

Skill Up, Move Up:

The Benefits of a Skills-first Framework for Internal Mobility

**ONETEN
RESEARCH
SNAPSHOT**

The world (and the workplace) are rapidly changing—and organizations are looking for a new way to make sure their teams have the skills they need to stay ahead of the curve without constant employee turnover. Enter: the skills-first approach to internal mobility. With a variety of benefits for both employers and employees, this approach helps companies stay highly competitive, particularly in industries where technological advancements and market demands evolve quickly. But what is it, exactly? Simply

put, the skills-first approach prioritizes employees' skills and development over traditional criteria like tenure or job titles, creating teams filled with skilled and motivated employees capable of helping their company continue to thrive. Although this strategy is relatively new, several notable companies have successfully implemented it to facilitate effective internal mobility—and they're ready to share the valuable insights and best practices they've gained along the way.

Top Challenges Faced By Top Companies

Whether in manufacturing or healthcare, financial services or food production, many companies looking to increase internal mobility face three similar obstacles: retaining top talent within internal teams, overcoming entrenched policies/mindsets and addressing internal skills gaps. Take a look at how other companies tackled these challenges—and came out on top.

One of the most significant barriers for internal mobility is the reluctance to share top talent, even internally. For example, at [Schneider Electric](#), a global energy management and automation specialist, employees were required to get approval from managers before they were able to explore other roles in the company. This policy discouraged internal mobility and stagnated new skill development. When the organization developed a skills-based internal mobility program, it included a new talent platform, called Open Talent Market, which allows internal candidates to view and apply for open roles without managerial approval. The simple introduction of this platform has helped shift the company's mindset on internal mobility, which has the potential to increase professional development as well as overall employee retention.

Existing policies may also be hindering a skills-based approach to internal mobility for workers. Take [Uber](#), the popular ride-hailing service, whose previous policies limited internal mobility and, by extension, overall company success. Such policies included not allowing certain job titles, such as community specialists, to move internally and another that prevented individuals from moving to positions above their current role level, regardless of skill set. Recognizing the flaws and limitations of these policies, Uber has since embraced a skills-based internal mobility and has removed policies that hindered growth within the company.

In addition, Uber discovered an additional existing challenge to internal mobility: a significant **internal skills gap**. To address this issue, the company invested in a robust skills development program that would not only help close the gap between the skills necessary to be successful in a given role and the skill set that the employee filling that role actually possessed, but also promote general upskilling and internal mobility. Once implemented, Uber discovered another benefit: improved employee retention. The company found that employees who shifted to a new internal role stayed twice as long as those who didn't make a move. Now, an average of 30-40% of Uber hires each year are internal.

The Case for Skills-Based Internal Mobility Programs

Employers across industries are using a skills-based approach for internal mobility to achieve their goals and address a wide variety of [business needs](#). By adopting such an approach, companies can:

- Increase retention rates
- Lower hiring, onboarding and training costs
- Increase innovation and business agility
- Improve employee engagement and satisfaction
- Increase predictability of employee performance
- Align talent and business strategy
- Anticipate skills gaps and business needs

Benefits of Using a Skills-Based Approach for Internal Mobility

Companies that help their employees build skills—such as through a robust skills-based framework—have higher internal mobility. According to [LinkedIn](#) research, companies whose employees excelled at developing skills in the last 12 months have a 15% higher internal mobility rate than companies whose employees lagged. Potential benefits of investing in employee skill-building include:

- **Increased Retention.** According to research, [93% of employers](#) are worried about retaining their current workers. Investing in talent skill development and providing internal mobility opportunities may be the solution. [Research](#) has found that workers who made an internal move at the two-year mark have a 75% chance of remaining there, compared to 56% for those who haven't. In addition, [94% of employees](#) say that they are more likely to stay longer at their company if the company invests in career development. [Culture Amp](#) found that 54% of immediate retention is associated with an employee's belief that their employer contributes to their professional development. [McKinsey](#) research found that offering lateral moves for employees is 2.5x more predictive of retention than compensation and 12x more than promotion, showing that for employees, the opportunity to learn and explore is critical.
- **Higher Engagement.** When employees feel [disengaged](#), they may look for opportunities at a new company. By contrast, employees who work at companies with high internal mobility opportunities have the chance to move to a new role if they start to feel disengaged from their current position. According to [Deloitte](#), employee engagement is increased by 30% when workers have opportunities for on-the-job development, lateral movements and stretch assignments. In addition, teams with highly engaged workers are 21% more productive.

- **Greater Diversity, Equity and Inclusion.** [Internal mobility](#) programs can create an equal opportunity for individuals of different backgrounds to progress in their careers. According to [Aptitude Research](#), 60% of high-performing companies with skills-based internal mobility programs saw improvement in diversity, equity, and inclusion compared to 44% of all other companies.
- **More Flexibility.** [Uber](#) found that while not everyone wants to permanently change roles, many are still interested in new opportunities and learning new skills. To meet this employee interest, Uber offers a variety of different opportunities, including short-term assignments that take up 5–15% of a participant's time.

