


# REDEPLOYMENT EXTENDS THE VALUE OF THE WORKFORCE

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The changing world of work means that employee turnover is rising and poses a bigger risk than ever. Skills demand increases turnover for top-performers so much so that the average employer must develop a strategy to retain experience-based soft-skills. The Best-in-Class are turning to redeployment options — like hiring from within — to satisfy career growth urges for strong individual performers.

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### The Changing World of Talent

In a recent survey, Aberdeen found that 76% of employers are unable to hire the right talent for the right roles at the right time. The same survey showed that 50% look outside the organization to hire more than 70% of their talent. Under this model, when companies hire the right talent, the Best-in-Class find it averages 3–4 weeks for external new hires to reach full capacity for the role that the employee is initially hired to fill.

Aberdeen's data reveals that average resource spend on talent acquisition has increased to the point where it exceeds performance-and-retention-management spend by a factor of up to 2 to 1. A key reason for this is that top-quality, skilled talent is at its highest demand in generations: The [US Bureau of Labor Statistics](#) (BLS) has found that absent the workforce dropout and full retirement rates, unemployment among those entering and staying in the workforce is at a 50-year low. Matching Aberdeen's data with research coming out of [Harvard Business School](#) (HBS), the [BLS data](#), [World Bank](#) data, and United Nations [International Labor Organization](#) (ILO) data, the bifurcation created in the workforce after the 2008-09 financial crisis is stronger than ever, and is being exacerbated by the entrance of artificial intelligence (AI) into the workplace.


From the collective data, two classification spectrums of work and labor emerge: **The knowledge spectrum** and **the skills spectrum**. The knowledge spectrum consists of work that requires different degrees of specialized, formal training and certifications to qualify for entry into talent pools (hard skills). The skills spectrum consists of work that requires different degrees of experiential or intuitive functionality (soft skills). In

The Aberdeen maturity class framework is comprised of three groups of survey respondents. This data is used to determine overall company performance. Classified by their self-reported performance across several key metrics, each respondent falls into one of three categories:

Best-in-Class: Top 20% of respondents based on performance

- ▶ Industry Average: Middle 50% of respondents based on performance
- ▶ Laggard: Bottom 30% of respondents based on performance

Sometimes we refer to a fourth category, All Others, which is Industry Average. and Laggard combined.



demand today are low-knowledge, low-skills labor where work is still more cheaply done by hand than by complex machine, and high-knowledge, high-skills labor where workers contribute more value per dollar than can be generated by the same investment in technology.

The problem with these spectrums is that the majority of the workforce, and indeed the majority of those dropping out of the workforce or unable to participate without further training or retraining, are in the middle-knowledge, middle-skills group. For employers, this means that competition for the high-knowledge, high-skills group is intense as that group represents a small portion of the population (despite being a larger portion of the participating workforce) relative to the number of jobs being created for it. As the average employer's workforce dynamics shift along these lines, their expectations about employee adaptability to change are not adjusting - 41% of tenure expectations now exceed actual tenure by two or more years. The top-skilled, in-demand talent have more options both inside and outside the organization to pursue career growth while the remainder of the workforce faces an increasing risk of redundancy.

Furthermore, as talent-acquisition spend increases, there is a direct correlation to the time it takes for a new hire to run in the black on the initial investment. One pressure that consistently appears in Aberdeen's analysis is the time and productivity lag that occurs when organizations hire externally. Management spends the first third to two-thirds of training getting new hires up to speed on the internal workings of the organization. After that, the remaining time has to be devoted to filling the skills gaps. (The new hire often requires minor skill adjustments to fit company needs.)

Coupling the lag for external hires to work at full capacity with declining turnover regarding expectations or assumed realities presents employers with a crisis. The combination of rising talent-turnover (scaling down the generational shift in the workforce) coupled with employer willingness to absorb the skills-gap costs creates opportunities to manage the changing world of talent, better.

