than [20%](#) of employees are actually hired internally by their company. A mere [6%](#) of companies would report that they excel at developing a culture of internal mobility.



How L&D contributes to a culture of internal mobility

Investing in your employees' growth and development is one of the fastest and most effective ways to create a culture of internal mobility. Opportunities to grow are not only good for your employees and their performance— they're good for your company's bottom line. By prioritizing L&D, HR leaders can redefine the future of organizational health and company performance.

You can foster a culture of internal mobility and a positive company culture by offering opportunities for training and development, promoting a supportive and inclusive work environment, and regularly communicating with employees about their career goals.

By investing in their employees' growth and personal career success, HR leaders can help to create a positive, productive culture of high performers that benefits both the employees and the company.

Here are 4 ways employee growth and development programs help companies build cultures of internal mobility:

1

Improve retention by broadening learning experiences: L&D gives employees opportunities to learn new skills (upskill and reskill) that may be outside of their domain. This allows them to increase their qualification for different roles, so that if an employee would be happier working in a different department, they could potentially move laterally rather than looking outside of the company altogether.

2

Offer opportunities for advancement: L&D initiatives such as coaching, training, and mentoring address employees' individual goals for growth and promotions, while supporting business objectives. When employees have

3

Enable upskilling and reskilling: L&D empowers organizations to fill critical skills gaps from within by providing targeted skills training. This allows employees to take on more strategic, meaningful work while ensuring the organization remains competitive, innovative, and equipped to achieve its goals. When employees feel supported and included, they are more likely

to be engaged and motivated to pursue opportunities for growth within the company.

4

Provide clear communication and feedback: L&D for management and executives helps the company strengthen its leadership and improve critical managerial skills, like communication and feedback. By regularly communicating with employees about their career goals and how the company can support them in achieving those goals, you can create a sense of transparency and help employees understand the path to advancement within the organization.

Invest in the right tools

A manual, fragmented approach to employee growth and development is not a viable strategy for developing a sustainable culture of internal mobility. Organizations that manually search for, vet, and negotiate with coaches and trainers find it nearly impossible to scale L&D as much as necessary. Not to mention, a manual approach is extremely resource intensive and time-consuming for HR.

To drive meaningful results, you need an effective, data-driven L&D platform that is both personalized as well as measurable — one that can scale development across the organization and align with business KPIs.

With GrowthSpace, everything you need for strategic L&D is built in, by design.

GrowthSpace provides personalized training, coaching, mentoring, and workshops designed to empower employees and management alike to expand their skill sets, access opportunities for promotions, and ultimately drive your company forward. GrowthSpace offers a scalable, efficient and measurable platform to introduce L&D suitable for employees and leaders of all domains, levels, and backgrounds.



About GrowthSpace

GrowthSpace was founded on the belief that successful talent development not only benefits individuals, but also drives a business forward. Our platform is designed to support personalized and outcome-driven growth and development programs, including one-on-one coaching and mentoring sessions with industry experts, internal mentoring, and group coaching and workshops. Leveraging the world's most robust talent development dataset and network of global experts, GrowthSpace works with employees and organizations to achieve successful professional growth and performance, at scale. Hundreds of customers currently realize the benefits of the GrowthSpace platform, including Siemens, Microsoft, EY, Johnson & Johnson, Zoominfo, BioVectra and several United States Government agencies.



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your organization's highest potential. Fast.
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