HR Benchmarking Advisory Service Summary



Technology | 1200 employees | US-based



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At-A-Glance

SAMPLE FOR ILLUSTRATIVE PURPOSES ONLY

AL-A-GIANCE FOR ILLUSTRATIVE PURPOSE	Sample Company	Peer Group
Turnover Rate Percent of employees that voluntarily or involuntarily left the organization during the survey period Turnover / Headcount	d. 6%	11%
High-Performer Turnover Percent of average high performer headcount that voluntarily or involuntarily left the organization High Performer Turnover / High Performer Headcount	during the survey period.	7%
Promotion Rate Percent of average headcount that was promoted during the survey period. Promotions / Headcount	3%	5%
Internal Hires % Percent of average total hires that came from inside the organization. Internal Hires / Hires	20%	30%
Mobility Rate Percent of average staff that experienced upward or lateral movement during the survey period. (Promotions + Transfers) / Headcount	13%	20%

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Low Overall Turnover

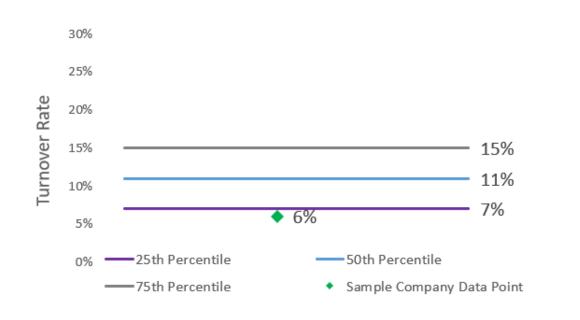
Overall Key Insights

Sample Company keeps overall turnover at almost half the sector median. This could indicate several positive factors such as:

- Effective HR programs: Strong onboarding, development, and engagement initiatives
- Positive organizational culture: A supportive, inclusive, and motivating work environment
- · Strong leadership and management practices: Good communication, recognition, and career development opportunities

However, it's also important to consider potential downsides of very low turnover:

- Retention of underperformers: If performance management is weak, low turnover might mean poor performers are not being exited.
- Golden handcuffs: Employees may stay due to financial incentives or benefits, even if they are disengaged or unmotivated.



Sample Company's 2025 exit survey results indicates the top 3 reasons for leaving are: 1) Opportunities for Career-Related Skill Development, 2) Satisfaction with Roles and Responsibilities, and 3) Poor Work-Life Balance. Two of Sample Company's top three reasons—career development and role satisfaction are aligned with the broader benchmark, suggesting these are common challenges across organizations as we saw in the 2024 Exit Survey Benchmark Report.

Sample Company's 2025 engagement survey results showed an Employee Experience Score of +16, which is 1.7 points above the McLean benchmark. This indicates there are more promoters than detractors, suggesting a relatively positive employee experience overall. However, it's important to note that since 2024, Sample Company's EXM has declined to +16 from +28. While still positive, this downward trend may signal emerging concerns that could impact retention if not addressed.

Low Overall Turnover

Recommended Actions

- Review turnover and exit survey results and segment by tenure/function to spotlight pockets of risk.
- Introduce stay-interviews to the organization to identify potential issues before they lead to turnover.
- Review performance management practices to ensure underperformers aren't being retained due to lack of accountability. Ensure your People Leaders are trained in managing poor performance.

Resources

- <u>Develop an Effective Talent Retention Plan</u>
- Guide to Assessing Flight Risk of Key Talent

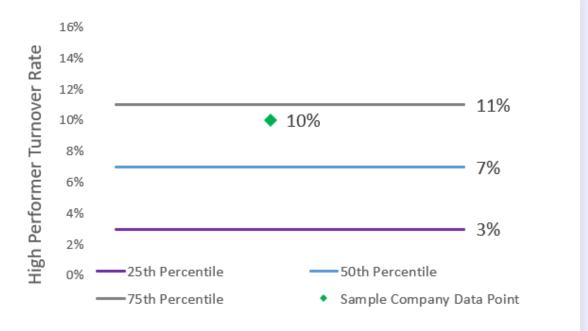
Losing Star Talent

Overall Key Insights

High performers are leaving 1.5× faster than the market, and internal career velocity (promotions + moves) lags. Indicating a need to review succession planning, career paths, development comp & recognition, stay interviews, engagement, etc. of this group.

This high turnover rate for high performers indicates several possible underlying issues:

- Internal Career Velocity is Lagging: Promotions and lateral moves are not keeping pace with expectations or high performers may feel stagnant or overlooked.
- Succession Planning Gaps: Lack of visible career paths or future roles may lead to disengagement and high performers may not see a future within the organization.