### **The Multiple Dimensions of Redeployment**

In today's world of work, employers increasingly choose technology and strategies to personalize the work experience. Companies cater to specific employee needs at a much more granular level. Employers are motivated to decrease the risk of new-hire disengagement and to ensure a positive return-on-investment (ROI) for the hiring spend. As specialized-talent pools shrink, offers for the most-sought-after talent become

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increasingly tempting to even the happiest employees. The top strategy to run in the black on new hires can be a risky proposition, creating an overwhelming focus on engagement-driven retention.

Figure 1: Top Reasons Employees Join and Stay with the Firm

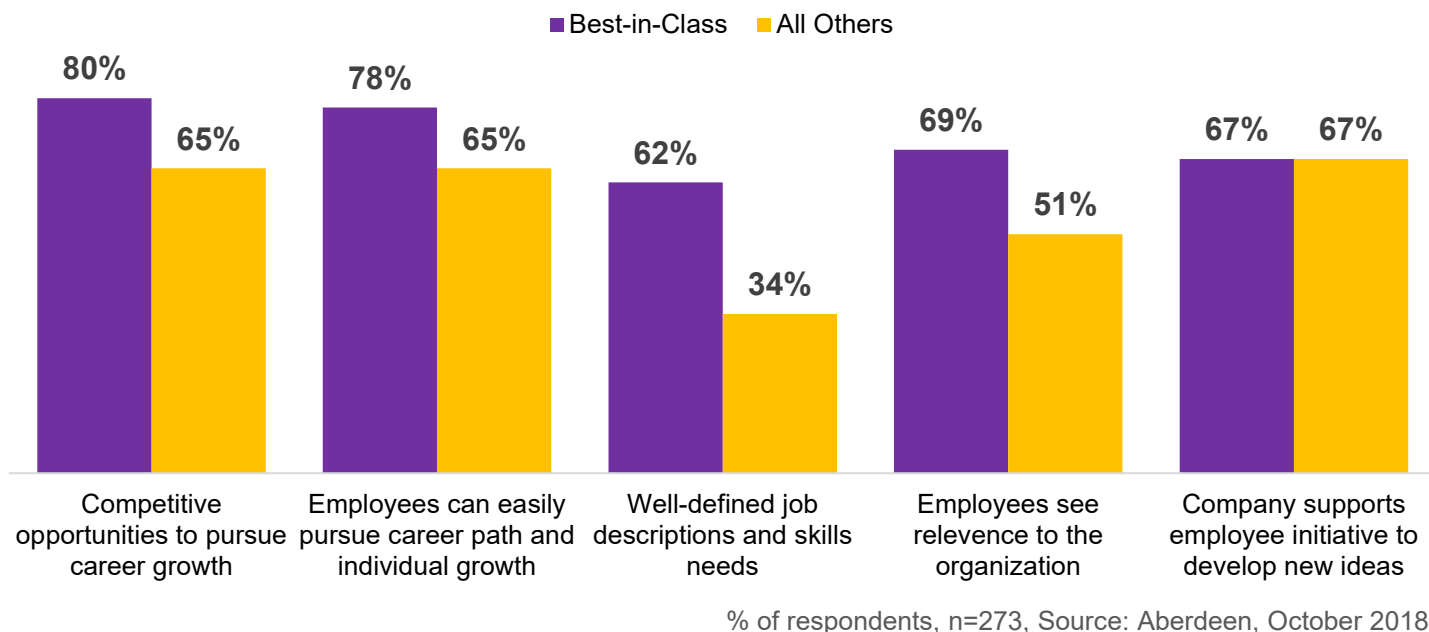



Figure 1 shows the reasons why employees join and stay with the organization. Employees overwhelmingly focus on how to achieve their own defined success within the goals of the organization. While a focus on net engagement helps to realign the culture to these interests over the long-term, doubling down on it — as a means of driving retention — does not necessarily mitigate the risk of attrition in the short run, especially within this changing labor market.

