

**THE DEFINITIVE GUIDE TO**

**EMPLOYEE  
DEVELOPMENT  
AND RETENTION**



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## Introduction

In July of 2022, the United States alone saw **4.2 million workers** quit their jobs. Heading into 2023, the world was optimistic about declining unemployment rates, and in January, it looked as if the turnover trend was headed in the right direction.

But in February 2023, **4 million workers quit their jobs**, returning to the Great Resignation levels.

With all of these unexpected changes and turnover rates just shy of record highs, it's understandable that **50% of global organizations** are struggling to address retention issues.

*Here's the bottom line:* HR is in need of a solution that moves employees from uncertainty to clarity, and helps organizations develop an agile and more capable workforce that can respond to fluctuating conditions.

In this guide, we'll cover everything you need to know to start boosting retention at your organization.

Let's take a look at what today's employees want, what strategies and tools are available to better support their needs, and how emerging technology can support your business needs.

# Why Top Talent is Leaving



Although every organization and employee is different, here are a few statistics surrounding what workers have been experiencing in the last 3 years:

77%

**of employees** experienced burnout at their current job, over half citing more than once

52%

**of employees** identified a lack of growth and development opportunities influence stress at work

91%

**of employees** cited an unmanageable amount of stress negatively impacts their quality of work

Additional factors that can contribute to employee turnover include cultural mismatches, unrealistic job expectations, organizational instability, and a lack of flexibility that promotes work-life balance.

With the majority of surveyed employees confirming the negative toll of burnout, prolonged stress, and lack of support and development opportunities, employers are being pressed to quickly make changes.

To better support employees and their overall well-being, organizations have to prioritize improving the employee experience using well-balanced employee retention strategies and the right technology that makes implementation simple.



## What are Today's Employees Looking For?

Employees are looking for 6 things in their next job (beyond adequate compensation):

- A positive work environment and company culture
- Opportunities for growth and development
- Improved benefits supporting mental health and well-being
- A sense of purpose or meaning that aligns with their values
- Flexible work hours to allow for better work-life balance
- Upgraded paid time off that goes beyond the standard 2 weeks per year

For employees, these priorities are non-negotiable — **53% of workers** are more likely to prioritize health and well-being over work. So where does that leave the employers?

Organizations that can't offer what employees are looking for are at a disadvantage when it comes to hiring and retaining talent — and job seekers today aren't afraid to take their time, waiting for the right opportunity that meets their needs.

With a patient workforce and a specific list of priorities that trump the need to work, it's up to each organization to make the necessary changes that will support employee engagement and retention.