Real Case Studies, Proven Results

German engineering and technology company Siemens implemented a skills-based internal mobility program based on My Skills, a decentralized skill-based learning platform. In the platform, employees can not only assess their current skills, but receive ratings from colleagues and managers as well as participate in learning opportunities based on projected skills gaps. The company also introduced a talent marketplace called [My Growth](#), where employees can showcase their skills and explore internal opportunities.

[Natixis](#), a Global Financial Services division of Groupe BPCE, has an internal mobility program called Jobs in Motion that uses artificial intelligence (AI) to assess skills, suggest skill development opportunities (based on skills gap or roles the employee is interested in), track employee progress and recommend job opportunities. Open to employees in 38 countries, the program has experienced great results: 65% of employees have created a skills profile and there has been a 9.25% increase in internal mobility across the organization.

Leveraging AI for Internal Mobility

AI is rapidly transforming the workforce and human capital management strategies. Some companies use it to enhance their internal mobility approach, while others leverage it to upskill their employees. By 2030, the required skills for jobs will change by 65%, primarily due to new AI technologies. In response, employers are increasingly motivated to upskill their talent to stay ahead of AI advancements and provide internal mobility opportunities to retain their top talent.

Employers are also using AI to ensure they [reskill employees](#) in relevant areas. Because AI technology can help identify skill gaps and future emerging skills, companies like Schneider Electric are starting to use AI to match employees with internal mobility opportunities.

AI-powered talent intelligence platforms can also effectively enable internal mobility by providing deeper insights into project fit based on employees' skills, facilitating strategic talent use and ensuring optimal project matching. This allows organizations to identify and leverage internal candidates for various roles, enhancing workforce agility and employee growth opportunities.

What Next?

When your company is ready to implement a skills-first internal mobility program, we suggest the following best practices:

- Create a [company culture](#) receptive to learning and movement. When the company culture is open to learning and mobility, it encourages employees to explore new options and can prevent the monopolization of talent. A receptive company culture may promote career agility, new positions and mentorship opportunities.
- Establish intentional [policies](#) and guidelines about internal mobility. Policies should have clear guidelines for internal mobility and it may be necessary to [revisit](#) old policies to ensure they don't hinder certain employees from internal mobility.
- Ensure alignment among key stakeholders to define each valued skill and establish a [common language](#) for skills. We suggest creating a [skills taxonomy](#) to describe the skills necessary to perform different jobs at the company. For additional guidance, explore [O*NET](#), an open-source skills taxonomy that can help companies define skills needed to be successful in a role.
- Invest in new [technology](#) to help implement a skills-first internal mobility program. The technology offers a variety of benefits and features, including an internal job board, the ability to track and assess skills, and functions to connect talent to mentorship and training opportunities.

At OneTen, we're driving a skills-first movement for a more equitable and inclusive future workforce.

To learn more, visit oneten.org/skills-first.

oneten.org/skills-first

Works Cited

- 2018 Workplace Learning Report: The Rise and Responsibility of Talent Development in the New Labor Market (2018). LinkedIn.
- Anderson, B. Why Internal Mobility Needs to Be a Key Part of Your Talent Strategy. LinkedIn
- Brassey, J., et al. (2022). Addressing employee burnout: Are you solving the right problem?. McKinsey Health Institute
- Career mobility and DE&I: How to increase diversity in the workplace with career mobility. (2024). Guild
- Erickson, R., Moulton, D., Cleary, B. (2018). Are you overlooking your greatest source of talent?. Deloitte
- Furman, P. (2023). The One Tool to Best Accelerate Internal Hiring. LinkedIn
- Global Talent Trends: Data-driven insights into the changing world of work. (2024). LinkedIn
- Graham, K., Thompson, L. (2024). Graham Understanding The ROI Of Skills-First Talent Practices. Forbes.
- Guy, N. (2024). Skills Taxonomy: Unlocking the Benefits of a Skills-Based Approach. AIHR
- Hilgers, L. (2023). 2 Companies That Are Getting Internal Mobility Right. LinkedIn
- Hinton, S. (2020). The New Normal: Supporting Internal Mobility Through Reskilling. SkyHive
- Lau, J. (2024). The post-hire work HR has to do for skills-based hiring to succeed. HR Executive
- Laurano, M. (2024) Aptitude Research: the New Era of Internal Mobility. Aptitude Research
- McLaren, S. (2021). How Uber's Approach to Internal Mobility Helps Employees Find Roles They Love. LinkedIn
- Moot, L. (2023). What Is Internal Mobility and How to Get It Right. LinkedIn
- Putting Skills First: Opportunities for Building Efficient and Equitable Labour Markets. (2024). World Economic Forum
- Skills-based Internal Mobility Playbook. (2024). Business Roundtable Multiple Pathways
- Skills-First: Reimagining the Labor Market and Breaking Down Barriers. (2023). LinkedIn Economic Graph.
- Timmes, M. (2023). Internal Mobility: The Missing Piece Of 2023 Business Strategy. Forbes
- The crucial role of a skills taxonomy for HR and L&D success. (2022). Instride