In response to this, Aberdeen has found that 68% of the Best-in-Class pursue a redeployment strategy to fill as much as 40% of their vacant positions. When focused on redeployment within the organization, Best-in-Class firms find that they can reduce the time it takes to get redeployed talent up to full capacity by 50% to as much as 75%. The gain principally comes from significantly reduced internal-process training, which typically eats up two-thirds of the new hire's first 3–4 weeks of employment. At a more existential level, the reduction happens because redeployed employees already fit into, or are well-acquainted with, the corporate culture, which may also reduce the risk of short-term disengagement.

**68% of the Best-in-Class pursue a redeployment strategy for as much as 40% of their vacant positions.**





Redeployment is the rehiring, promoting, or moving of existing talent into a more productive role; but, it has multiple dimensions that help organizations understand what top talent means to them.

- ▶ **Rehiring:** Having an internal redeployment strategy shifts the focus to include rehiring offboarded talent — or promoting or moving existing talent into new roles — when looking to fill vacant positions. Of Best-in-Class companies, 43% now look to hire from within first, while 23% have matured to where they actively seek to recruit from both outside and inside the organization equitably.
- ▶ **Phased Redeployment:** Aberdeen noted that 46% of Best-in-Class companies strive to ensure that employees understand what it takes to achieve both position and salary growth within the organization. For more than 60% of these firms, defining a process for growth or movement started as part of the engagement strategy; it has since become integral to the redeployment initiative. Employees can directly pursue opportunities internally via the strategic development procedures their managers outline to chart individual growth. Employers have a defined strategy to use internal resources (i.e., performance data, learning and development programs, assessments) to facilitate nurtured, internal talent searches for an open role.
- ▶ **Internal Metric Contribution:** Successful redeployment strategies leverage core improvement in the top-talent metric definition that drives performance-based retention. When a top-performer leaves, management retains said employee's profile (labeled or anonymized) fusing that person's known skills and abilities with the changing work environment. For as long as the organization needs what that employee can do, the redeployment strategy dictates following that employee's career. For managers, this helps to define the standard development track for other employees to follow to rise into like-minded vacated positions.
- ▶ **Data Aggregation:** When an employee joins an organization, managers never stop accruing their personnel data. Following a redeployment strategy, the data stream does not disappear when an employee leaves the company. Best-in-Class companies are three times more likely than All Others (39% vs. 13%) to move this data to where HR and managers can analyze the reasons for the departure — as part of offboarding — while aggregating what made that employee worth retaining. The continued data stream is useful — whether linked to a specific employee or anonymized —

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as it identifies what to seek in new hires while benchmarking the employee for future opportunities to rehire.

## Components of a Redeployment Strategy

Aberdeen finds that more than 60% of organizations remain concerned about employee engagement. Within this context, for organizations with a redeployment strategy, the conversation shifts to focus more on how to invest appropriately in long-term retention apart from mitigating immediate flight risks for highly sought-after talent. What the data illustrates is that this shift reduces key pressures, significantly, while boosting key performance indicators.

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Table 1: Top Talent Pressures Short-Term vs. Long-Term

	Short-Term	Long-Term
High turnover	<b>76%</b>	<b>28%</b>
Low innovation rates	<b>69%</b>	<b>69%</b>
Weak talent pipeline	<b>53%</b>	<b>32%</b>
Low employee engagement	<b>48%</b>	<b>20%</b>
Persistent skills gaps	<b>47%</b>	<b>16%</b>

% of respondents, n = 273, Source: Aberdeen, October 2018

Table 1 shows the top pressures that managers and HR prioritize in the short-term as opposed to the long-term. Because of minimal employee investment in the firm, organizations focus overwhelmingly, in the short-term, on stinging high turnover rates that sustain low innovation rates. After that, managers and HR take aim at low employee engagement and persistent skills gaps.

In the long-term, 79% of the Best-in-Class identify and value individual skills as building blocks for role alignment. Except for low innovation rates, Best-in-Class managers who study employee records (for redeployment opportunities over the long-term) significantly reduce the pressures cited. Aberdeen's data suggests that this has more to do with



the style of management within the corporate hierarchy than it does with talent re-engagement opportunities.