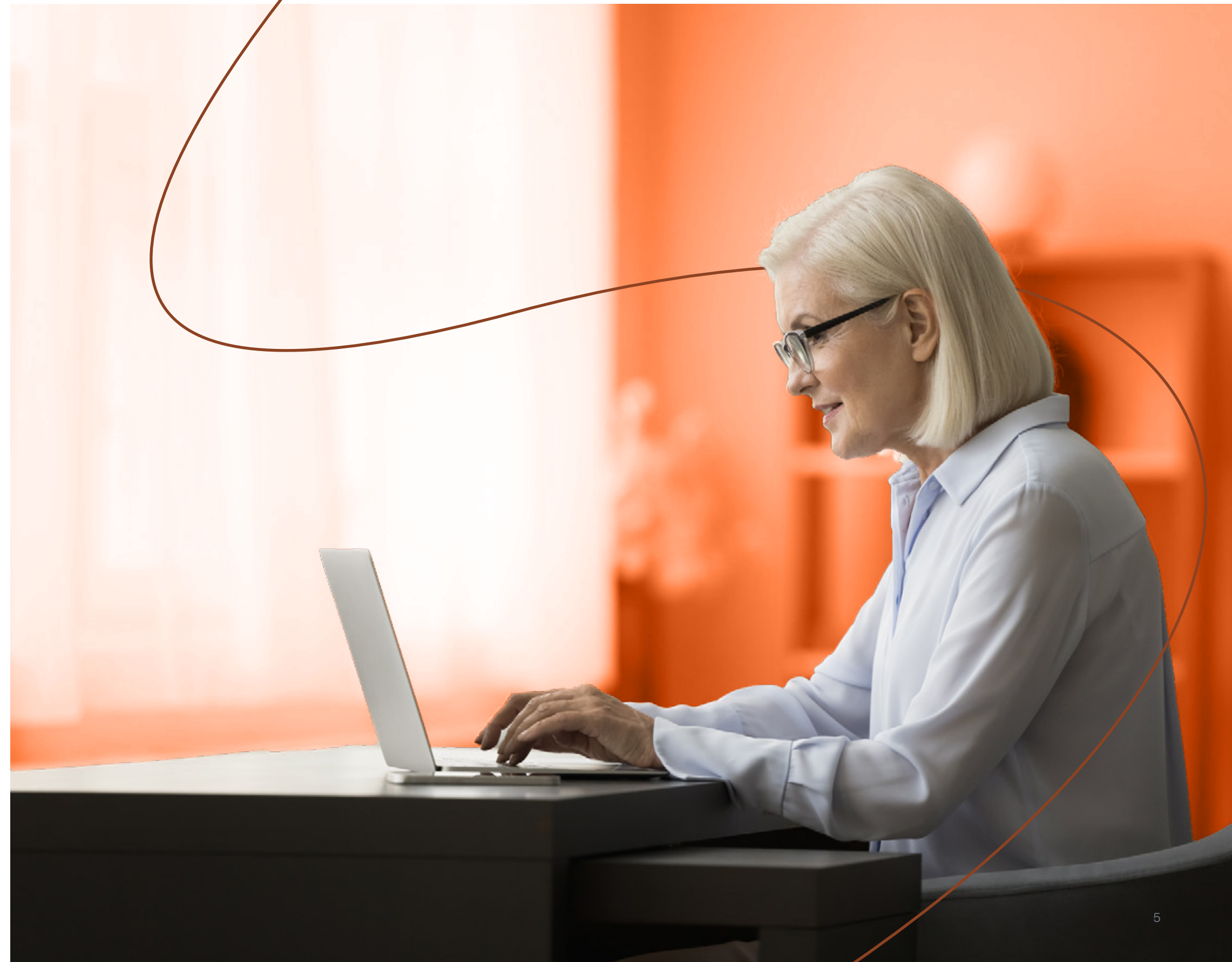
## Employee Engagement is Crucial to Employee Retention

Although they're often used in tandem, employee engagement and employee retention are two different aspects of the overall employee experience.

**Employee engagement** describes how committed and dedicated workers are to the goals and values of the company, as well as their individual job.

**Employee retention** refers to an organization's ability to keep employees and reduce turnover.

Employee engagement influences retention, directly impacting the overall performance and success of the business. According to **Gallup**, engaged employees increase profitability and sales specifically by over 20% — while disengaged employees **can cost an organization** over \$400 billion dollars per year.



# The Solution: A Talent Marketplace

Talent marketplaces represent the next evolution in connecting employees with opportunities — whether that's a future role, a short-term gig or project, the perfect mentor, or a learning and professional development path.

Keep reading to explore how talent marketplaces can boost retention, support employee growth, and help you remain agile in today's complex hiring landscape.



## What Is An Internal Talent Marketplace?

An internal talent marketplace (or simply “talent marketplace”) is a highly personalized approach to leveraging employee growth and professional development. Think of it as a private, company-sponsored LinkedIn for all internal employees.

Because every employee has different needs, the right platform will individualize the experience to create the *right* moments at the *right* time.

### The right talent marketplace can



**Engage** internal teams and highlight internal opportunities for professional development



**Create** a data-driven engine that enables decision-making



**Connect** important projects with eager employees to increase efficiency



**Nurture** employees to build a career path with the help of mentors and guides



**Equip** teams with resources that ensure they develop the skills needed to thrive



**Transition** from a job-based to a skills-based organization

By combining talent management, career development, employee engagement, performance management, and innovation across the workforce ecosystem, companies can retain and engage employees while fulfilling internal needs at the same time. Achieving this mobilization of the existing workforce can be more impactful and cost-effective than hiring new employees.

## How Talent Marketplaces Improve Retention

Talent marketplaces have emerged as a transformative solution to the modern workforce landscape, streamlining the way companies engage, nurture, and retain talent.

Outfitted with comprehensive capabilities that help employees understand what's available to them — including unique career paths, internal mobility opportunities, learning and development courses, gigs or short-term projects, and available mentors — these platforms keep growth-oriented tools at their fingertips.

