Beyond Salary and Benefits: Why Career Conversations Matter

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Meaningful discussions between managers and employees build stronger individuals and organisations.

A simultaneous surge of mass layoffs and unprecedented job growth in the United States has created a confusing, complex climate for companies. In such a paradoxical environment, organisations should seize the opportunity to retain talent instead of falling into a cycle of continuous turnover. By holding onto valuable employees and building on their skills and abilities, companies can create an environment of mutual success, leading to enhanced value for the organisation.

Having career conversations with managers, in addition to formal performance reviews, is an effective way to ensure that employees feel valued, motivated and committed. A study from Right Management found that almost 90 percent of employees believe that they are, or should be, responsible for their career development, and two-thirds of individual performance drivers are tied to career conversations.
Regular, meaningful discussions between employees and their managers or mentors can help foster a fulfilling work experience for both parties. Through these conversations, leaders can gain a better understanding of their employees’ core aspirations and help them plan their career and life trajectories more effectively. Managers can also derive a strong sense of **fulfilment** from understanding and developing others.

Career conversations are seldom incorporated into the mandatory talent management cycle. Non-HR executives may find the constant demand for formal evaluations and salary reviews to be burdensome enough. But a well-handled conversation is a powerful tool that benefits not only the company in terms of engagement and retention, but also the individual’s overall development and transformation. A single conversation can change an entire career path.

**Choosing the right boss**

Ensuring a good fit with one’s manager is crucial, particularly when transitioning into new roles. Jaya learnt this the hard way when she joined a tech giant after getting an MBA at Oxford University. Her first manager was incredibly supportive and had a genuine interest in helping her grow and succeed beyond her immediate remit. Monthly career conversations turned into strategising sessions on how Jaya could get the most “stretching” projects to best showcase her abilities. Jaya was thriving and building deep relationships with others across the organisation.

However, in her second role at the firm, Jaya had the opposite experience. She felt her new manager lacked the capacity to support her team and “career conversations” were tactical – like going through a shopping list of things she needed to do – and did little to encourage her growth. She said she was never offered any bridge-building opportunities or challenges to expand her scope, despite asking to take on more responsibility. In the face of pushback from her manager when she tried to take on more projects, she became pushier, and the situation descended into a passive-aggressive struggle. Jaya eventually decided to leave, and more than half of the team followed her lead soon after.

Since then, Jaya has resolved to select her bosses more carefully and has joined another tech giant where she believes her manager is invested in her success. She is confident that she will build an increasingly exciting and fulfilling career in this open, committed environment.
In contrast, Roxana had a positive experience from the outset when she started out in commercial and revenue management at a multinational beverage company. Her boss pushed her into a constant stream of projects and meetings that were outside the scope of her job description. Despite being out of her comfort zone, Roxana found these challenges enjoyable and relished the opportunities to experiment. In addition, her manager frequently inquired about her objectives and ambitions, encouraging her to think critically about her goals.

When an interesting opportunity came up, her boss encouraged her to take the plunge and pointed out the transferable skills she possessed, despite her claiming to have no relevant experience. Essentially, her manager supported her in finding a new career path by promoting exploration without restriction and cheering her on from the sidelines. Roxana’s boss remains a role model for her as she continues to develop a successful career.

**Being the right boss**

Managers can provide daily opportunities for employees to grow and stretch beyond their current roles by having conversations about every aspect of their careers. Claude, who worked at a multinational pharmaceutical company, established a clear moral contract with his employees, explicitly telling them that he would only keep them for a short time and then push them towards their next opportunity.

Claude fostered a comfortable and secure environment where employees were encouraged to seek help, advice or a nudge in a new direction. He helped an employee, Sven, realise that he had all the skills needed for a successful career in HR, despite initially wanting to pursue general management. With the support of Claude and other leaders, Sven was able to thrive in his new career path and catapulted from one HR leadership role to the next.

The willingness of managers to engage in open and honest conversations with their employees about career possibilities can clearly have a transformative effect on their careers and lives. Encouraging individuals to explore all possible options and supporting them to arrive at the best conclusion is a hallmark of great management.

Evidently, many leaders need to enhance their skills in this area. Part of the challenge is that many managers perceive career conversations as a
complex task. These discussions can be emotionally charged, and leaders must handle them delicately to ensure that expectations and motivations are appropriately managed. Nevertheless, the barriers to these conversations are not insurmountable.

**How to have deep, meaningful conversations with others**

Sven, through his experience giving and receiving career conversations, shared a few pointers on how to have an effective discussion.

- Ideally, employees asking for feedback should initiate the conversation instead of waiting for managers to bring the topic up.
- These individuals should have a career plan so that the topics discussed can focus on aspects of that plan such as on-the-job learning, strengths to leverage, enlargement of experience base and next career opportunities.
- Managers should actively observe and offer feedback.
- A climate of openness, trust, courage and empathy is required from both parties.
- The conversation shouldn’t be structured as this makes it difficult to explore new or unexpected topics.
- Career conversations should be held in parallel with a couple of trusted individuals, so that the focus is not all on one manager. A career advisory board can be very helpful.

Career conversations are not a check-the-box exercise, but rather a vital component of effective management. Mindful managers actively create an environment of possibility where employees feel empowered to discuss their career aspirations.

By investing time and effort into these discussions, managers can help their team members become more self-aware, identify their strengths and areas for improvement and create a plan for their future growth. Ultimately, this benefits both the employees and the organisation as a whole, leading to higher job satisfaction, increased retention and improved performance.

*Read an extended version of this article [here](https://knowledge.insead.edu/career/beyond-salary-and-benefits-why-career-conversations-matter).*

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