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THE MANAGER'S GUIDE TO EMPLOYEE DEVELOPMENT

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CAREER DEVELOPMENT

THE MANAGER'S GUIDE TO EMPLOYEE DEVELOPMENT



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Even though we are not born coaches, it is within our role as managers to have career and professional development discussions with our employees. Career ambitions are important to all-around well-being and a sense of satisfaction in our work, although many of us feel ill-equipped for such discussions with employees. Still, four trends that will continue for the next several years make it crucial for managers to learn now how to create a culture of development.

1. Unemployment continues to decrease.

According to the U.S. Bureau of Labor Statistics, unemployment reached a low of 5.3 percent as of July 2015. We are beyond the recession, resulting in more career opportunities for employees who are not hesitant about moving on. In particular, high-potential employees are most at risk for seeking (and being sought for) more promising options outside their companies. An added challenge to retention is the easy accessibility of job listings and online and mobile application processes.

2. Workplace cultures are becoming more multigenerational. Boomers and Gen Xers are still prevalent in the workplace; however, Millennials are moving up, and in many cases are assuming leadership roles. According to a 2014 *Forbes* article, at Ernst & Young, 59 percent of managers are Millennials and 18 percent are senior managers, even though many have not been trained to become managers. Additionally, Generation Z (born between 1994 and 2010) is emerging as the next generation preparing to enter the workforce.

3. Technology continues to evolve and change at astonishing speed. Implications for workplace changes include:

- the need to learn new and changing business technologies
- increased ability to work remotely
- easier access to new job opportunities, both within and outside the company
- managers keeping their teams' abilities current, so their performance matches the pace of change.

Additionally, the prevalence of social media exponentially increases everyone's networking capability regardless of cost, location, status, and culture. Likewise, recruiters are also able to network, making it easier to access and entice potential talent in an increasingly competitive market.

4. Power has shifted from employers to employees. More workers are saying no to full-time employment. Some workers have grown frustrated with repeated layoffs and the treatment they receive as job candidates. Technology enables more workers to become free agents, and more virtual opportunities are available that are unhindered by geographical boundaries. By managing several part-time contracts, freelancers can have a flexible schedule and work-life balance, giving them significantly more control over their earnings. Furthermore, the Affordable Care Act has reduced the dependence on health insurance from employers, removing one more reason to work full time for one company.

Keeping these trends in mind, managers need realistic approaches they can use immediately to manage their critical talent resources. Flexibility in worker abilities will help managers handle constantly shifting supply, demand, and demographic variables.

This *TD at Work* is a primer intended for managers, human resources professionals, and others. It is a practical, go-to guide that will explain:

- why career development is important to the organization, employee, and manager
- who is responsible for specific aspects of the employee development process
- how to facilitate the employee development process
- the characteristics of a strong individual development process
- how to lead successful development discussions.

WHY EMPLOYEE DEVELOPMENT?

In a competitive global business landscape, company leaders and employees are wise to adopt continuous, agile learning practices. While employees should manage their careers for ongoing employability, companies should focus on attracting and retaining high-potential, promotable people.

Employee development has an upwardly beneficial impact, from employee to manager to organization. The potential advantages are numerous and dramatic. Best-practice companies, such as Genentech, realize the importance of investing in their employees' development. Genentech has received accolades from the training and development world for initiatives like its CareerLab. A blog post from career development firm Career Systems International further details the notable benefits achieved

by the company's dedication to employee development:

- The employee turnover rate is at 6.2 percent, in contrast with the industry average of 11 percent.
- Almost half of the job openings are filled by internal candidates.
- Approximately \$20 million in retention cost savings was realized in 2014, when the CareerLab helped find new roles for 76 high-potential employees whose positions were eliminated.

Employee development can be a proactive strategy. Business managers are smart to continually develop their employees even during times of stability, so that they don't wish they had done so when faced with talent shortages.

It is critical to note that employees, not employers, will decide where they will work. Specifically, Millennials, a fast-growing employee

BENEFITS OF EMPLOYEE DEVELOPMENT

Employee development:

- Increases retention.
- Boosts morale.
- Improves person-job match.
- Maintains up-to-date skills for the workforce.
- Provides the resource depth and flexibility needed to swiftly respond to market demands and organizational changes.
- Keeps talent development aligned with organizational strategies.
- Supports and enhances organizational workforce-planning programs.
- Fosters future leaders within the company for business sustainability and stability.
- Increases employee commitment and productivity.
- Attracts high performers to your organization.
- Drives cultural change. For instance, Microsoft implemented a career development system as a strategy to remain competitive. Per a 2007 study, its career model, "platform of common standards," was used to identify, assess, manage, and develop talent as the company shifted its culture.

population, look for employers that will support their development, not just a good salary. A 2015 EdAssist study of Millennials revealed that almost 60 percent “would pick the job with strong potential for professional development over one with regular pay raises.” This holds true even for Millennials with high student loan debt; 66 percent said they would trade regular pay increases for a job with strong employee development potential.

EMPLOYEE DEVELOPMENT HAS AN UPWARDLY BENEFICIAL IMPACT, FROM EMPLOYEE TO MANAGER TO ORGANIZATION.

- Employee development encompasses three major considerations:
1. abilities and skills—the employee’s current specific skills, knowledge, and competencies that are necessary for the ongoing success of the business
 2. organizational needs—the needs and expectations of each role in the organizational structure
 3. employee interests—career aspirations, the ability to fulfill current and future roles, identified gaps, personality type, and a plan for development.

Figure 1 displays the intersection of these three components. The ideal target for your employees’ development, as shown in Figure 2, is at the overlap of employee interests and organizational needs.

The objective is to maintain employee engagement and retention, and to develop individual and organizational capabilities, especially for promising employees with potential to make significant contributions to organizational imperatives. Otherwise employees are free to take their services to competitors. Your acquired and developed talent are a competitive advantage. An international study of organizational effectiveness by Right Management shows that companies providing career development opportunities are

FIGURE 1. ALIGN SKILLS AND INTERESTS WITH ORGANIZATIONAL NEEDS



SOURCE: ATD INTEGRATED TALENT MANAGEMENT CERTIFICATE PROGRAM

FIGURE 2. TARGET AREA FOR SKILL DEVELOPMENT



SOURCE: ATD INTEGRATED TALENT MANAGEMENT CERTIFICATE PROGRAM

six times more likely to engage key talent and four times less likely to lose them. Findings also indicated that only one-third of employees are fully engaged. Of the top 15 engagement drivers, 10 can be tied to career discussions.

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