With more visibility into what's possible supported by recommended next steps, employees can take charge of their career journey. It also brings them into the fold and shows that they fit into the bigger picture — ensuring they can visualize what their future could look like if they stay within your organization instead of looking for more responsibilities or new opportunities externally.

As a result, talent marketplaces have become a crucial tool for organizations striving to build a loyal, motivated, and high-performing workforce in the face of ever-increasing competition for top talent.

Now, let's take a look at what features should be included within a talent marketplace to ensure you have the right foundation and set of tools necessary to improve retention.



# 5 Core Components of a Talent Marketplace

Not all talent marketplaces are created equal. However, there are a couple of core components that are must-haves when you're looking for a robust solution that will support your employee engagement, development, and retention efforts.

1

## Career Pathing

This feature illuminates the various long-term opportunities that an employee can consider both inside and outside the organization. It should also be powered by AI and machine learning because in today's modern world, career moves aren't just lateral. Without intelligence working in the background, it can be difficult to truly map out all the potential opportunities that are available to every individual.

2

## Gigs and Short-term Projects

This capability offers the best of both worlds for talent and leaders. Employees who take on short-term projects get invaluable hands-on experience and skills development while employers benefit from being able to redistribute their workforce to tackle critical deliverables without having to increase headcount.

3

## Learning and Development Features

A talent marketplace should make discovering, enrolling, and participating in growth opportunities simple. By highlighting recommended courses or videos based on an employee's desired career path, individuals can feel confident that they're making the right strides toward their next career milestone.