The recent HROA diagnostic Sample Company completed indicated a recurring theme in leaders' responses: low satisfaction with career pathing and development opportunities. When high po's don't see a clear path forward, it can impact engagement, succession planning, and long-term retention, especially in a competitive talent market.

• Recognition and Development: Compensation, recognition, and development opportunities may not be differentiated enough for top talent. Star employees may not know they're seen as stars. It's important to ensure that recognition practices explicitly acknowledge high-potential individuals, reinforcing their value and future growth within the organization.

Take time to understand why your high performers are leaving – sometimes people forget to tell their star talent that they are stars and share the plans they have for them.

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Losing Star Talent

Recommended Actions

- Run a market/compensation analysis for top-rated talent (aim ≥ 75thpercentile to market).
- Review succession planning, career paths, and recognition within the organization.
- Consider developing a formalized mentorship program. Pair each high po with a mentor and 12-month growth plan.
- · Sample Company does not currently track performance level (i.e., high, low) as a demographic within the diagnostics. This demographic should be added. This will improve the data and inform decision making.

Resources

- Research: Develop an Impactful High-Potential Program
- Learning Management Solution: Improve Poor Employee Performance

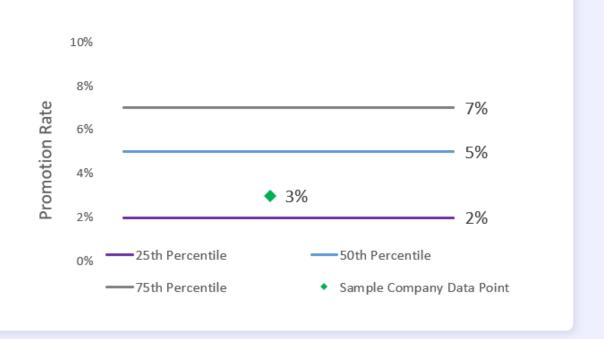
Slower Career Velocity

Overall Key Insights

At 3%, Sample Company falls just above the 25th percentile (2%) and below the peer-group median (5%), signaling slower upward career velocity than most technology peers. Is low turnover impacting this? Is there less opportunity because so few people are leaving?

While most employees are staying within the organization, top talent is leaving. This could be due to a lack of recognition, advancement, or growth opportunities. High performers are often more ambitious and career-driven. If they do not see a clear path forward or experience internal movement, they are more likely to seek opportunities elsewhere.

Low promotion rates may indicate a bottleneck in career progression or a flatter organizational structure. It may also reflect conservative promotion practices or lack of readiness in the talent pipeline. As a result, employees may feel stuck, which can lead to disengagement or attrition, especially among ambitious or high-potential staff.



Recommended Actions

- Document and share career paths with employees. Publish transparent career ladders by defining roles and levels within a job family and establish readiness criteria by identifying the skills and experiences required to move to the next level.
- Coach managers on internal-first hiring rule for ≥ 60% of openings to encourage internal mobility and career growth.
- Track promotion velocity by demographic (e.g., gender, race, age) to surface blockers. Look for patterns that suggest certain groups are advancing more slowly and investigate and address potential causes (e.g., bias, lack of access to development opportunities).

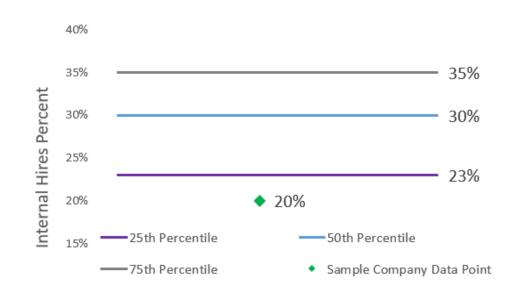
Thin Internal Fill Rate

Overall Key Insights

With 20% of roles filled internally, well under the median 30% and around the 15th percentile, Sample Company relies heavily on external recruiting and is under leveraging its own talent pipeline. Why is Sample Company not promoting internally?

A thin internal fill rate may indicate:

- · Limited Career Growth Visibility: Employees may not see clear pathways for advancement, which can impact engagement and retention.
- Over-Reliance on External Talent: This can increase hiring costs, slow time-tofill, and reduce institutional knowledge continuity.
- Potential Internal Barriers: Internal candidates may be overlooked due to unclear job posting practices, lack of visibility, or insufficient development support.



To address this, Sample Company could benefit from a comprehensive review of its talent acquisition strategy and succession planning. Enhancing internal mobility might involve implementing a hi-po program, improving transparency around internal opportunities, and actively managing underperformance to create space for emerging talent.

