The Employee Development Gap

Why Prioritizing Growth Isn't Enough and What to Do Next

The Employee Development Gap Is Costing Organizations Growth

Employee development is a top priority — but it's not always translating into results. Here's what our research reveals.

- **Organizations know employee development matters.**
  Most companies say it's a high or top strategic priority.
- **Managers are expected to deliver it.**
  Organizations want managers to guide employee growth and career progression.
- **But organizations struggle to get managers involved.**
  Nearly half say it's a challenge to get them actively engaged and accountable.
- **Most managers aren't equipped to do it well.**
  78% of HR leaders say their managers aren't highly effective at supporting employee development.
- **And time is a constant constraint.**
  Employers cite both time for development and time to build programs as the biggest challenges.

That Impact Shows Up Clearly in the Employee Experience.

More than
1-in-3
EMPLOYEES

aren't getting critical development support from their managers.

38% do not have **ongoing career discussions** with their manager.

35% do not receive **help understanding advancement** opportunities.

32% are not supported in **exploring professional growth** opportunities.

EMPLOYEE DEVELOPMENT:

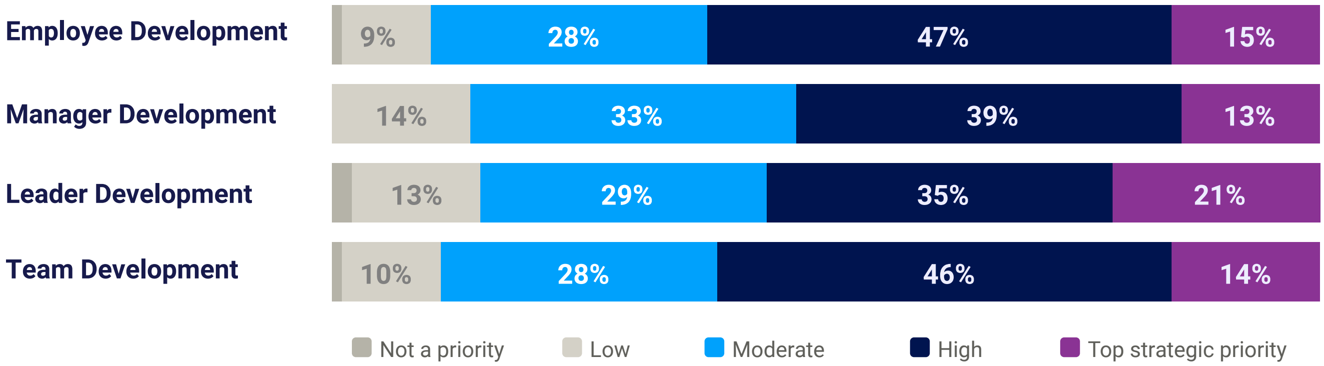
What the Data Reveals

In early 2026, the Energage People Science Team surveyed Top Workplaces and organizations working to become one (Aspiring Organizations). The goal: uncover what's working, what's not, and why some organizations are turning development into a competitive advantage — while others are stuck in neutral.

Development Is a Priority

When you ask organizations whether employee development matters, **the answer is a clear yes.**

Across the board, development is treated as a high — or even top — strategic priority. Employee, manager, leader, and team development all rank near the top of the agenda.



Company Size Shapes How Development Is Prioritized.

Large Organizations

Large organizations are more likely to prioritize development broadly — especially employee development — likely due to more formal programs and infrastructure.

Small Organizations

Small organizations tend to concentrate on employee and team development, where they can drive more immediate impact.

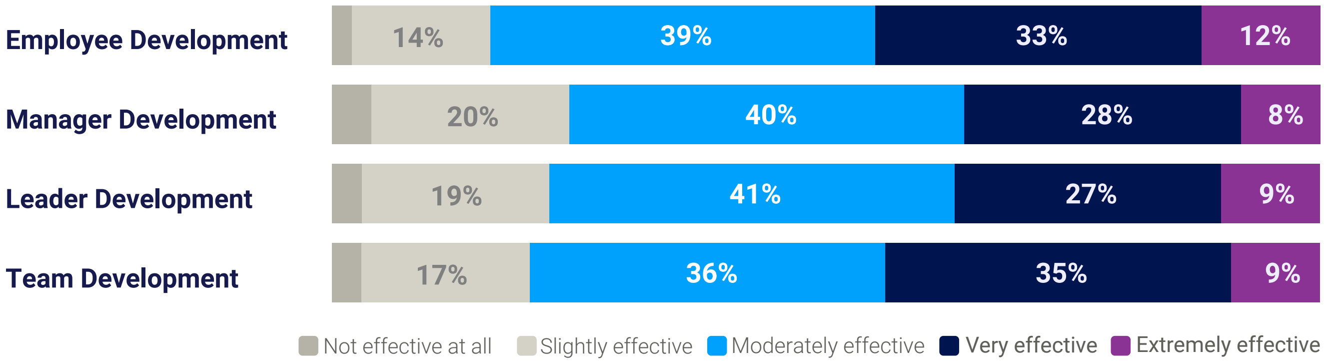
WHAT WE HEARD

"Our training department is top tier (in my opinion). We make sure new hires are set up for success and existing employees receive necessary training, as well as opportunities to train in areas that will help them promote."