4

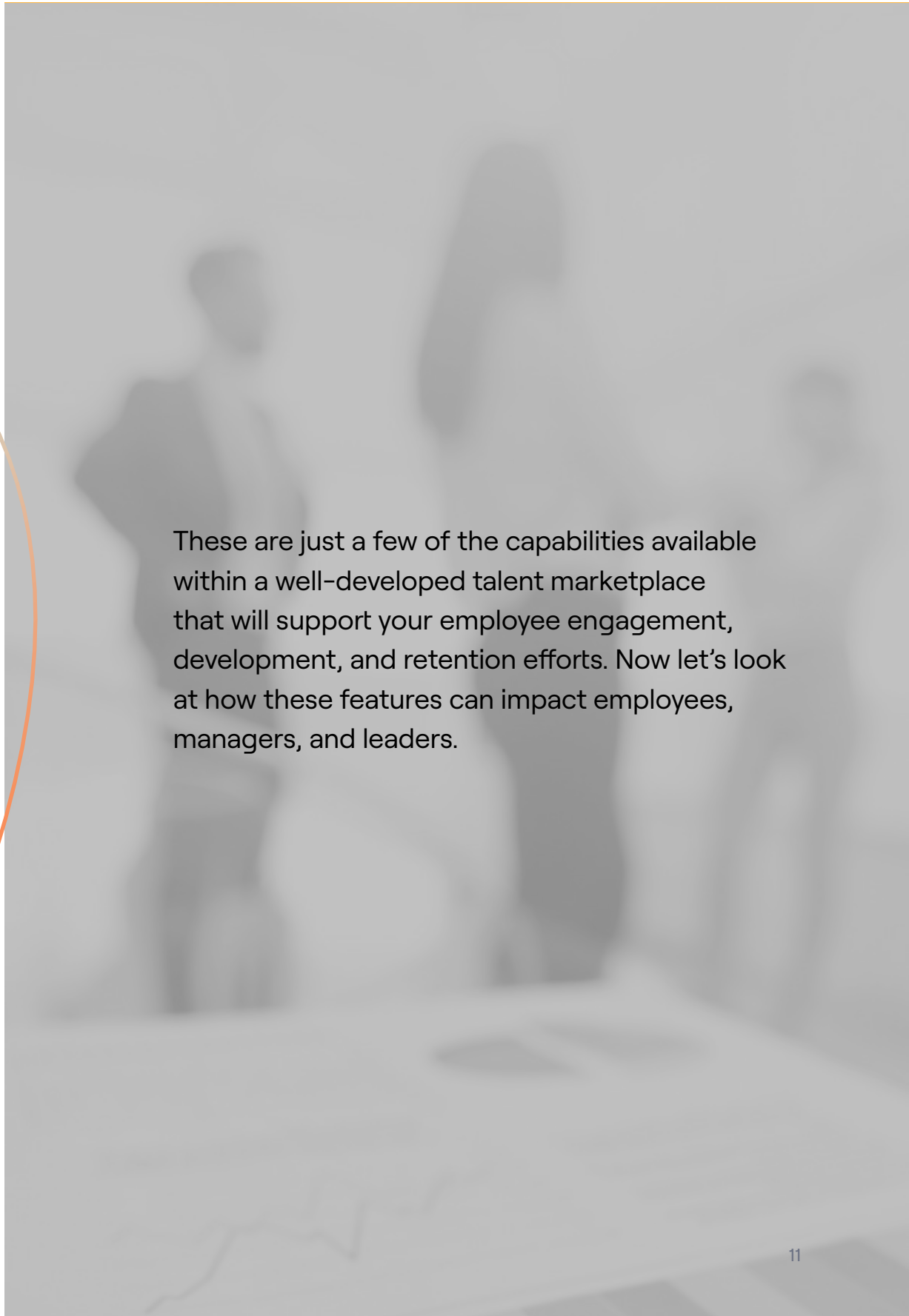
### **Mentoring Opportunities**

Connecting interested individuals with mentors within your organization is a great way to inspire new connections, share knowledge, and offer support in ways that can be more personalized than engaging with a manager. It's also harder for people to leave impactful relationships, adding another enticing and intangible element to your retention efforts.

5

### **Employee Resource Groups (ERGs)**

These groups offer quick ways for employees to connect with other like-minded individuals based on their preferences and interests. They offer safe spaces for people to get to know each other and discuss topics they are passionate about in a more relaxed environment.



These are just a few of the capabilities available within a well-developed talent marketplace that will support your employee engagement, development, and retention efforts. Now let's look at how these features can impact employees, managers, and leaders.

# How Talent Marketplaces Support HR Leaders, Managers, and Employees

Implementing a talent marketplace can give your teams the tools they need to make better decisions and thrive in the face of adversity.

By putting intelligent insights and automation at the fingertips of your C-suite executives, managers, and employees, you can gather a better overall picture of what gaps are in your organization and who's available to fill those gaps. Here's how internal talent marketplaces help each of these groups of workers:

## Improving Visibility and Talent Agility Within the Workforce for Executives

For executives, having the ability to adjust jobs and reallocate resources to the areas of your business that need it most is one critical way you can stay ahead of the curve. But most organizations can't make these adjustments because they lack talent agility – forcing businesses to replace a larger percentage of their workforce, which is a slow, costly, and detrimental process.

Internal marketplaces can help create a more agile workforce **through upskilling, reskilling, and the redeployment of talent.**

The *right* talent marketplace will have the ability to structure, understand, and manage profiles, roles, job families, skills, competencies, and more across the enterprise. With this data, the right technology can also illuminate where organizational and individual gaps are.

This intelligence equips executives with the tools needed to visualize and accelerate required transformations, and boost agility during challenging times that require a rapid response.

Enterprise data can also provide leaders with insight into moments where management should proactively engage workers and encourage internal mobility— allowing for unique opportunities to combat potential losses in your workforce before they occur.





## Helping Managers Support Employee Growth

**Managers** have been faced with a challenging task: support employee professional development, build trust in a company's mission and purpose, and inspire teams to take action — all while navigating physical and mental health challenges through a pandemic and facing unpredictable swings in global economics.

To handle all of these issues effectively, managers need greater insight into the skills, competencies, and behaviors of their employees. This includes the gaps necessary to fill as talent grows and evolves. Managers also need additional tools to structure their teams, set and achieve goals, and report on progress.

One of the greatest benefits to collecting and harnessing skills data is the ability to *visualize* gaps and opportunities. At a team level, managers can also begin to plan for future needs, looking deeper at competitive opportunities to hire for specific skills.

Discovering the needs of employees is only half the battle! A talent marketplace equipped with learning and development opportunities, gigs or projects, mentoring, and resource groups can all assist managers in guiding employees along their path.

Access to a talent marketplace provides managers with more tools to tailor the right plan for every employee while prioritizing internal mobility before looking externally for role fulfillment.



## Providing Employees With Opportunities to Learn New Skill

At its core, a talent marketplace is an employee-driven experience – unlocking an employee’s potential, connecting them to growth opportunities, and helping them evolve.