Skills identification and employee valuation are precursors to the start of a redeployment strategy. The typical maturity framework first limits the external talent-market search while incorporating the existing and legacy workforce data into the talent acquisition system or systems and upgrading tools to integrate performance management metrics into applicant tracking / recruiting systems. It is vital to consider the skills building blocks of the internal talent alongside that of the incoming applicant pipeline. The Best-in-Class are 33% more likely than All Others (12% vs. 9%) to combine pre-hire efforts with internal analytics to enable the sourcing of talent from within the organization.

At 23%, the Best-in-Class internal rehiring percentage may seem low, but keep in mind that these companies succeed much further with their redeployment strategy implementation. In fact, 74% of these firms integrate their performance data systems with their early-talent-recognition and pre-hire frameworks to identify internal talent for open roles automatically. Managers can evaluate whether an internal employee may be more productive in their current role or elsewhere within the organization — perhaps in another position that the system has identified. At the same time, the employee can independently peruse potential matched jobs from within the same system.

In the broader market, the Best-in-Class are 50% more likely than All Others (18% vs. 12%) to integrate performance management data and analytics with their talent acquisition ecosystem to produce a single, placement framework. For 52% of the Best-in-Class, the motivation is to define top talent within the context of the company's existing performance indicators. Doing so moves 23% of the Best-in-Class to the next phase of redeployment maturity.

Mature systems infuse internal performance metrics into the talent acquisition framework making internal, previously-employed, and potential-external new hires equally viable. The system equitably compares the talent by cultural fit, skill set, time-to-hire, and time-to-produce as defined by the vacant role.

The Best-in-Class are 2.1 times more likely than All Others (57% vs. 27%) to implement targeted coaching programs to facilitate redeployment potential. The Best-in-Class are also 57% more likely to interview and assess internal talent to ensure the prescribed development tracks meet employee goals as well as those of the firm.

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## The Value of Redeployment

Redeployment fuses talent acquisition and management, helping employers to raise the bar that incoming employees must meet, even if this means that the organization must initially train new hires to meet standards. By understanding how the company performs, managers can source the best talent for open or soon-to-be-vacated roles proactively, eliminating some of the inherent inefficiency that comes from hiring outside the organization.

In the context of the essential functional advantages of redeployment — focusing on redistribution as a competitive option for talent acquisition — Aberdeen finds several key benefits from having a redeployment strategy and the tools needed to implement it.

Table 2: Top Benefits of Redeployment

	Best-in-Class vs. All Others
Increased revenue per FTE year-over-year	84%
Increased retention and engagement	72%
Reduced overall turnover	52%
Increased productivity year-over-year	20%

% of respondents, n = 273, Source: Aberdeen, October 2018

Table 2 shows the improvements that Best-in-Class companies achieve as compared to All Others in pursuit of a redeployment strategy within their larger talent-acquisition and performance-management plans. Regression analysis indicates that the Best-in-Class are significantly more likely to realize increases in revenue per FTE, retention, engagement, and productivity. At the same time, there is a decrease in employee turnover, including those with discontinuous employment.


The Best-in-Class increase redeployment efforts and use adjoining solutions to move and mature faster than the rest of the market. Compared to All Others (44% vs. 25%), the Best-in-Class are 76% more likely to find that more than 50% of their workforce is highly engaged; this

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extends into long-term engagement even in cases of discontinuous employment. The Best-in-Class are also 4.1 times more likely than All Others (98% v. 24%) to find that their average revenue per FTE increased in the last 12 months.

Regressing these characteristics, Aberdeen finds a statistically significant relationship between increasing spend on integrating internal knowledge into talent acquisition and how severely organizations feel they suffer from low productivity. For every 1% that employers increase spend on strategic integration, they reduce the low-productivity severity by 8%. As managers and HR shift their hiring focus to look internally, they are consistently reducing the impact of weak or underperforming employees by improving the overall quality of incoming talent.