Development Efforts Are Good, But Rarely Great.

Prioritization isn't the same as performance. Most organizations rate their development efforts as moderately to very effective — but very few say they're doing it extremely well. Development isn't broken, but it's not delivering standout impact either. And that's the gap: strong intent, average execution.

Here's how organizations rate their development efforts:



Larger Organizations

Large organizations tend to rate employee development more positively, but they're also more likely to struggle with maintaining team effectiveness as they scale.

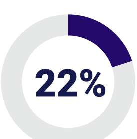
Smaller Organizations

Smaller organizations report lower effectiveness overall, suggesting development is harder to scale without dedicated resources.

THE TOP WORKPLACES DIFFERENCE

Top Workplaces rate themselves as more effective across nearly every area of development, outpacing Aspiring Organizations in all but leader development.

Managers Are the Engine. Problem Is, Most Aren't Equipped To Drive It.



Only 22% rate managers as **highly effective** at employee development.

The majority — 58% — fall into the middle, rated as only moderately effective. That's not a capability gap. **It's an enablement gap.**

Organizations Want Managers to Coach, Not Just Manage.

The most requested improvement is for managers to act as coaches — helping employees solve problems, remove obstacles, and navigate development, not just deliver performance feedback. Problem is that organizations are asking managers to do more than ever but not equipping them to do it well.

- **Act as coach by providing guidance, helping problem-solve, removing blockers, and supporting autonomy** **50%**
- **Recommend stretch / growth opportunities** **47%**
- **Provide growth opportunities aligned with employee career interests** **46%**
- **Provide ongoing feedback to all their employees** **45%**
- **Discuss employee career and job interests** **45%**
- **Discuss growth and development** **44%**

THE TOP WORKPLACES DIFFERENCE

Aspiring organizations emphasize starting the conversation. Top Workplaces build on that intent — but often miss a simple lever: clearly communicating available development opportunities.

Managers Focus on Feedback, But Less on Career Growth.

Managers are delivering on performance. Feedback is happening, and training is being shared. But when it comes to real development, like career conversations, stretch opportunities, and long-term growth, the follow-through drops off.

The result? **Employees get feedback, not direction**. Without clear paths forward, development stalls.

- **Provide feedback to under-performing employees** **70%**
- **Provide ongoing feedback to all their employees** **69%**
- **Communicate training and learning opportunities** **63%**
- **Act as coach by providing guidance, helping problem-solve, removing blockers, and supporting autonomy** **57%**
- **Discuss growth and development** **57%**

WHAT WE HEARD

"We have very strong manager and direct report relationships, so manager specific training makes the greatest impact for us. These trainings are very dialogue-based where managers learn and share with one another."

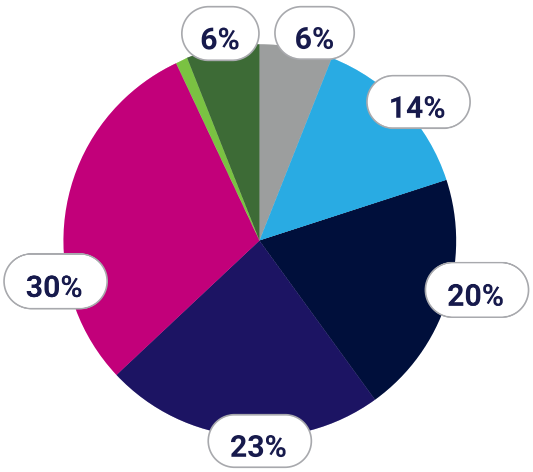
Development Conversations are Too Infrequent to Drive Growth.

Development doesn't happen without conversation — and most organizations aren't having them often enough.

93% have performance conversations at least once a year.

The problem? For many, that's where it stops. Annual and semi-annual reviews still dominate, making continuous development nearly impossible.

Weekly	**6%**
Once a month	**14%**
Once a quarter	**20%**
Twice a year	**23%**
Once a year	**30%**
Less than once a year	**1%**
Only when performance isn't meeting expectations	**6%**



The Problem Isn't Just Frequency — It's Also Focus and Quality.

Organizations aren't choosing one approach. About half focus on past performance, half on future growth, and one in four do both. It's encouraging that many focus on behaviors over personality, but **32% still feel like a check-the-box exercise**.