Today, employees are more motivated than ever to find alignment with their company’s values and vision while actively searching for growth opportunities. In order to master their current roles and continue their career development, employees need more visibility into current and future requirements within your organization.

A talent marketplace can help define this with clear job descriptions, goals, requirements, and dependencies. With skills intelligence, internal talent marketplaces can help illuminate an employee’s skills, strengths, and recommended opportunities.

Highlighting the skills an employee needs along their intended career path is a great initial step, but it’s actually helping employees develop these skills that will accelerate their progress. Connecting employees to recommended courses and certifications, mentors, and gigs can fast-track their development.

Transitioning from one role to another is the core of employee evolution. Employees need hyper-personalized visibility, encouragement, and confidence to make key transitions throughout their careers.

The right talent marketplace will present the right opportunities at exactly the right time based on skills, interests, career paths, and more, with clear guidance on how to pursue and initiate a transition. Facilitating this talent mobility based on goals and aspirations helps every employee reach their full potential.

### RELATED RESOURCE

[How to Launch an Internal Gig Marketplace →](#)



# How AI and Personalization Drive Employee Retention

The key to helping employees realize their true potential is to deliver actionable and personalized recommendations and opportunities. Without AI under the hood, your employee experience will lack this intelligence and personalization — two key elements that boost employee engagement and retention.

Although talent marketplaces are beneficial to executives, managers, *and* employees, they're not all created equal. A talent marketplace that doesn't leverage **artificial intelligence** is destined to be a one-size-fits-all solution, which will fail to resonate with unique individual employees.

Some are designed to solely provide employees with more visibility into available positions — but that just scratches the surface when it comes to what a well-developed talent marketplace has to offer.

Using AI and machine learning, executives, managers, and employees can access better insights into their existing workforce to gain a clearer picture of:



### **Skill Gaps and Attrition**

Highlighting what upskilling opportunities each employee needs to be prepared for the next step in their career — offering potential career paths that are aligned with future available roles.



### **Organizational and Succession Planning**

Allowing C-suite executives to better understand what talent they have to fill existing and future roles to meet ever-evolving business needs.



### **Career Pathing Recommendations**

By analyzing large collections of data and unique relationships at your organization, talent marketplaces can make individualized recommendations to match employees with the right opportunities.



### **Retention**

Illuminating your turnover data and workforce analytics is a key component of understanding the bigger picture. Without these insights, you'll be making quick decisions that may not influence retention.



### **Automated Workflow Options**

Reducing time spent on tedious tasks can help unlock efficiencies within your hiring team, giving them more time to make meaningful connections.

These are just some examples of how AI makes an influential contribution to internal talent marketplaces and how effectively they support your company's hiring goals — both now and in the future.

## How Does AI Streamline Employee Skills Development?

Skills are necessary building blocks for establishing an employee profile and connecting employees with personalized recommendations. By understanding an employee's existing skills and recognizing the "skills gap" between where they are and where they need to be, an AI-powered talent marketplace can begin to bridge the divide.

AI can also consider competencies and behaviors when building an employee profile — creating a more comprehensive understanding of the talent you already have within your organization.

In addition to personalizing recommendations, AI can personalize an employee's experience to improve engagement. From employee portal content to email and SMS messages, AI and **automation** can ensure that employees see the right content at the right time to help them level up their careers.



# Achieve Your Retention Goals with Phenom

With intelligent automation, talent analytics, and personalization, each team within your business can experience the benefits of an internal talent marketplace. The Phenom Talent Marketplace is designed to improve employee engagement, boost retention, and illuminate areas for improvement across the organization.

[Book a demo](#)

## Our talent marketplace is equipped with:



### Intelligent Career Pathing

This feature is designed to illuminate the career paths that are available for each employee, evolving over time. Powered by Phenom AI, this feature offers intelligent recommendations and allows you to gain a better understanding of how your employees move between jobs, guiding employees toward their next role and providing valuable insights for executive teams and managers.



### Gigs and Short-term Projects

These hands-on learning opportunities are available to engage and upskill employees while supporting the needs of the business. Through a “gig model,” organizations can quickly adjust staffing volume to meet the needs of consumers and the market.



