

## EXECUTIVE

# Going the distance

Promoting people from within can ease the pressure on human resources, encourage staff morale and send out a positive message to other employees. However, it needs to be carefully planned. **Carmel Doyle** reports

**I**NTERNAL promotion is regarded as a powerful retention tool, helping to motivate staff and allowing them to prove they have the skills and aptitudes to take on heightened responsibility. A distinct advantage of hiring internally is that people will ease into their role faster than new recruits as they are more familiar with the company's ethos and environment. A second plus is that big savings can be made in terms of human resources.

Despite the boons that exist with internal promotion, companies are often slow on the uptake, neglecting to devise a proper internal development structure for employees and often putting poor training systems in place.

Eoghan McDermott, director of The Communications Clinic, explains that, in terms of internal promotion, there should be constant staff development. This means that when people are needed for promotion, they are ready. "If you have the right strategy and the right people being developed internally, it should be seamless. A promotion shouldn't come as a surprise to anybody."

According to Janet Moran, managing director of Priority Placements, the problem with overlooking an internal promotion strategy is that it can result in a high turnover of staff. As a result, the business can move backwards and staff members may feel their efforts are not being recognised or rewarded.

"Internal development is a key element in the retention of staff and it is one of the main reasons why an employee looks to leave. New challenges and recognition tend to be high on everyone's list," she explains. However, Moran says it's



**ENCOURAGING EMPLOYEES:** There should be ongoing staff development within a company, according to Eoghan McDermott, director of The Communications Clinic, so that when people are needed for promotion, they are ready

not all about training. "Internal development can come from regular assessments, appraisals and reviews. No matter what the size of the company, these meetings can make a big difference. The company will be able to identify the strengths of the employee, therefore making it easier to promote accordingly."

McDermott believes that the development of people within a company is an excellent way of maintaining a firm's ethos and uniqueness, while also sending out the message to other employees that they can develop down the line. He explains that the development period should be communicated very clearly. "The biggest difficulty for people is not that they've reached their earning potential within a company, rather that they've reached their learning potential.

People leave companies not because of pay, but because they feel they have finished their development there."

Moran agrees: "Money is not the main motivator. People also want a new challenge – better training or better systems, for example."

The challenge for companies, then, is to devise and implement proper structures around internal development and ensure that these plans are communicated clearly with staff. "If there isn't a structure, people aren't sure what's expected of them," explains Moran. This is where induction and employment manuals essentially act as written instructions for people – they make employees aware of every facet of the business within their job spec. McDermott adds: "People get fed up believing 'I'm the only one developing me'.

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There needs to be a clear plan."

Before deciding whether to promote internally or to recruit externally, McDermott says companies must look at their sector and ascertain whether its product offering or service is easily available in the marketplace. "If it's a company that offers a niche product or service, then development from within becomes more important because that person knows how it has been done all the way through," he explains. "The standards should fit with the ethos. If the company is operating in a commoditised market, it must go for the person who can do the job most efficiently."

McDermott argues that external promotion could also be viewed as an unstated recognition of failure on the part of a company.

"Firms are saying: 'We haven't developed people well enough internally to be able to do the job.'" However, he recognises there are instances where a fresh perspective is required, such as when a company is going through expansion or is on the cusp of huge change, and simply doesn't have the internal expertise to carry it through.

The ideal for most employers is to promote internally, but that skillset doesn't always come through, affirms Moran. "Not everybody is ambitious, particularly when he or she sees the responsibility that's required. Sometimes you just have to bring in a bigger set of expertise."

One of the drawbacks with internal promotion is that if it comes too soon and the individual is not quite ready for his or her new role, it could end in resignation. Moran says one way of avoiding this scenario is by placing somebody from a different department into that senior role for a period and gradually introducing the other person to the responsibilities that will be expected of him or her.

"Employees should be clear, first of all, about what you need them to do in their new role. You should give them as much experience and development as possible, so that when they eventually reach the point in their career where they are about to be promoted, it is seamless," explains McDermott.

However, with people frequently moving between jobs, placing employees in senior management positions is becoming harder for companies to do, he says. "You have to work at it. There has to be consistency in your work experience to get there. Companies want to invest in people, but they also want commitment from them."