Focused on past performance	52%
Focused on future growth and development	50%
Focused on behaviors and outcomes	49%
Checking a box / administrative	32%
Clear and specific	16%
Focused on personality	5%

THE TOP WORKPLACES DIFFERENCE

Top Workplaces take a more intentional approach. They're more likely to use structured career conversations and development tools — creating clearer, more actionable paths for growth.

Organizations Say These Things Work

When asked what drives the most impact, organizations point to a consistent set of practices. The common thread: development works best when it combines learning, manager support, and real-world experience.

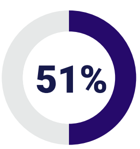
- **Structured training and learning platforms:** LMS platforms, online courses, internal training teams, and workshops.
- **Leadership development programs and pipelines:** Emerging leader programs, leadership academies, and manager bootcamps.
- **Manager coaching and regular feedback:** Consistent 1:1 meetings, coaching conversations, and performance discussions with managers were viewed as critical for guiding employee growth, setting goals, and supporting career development.
- **Career pathing and internal mobility:** Career frameworks, succession planning, internal promotions, and development plans.
- **Cross-training and experiential learning:** Job shadowing, cross-functional work, stretch assignments, and mentoring.

These efforts matter. They're visible, tangible, and widely used. But they're only part of the picture.

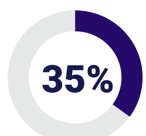
The Missing Piece: Tools That Turn Activity Into Growth

Organizations are also investing in tools designed to support ongoing, manager-led development. The problem? They're not being used that way. Instead, development still defaults to programs — while the tools meant to reinforce daily growth sit underused or disconnected.

Competency Models are Used to Measure Performance, Not Guiding Development.

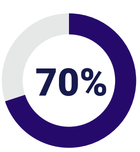


About half use them for employee ratings

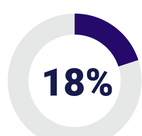


Some use them for manager and leader evaluations

Individual Development Plans (IDPs) Exist, but Aren't Always Part of the Rhythm.



The majority rarely use them or don't use them at all



Only a few use IDPs more than once a year

THE TOP WORKPLACES DIFFERENCE

Top Workplaces use **IDPs more often** than Aspiring Organizations — 60% vs. 41%. This is a clear signal that they embed development into how work gets done.

Others Available Development Tools are Limited — and Disconnected.

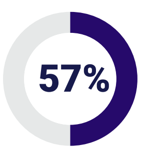
360s and multi-rater feedback are used by just 45% of organizations. And when they are, they're typically limited to select groups and rarely tied to development plans, promotions, or succession.

WHAT WE HEARD

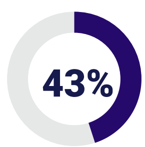
"Based on our engagement survey feedback, we've acted on training, development, and a few other areas. Overall, it has been valuable for the leadership team to be able to prioritize areas our team felt needed attention."

The Will is There. The Resources Often Aren't.

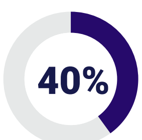
Organizations aren't struggling with development buy-in — they're struggling with bandwidth and resources. Competing priorities, limited manager capacity, and lack of dedicated time are the biggest barriers to making development happen:



Lack time to develop employees



Lack funding for development



Time to build programs

THE TOP WORKPLACES DIFFERENCE

Top Workplaces are less likely to cite a lack of training or development resources as a barrier. In contrast, one-third of Aspiring Organizations point to it as an obstacle — 14 percentage points higher.

NOW WHAT:

Why This Matters — and Where to Focus Next.

1 **Make manager-led development non-negotiable.**
Set expectations. Define what "good" looks like and then hold managers accountable. Pro Tip: Top Workplaces build development into how managers are measured.

2 **Redesign managers as coaches.**
Equip managers to guide growth, not just manage performance. Coaching is the #1 capability organizations want more of.

3 **Turn tools into habits.**
Use IDPs, check-ins, 360s, and competency models to drive conversations — not track activity. Pro Tip: Top Workplaces embed these into daily workflows.

4 **Improve conversation quality and frequency.**
Make development conversations regular, forward-looking, and specific. Remember, only 16% said performance conversations are clear and actionable.

5 **Connect training to real growth.**
Tie learning to stretch work, mobility, and manager follow-through. Growth happens through application.

6 **Make time — or it won't happen.**
Build development into existing rhythms and reduce friction. Don't forget, time was named the #1 barrier to growth.

7 **Think systems, not programs.**
Connect performance, development, feedback, and career pathing. Pro Tip: Top Workplaces integrate their solutions, while others remain fragmented.

DON'T LET DEVELOPMENT STALL AT "GOOD ENOUGH"

Most organizations are stuck in the same place: development is a priority, but results are average. The difference isn't intent. It's how development gets operationalized through your managers. Until they're enabled, expected – and equipped – outcomes won't change.

If you're ready to move beyond incremental progress, our team can help you design a development approach that actually delivers.

Request a free, personalized consult with our experts.

Let's Talk