### Learning and Development Features

These elements play a critical role in your employee’s experience. Phenom Talent Marketplace is engineered to allow integration with your existing LMS and LXP programs to deliver a robust and tailored learning experience for your employees. It helps create a clearer path of learning and development, inspiring your workforce to develop new skills instead of overwhelming them.



### Mentoring Opportunities

This feature is designed to proactively engage employees, connecting emerging talent with individuals that will help guide them to new opportunities in both formal and informal settings. **Mentorship programs** can deepen the connection an employee has with their organization. It can be easy to leave a job, but it’s harder to leave a relationship.



### Employee Resource Groups (ERG)

Designed to offer an inclusive environment and play an important role in an employee’s career path, ERGs make finding a community within the workforce simple. Upon joining an ERG, employees are exposed to colleagues and resources that can connect them to future opportunities — like professional development opportunities, open jobs, or short-term gigs. Employees can also connect and engage with potential mentors within ERGs.

To add another layer of intelligence and support, Phenom X+ is interwoven throughout the Talent Marketplace platform, giving your teams access to:

## Workforce Intelligence

Workforce Intelligence provides talent management teams with context and oversight into talent within their organization to ensure they are appropriately onboarded, retained, and developed. A dashboard provides hiring trends, churn rate, retention risks, and high performers.

## Comprehensive Employee Profiles

Comprehensive employee profiles are used to identify tenure, performance, growth trajectory, fit for openings and progressions, and options for succession planning.

## Employee Relationship Management

Employee Relationship Management — supported by workforce intelligence — enables talent management and people managers to take appropriate action such as initiating an upskilling project to acquire new skills to enhance one's job performance or career advancements.

## People Manager

People Manager provides business leaders with the actionable intelligence they need to build high-performing teams by surfacing an employee's current sentiment, career growth plans, learning opportunities, recommendations for upskilling/reskilling, and overall talent retention effectiveness. It also simplifies the process of endorsing a direct report's skills.

## Dynamic Role Architecture

Dynamic role architecture to analyze skills, competencies, and additional contexts to determine which employees are available to upskill or reskill into future roles, and create initiatives to spur action.

## Skills Intelligence

Skills intelligence to determine where gaps and training needs exist, providing visibility into endorsed skills, self-reported skills, open jobs and roles that require skills, and the learning opportunities, mentors, and gig projects available to address gaps.

## Succession Planning

Succession Planning facilitates growth, development, and movement within the organization, providing a means to plan for the future. It identifies existing employees who are suitable for succession for specific roles, and determines eligibility and readiness based on tenure, performance, skills, competencies, and other relevant signals. This feature makes it easy to add new employees to a succession plan, evaluate which successors have been assigned to specific roles, and move and grow employees in the organization.

# See the Phenom Intelligent Talent Experience platform in action

[Book a demo](#)

## Candidate Experience

Best-fit candidates find and choose you faster. Attract job seekers and broaden talent pools with personalized job recommendations and an intelligent career site.

## Recruiter Experience

Recruiters become wildly productive. Discover and engage top talent with AI, put tedious tasks on autopilot, and maximize your team's ability to streamline workflows.

## HR Experience

HR leaders align employee development with company goals through an intelligent workforce planning solution that allows them to identify skill and competency gaps, manage career frameworks, and identify DE&I opportunities.

## Employee Experience

Employees develop their skills and evolve their careers. Upskill, evolve, and retain your workforce with intelligence and personalized opportunities.

## Manager Experience

Managers build stronger-performing teams with real-time analytics, insights, and collaboration tools.

## HRIS Experience

HRIS teams seamlessly integrate with your HR tech stack — including ATS, HCM, and LMS tools — to create a holistic infrastructure.



# Helping a billion people find the right job.

Phenom has a purpose of helping a billion people find the right job. Through AI-powered talent experiences, employers are using Phenom to hire employees faster, develop them to their full potential, and retain them longer. The Phenom Intelligent Talent Experience platform seamlessly connects candidates, employees, recruiters, hiring managers, HR, and HRIS – empowering over 500 diverse and global enterprises with innovative products including Phenom Career Site, Chatbot, CMS, CRM, AI Scheduling, One-Way Interviews, Campaigns, University Recruiting, Talent Marketplace, Workforce Intelligence, Career Pathing, Gigs, Mentoring, and Referrals.

[Learn more](#)