Modest Lateral Movement

Overall Key Insights

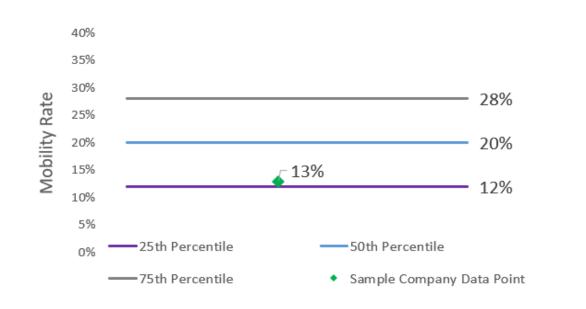
Sample Company's 13% lateral-move rate trails the 20% median yet edges above the 25th percentile (12%), indicating moderate but still sub-optimal crossfunctional movement compared to most peers.

Is this because Sample Company is growing quickly? Or is it because needed skills don't exist internally? If so, we need to have a plan to build those skills internally as well as go to the market for them in the shorter term.

Some potential barriers to internal movement may include:

- Lack of visibility of internal opportunities for existing employees.
- Insufficient career development or readiness support.
- Cultural or managerial resistance to internal moves.
- Inadequate systems or processes to facilitate mobility.

When employees do not see opportunities to grow or move within the organization, they may seek advancement elsewhere. This can lead to higher turnover of high-potential talent, increased external hiring cost, and a loss of institutional knowledge.



Thin Internal Fill Rate & **Modest Lateral Movement**

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Recommended Actions

- Launch an internal talent-marketplace where employees can view and apply for open roles, projects or stretch assignments across the organization. Allow for all jobs to be posted for 14-day internal-only before being opened to external candidates
- Recognize and incentivize managers who actively support internal mobility, whether by promoting team members, supporting crossfunctional moves, or developing talent for broader roles. Rewards can be formal (e.g., part of performance reviews or KPIs) or informal (e.g., recognition programs or bonuses)
- Conduct the HR Management & Governance diagnostic to identify if succession planning, internal mobility, and talent acquisition strategic planning are areas that need improvement

Resources

- Streamline the Internal Hiring Process
- Preparing for an Internal Talent Marketplace
- HR Management and Governance Diagnostic

Next Steps

Recommended follow-up call(s)

Schedule Guided Implementation on developing a hi-po program.

Consider launching an Employee Retention Pulse Survey

Launch the HR Management and Governance **Diagnostic**

Related resources based on top priority areas

Research

Develop an Impactful High-Potential Program

Develop an Effective Talent Retention Plan

Guide to Assessing Flight Risk of Key Talent

Streamline the Internal Hiring Process

Preparing for an Internal Talent Marketplace

Learning Solutions

Improve Poor Employee Performance



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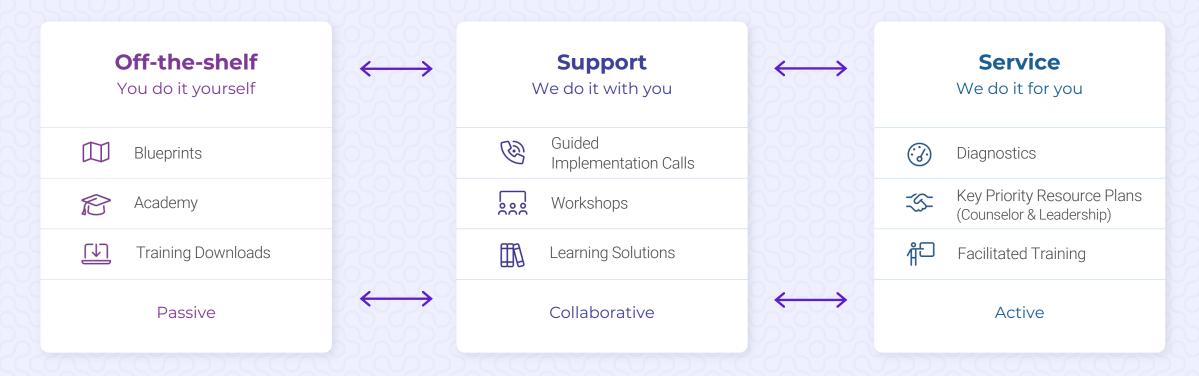
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Clients who engage actively enjoy the greatest value from McLean & Company



McLean & Company offers various levels of support to best suit your needs

DIY Toolkit

"Our team has already made this critical project a priority, and we have the time and capability, but some guidance along the way would be helpful."

Guided **Implementation**

"Our team knows that we need to fix a process, but we need assistance to determine where to focus. Some checkins along the way would help keep us on track."

Workshop

"We need to hit the ground running and get this project kicked off immediately. Our team has the ability to take this over once we get a framework and strategy in place."

Consulting

"Our team does not have the time or the knowledge to take this project on. We need assistance through the entirety of this project."

Diagnostics and consistent frameworks are used throughout all four options

