

# The Importance of Career Ladders

A career ladder is an organisational process that outlines an employee's potential job progression from an entry-level position to a high-level job. Organisations that successfully implement career ladders tend to experience improved employee engagement, retention and satisfaction.

## Why Are Career Ladders Important?











A report by McKinsey found that a lack of career development and advancement opportunities was the number one reason employees left their jobs for new opportunities from April 2021 to April 2022, with **41%** of respondents citing this cause. Other reasons for leaving jobs included inadequate compensation (**36%**) and lack of meaningful work (**31%**).

In contrast, a distinct career ladder could help employees find purpose, increase workforce contentment and bolster retention.






## What Are the Benefits of Career Ladders?

Providing employees with a clear growth trajectory offers numerous benefits for both employees and employers, including:

-  Promotion of a culture of growth and advancement
-  Decrease in employee turnover
-  Lowered hiring costs
-  Boosted employee retention and attraction
-  Improved employee morale
-  Facilitation of employee training system development
-  Encouragement for mentoring
-  Increased efficiency when assigning tasks

## How Can HR Implement Career Ladders?

HR plays a vital role in creating career ladders at an organisation. Here are some of the tasks associated with their development:

-  Determining the primary responsibilities and purposes of job positions
-  Creating a hierarchy of positions within a department
-  Communicating with managers and supervisors about job expectations for each position
-  Developing an evaluation rubric to measure employee performance across all positions
-  Surveying employees to understand their career needs and aspirations

Organisations that leverage career ladders to their advantage may be better equipped to develop robust training resources, retain skilled employees and promote internal growth. Contact us today for more workplace resources.