A similar analysis shows statistical significance between data retention and long-term turnover: For every 1% that employers increase spend on long-term-employee data retention they reduce the likelihood of long-term and sustained turnover or employee departures by 12%. For these firms, accumulating data and profiling does not stop when an employee leaves the organization as all employee departures are redeployment opportunities depending on the circumstances under which the employee departs.

Retaining the data also helps to identify top performance metrics aggregated across the organization and its history to position talent acquisition efforts to where they will pay off most. When it comes to deploying the best talent, every 1% an employer increased spend on efforts to take advantage of internal performance data to define top talent, the likelihood of turnover dropped by 46%.


Having reached this level of redeployment maturity, 23% of the Best-in-Class are now able to focus efforts equally on filling skills gaps, hiring net new employees, redeploying employees who left the organization, and redistributing existing talent into more productive roles. For every spend increase aimed at reaching this maturity level, organizations can drive the likelihood of engagement (39%) to more than 50% of incoming new hires. Redeployment helps to shape a long-term engagement strategy that taps into the experience throughout each employee's career. The Best-in-Class are part of the more than 60% of companies that focus on maintaining employee engagement.

As they shift talent acquisition to include redeployment efforts and develop coaching and assessments programs to facilitate the Best-in-Class look at long-term strategies that encourage employees to join and

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remain engaged with the company. The goal is to retain the draw of skilled, trained talent across the employee's entire career. To cap things off, for every 1% in spend that organizations shift to focus on strategic-skills retention over long-term employee engagements, they are 2.4 times more likely to increase revenue per FTE with the Best-in-Class 3.5 times more likely to succeed. Redeployment strategies commit the business to a long-term retention program that combines incoming, new, and experienced talent pools and shapes the next generation of strategic leaders inside the organization. As companies mature in this effort, the same spend shifts focus to hiring internal and external talent for open roles equitably.

### The Bottom Line

Redeployment goes beyond just moving internal talent into new roles. Aberdeen has found that 68% of organizations pursue a redeployment strategy to fill up to 40% of their vacant roles. The average Best-in-Class firm focused on redeployment eliminates significant portions of onboarding designed to ingratiate new hires into the organization, reducing the average time to work at full capacity by 50% to 75%. Through targeted coaching, defined job roles, and interview tracks to connect personal goals with emerging vacancies, redeployment includes data integration and a shift to retain good employees across their careers.

The Best-in-Class do not rely on high or rising employee turnover; they look to establish a long-term, anti-turnover strategy that focuses on the full-employment-cycle of the individual. The Best-in-Class think about what employees want out of their careers, what instigates an employee's desire for workplace change, what drives employees to participate in organizational goals, and the types of challenges that drive performance improvements.

Using redeployment to achieve retention and performance success allows the Best-in-Class to focus less on using engagement to mitigate short-term flight risk. Instead, managers can forge stronger, data-backed relationships with employees to better understand the root causes of individual turnover. Likewise, they can collect better profiles to retain and rehire top performers.

As this strategy merger between talent acquisition and talent management takes hold, redeployment becomes an emerging asset. It helps to increase opportunities, to improve revenue per FTE, and encourage productivity while reducing the risk of long-term employee cessation.

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## Related Research

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*The Dangers of Set It and Forget It: Rolling Forecasts Enable Business Agility; June 2016*

*Deploy Your FP&A Software in the Cloud to Keep Your Budgets and Forecasts Grounded in Reality; March 2016*

*Beyond Spreadsheets: Taking Planning, Budgeting, and Forecasting to the Next Level; January 2016*

*FP&A Accuracy Is No Longer a Myth: How to Improve Financial Planning, Budgeting, and Forecasting; November 2015*



## About Aberdeen Group

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Since 1988, Aberdeen Group has published research that helps businesses worldwide to improve their performance. Our analysts derive fact-based, vendor-neutral insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategies. Aberdeen Group is headquartered in Waltham, Massachusetts, USA.

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