

Achieving Strategic Human Capital ROI from Career Development

by Paul Stevens, Founder / Director, The Centre for Worklife Counselling

Career development programs within organisations have experienced fluctuating fortunes. Many people dismiss them as too ‘new age’ or ‘touchy-feely’ or an indulgence in the employees’ direction rather than as a contribution to an employer’s effectiveness. Many career program proposals to Executive Managers have foundered because they were not linked to the essentials involved in human capital management.

Organisations that consistently perform well are continually seeking ways to increase the value from their human assets – the people they employ. They see these assets as a source of sustaining competitive advantage and optimising business performance. Executive Managers view human capital as being of critical economic value.

But this human capital has a price on the labour market and staff may leave and transfer their value to another employer, even a competitor. Those who stay contribute added value only to the degree of their willingness to perform and deliver desired business goals. Both those who are

contemplating resigning and those who are not will provide this added value only when each *individual’s intrinsic motivating factors* are met or on their way to being met. Intrinsic motivation is the psychological reward employees derive directly from the work itself. *Extrinsic factors* such as pay, benefits, status, bonuses, commissions, pension plans, expense budgets and so on can only go so far in providing motivation.

The *psychological contract* of intrinsic motivating factors is a key to an explanation when an employer seeks to find out why desired standards of effectiveness and efficiency are not being met. Frequently the answer can be found in employees’ attitudes towards the degree of support that each perceives is being provided for the enrichment of their personal career satisfiers. Career satisfiers have considerable power to influence levels of employee commitment and the intention to stay employed with the organisation.

It is not sufficient to have an employer-sponsored career development program in place unless it is focused on satisfying

the intrinsic motivating factors of staff. These factors, in turn, can differ from one person to another and from one occupational group to another.

Career Development Defined

Career development is not about promoting linear career progression upwards through a layered hierarchy of increasing responsibilities, financial rewards and more time spent at work. It is about helping employees to become change resilient, more secure in themselves and their future as the organisation adjusts to changing market situations. It is about increasing employability that broadens the range of potential job roles open to the individual and extends the value of continuing with their employment.

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When employees feel more secure about managing their own careers, they cooperate and contribute better to the needs of their work unit. Career planning undertaken by employees is the management of surprise, i.e. their readiness to adjust to often rapid

Worklife has been providing career and life planning services since 1979. Recent innovations are Worklife’s CareerMastery®, a virtual career self-help centre at <http://www.careermastery.com> and the College for Career Practitioners, a distance education, on-line facility at <http://www.worklife.com.au/learning/colindex.html> with a current enrolment of 79 students from 11 countries.

and unexpected organisational circumstances. Career development can serve as the foundation of any serious change management initiative. Without it, such an initiative may founder.

Career development teaches employees how to manage change by helping them to be more adaptable to unforeseen events that happen in their work-life. It moves employees towards self-help actions on their skills, knowledge and behavioural growth, providing they also meet the employer's wants. It reflects the new transactional relationship between employer and employee. This new relationship requires employees to be self-sufficient but does not preclude the need for, in fact requires, help from others. In this way the relationship will be a satisfying one.

Career development is about regarding employees as an investment whose value can be enhanced, not considering them only as a cost. Competitiveness in today's economy depends on leveraging knowledge assets. An organisation's people define its character, affect its capacity to perform and represent the knowledge base of the enterprise. Empowerment of employees in their own career development can often reveal talent previously hidden and allow it to blossom and flourish to the benefit of all.

The current generation of employees has a wider range of choices, now that a framework has evolved for many new ways of working. Career ladders and job titles are being replaced by options to develop competencies by planned moves – both lateral and vertical, or even downshifting – through a succession of

work roles and participation in multi-task teams. Career change can occur where employees currently work and not, as in the past, only by moving to someone else's employ. In fact, the wide range of choices associated with one's career is often the source of much individual confusion.

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Managerial skill demands are changing. Employers need managers who are better at persuading than giving orders, who know how to career coach and build consensus, who add value by negotiating job assignments with people, not presiding over 'parishes of power' and directing who goes where. The ROI in career development requires this behavioural style from managers.

What Works, What Doesn't

Over the past 24 years Worklife has accumulated a great deal of experience about what is economical for employers to invest in and provide in terms of career development support interventions. Worklife has partnered with employers in the design, implementation and measurement of such programs in Australia, Sweden, South Africa, Ireland, Hong Kong SAR and Singapore.

We know that packaged approaches to career development programs do not work. Each has to be tailored to suit the nature of the employment environment and its culture. Human behaviour is the same, the con-

text in which those behaviours function and respond differs from one employer to another and from one culture to another.

We know that a systems approach to program design is necessary. We know that a considered mix of delivery media is required for success, such as face-to-face consultations, print-form self-help materials and technology-driven eLearning, i.e. Intranet/Internet. We have learned that the more effective programs solicit voluntary participation from employees rather than make it compulsory.

A précis of our approach is within the article: *The Worklife Methodology* at:

<http://www.worklife.com.au/resource/index.html>

The WRDI Institute in Melbourne has also accumulated a wealth of experience. Their 22 page White Paper on improving the bottom line through diagnosis and targeted career development is available from:

info@wrdi-institute.com

More information and extensive case studies are at:

<http://www.wrdi-institute.com>

The Career Action Step Proposal

Whatever combination of delivery media is used, an *output document* prepared by employees is critical to career program design and ROI program management. Otherwise measurement is dependent on subjective qualitative assessment, such as an appraisal of morale.

For many years we have recommended a procedural requirement in a career development support program – that each par-

ticipating employee should produce a Career Action Step Proposal (CASP) in written form (see Figure 1). Employees complete and submit this document, not on a rigid timetable by a set date every year, but when each has undertaken the essential self-search and exploration *journey*, reflected on their findings and then felt ready to communicate what they seek and why they merit it.

This *journey* may be undertaken several times during their employ with the organisation. Each *journey* may take from three weeks to three months, sometimes longer.

A key focus of an employer's career development support program is to motivate the employee to undertake sufficient self-review and exploration so that each can confidently complete a CASP. This document is about what the individual wants to accomplish in enhancing their career self-management.

The critical factor in the five-section design of the CASP is that, as the employee conveys what they are seeking, they also specify what they are prepared to contribute towards its realisation. It is a statement of their commitment.

1. My Goal is: What? Where?

When?: The employees' responses to the first section of the CASP provide information about their career aspirations. This data can be used as input information for *succession planning* by both HR and Line Managers. Most succession planning conjectures at the career direction preferences of individuals. These

Figure 1

Career Action Step Proposal (CASP)

My Goal is:

What? _____

Where? _____

When? _____

My Performance Improvement:

My support needs and planned actions to improve my performance in order to earn approval for my proposal are:

- _____
- _____
- _____

My Training Plan:

The new knowledge and skills I need to attain my goal, in priority sequence are:

- _____
- _____
- _____

My Self-Development Plan:

My personal actions that will enhance my development, relating to my goal are:

- _____
- _____
- _____

My Job Enrichment Plan:

How my current job role may be enhanced to increase my work satisfaction is by:

- _____
- _____
- _____

assumptions are often discovered to be wrong only when the time comes to act on job succession moves or to select project teams. By motivating employees to decide on and communicate their career direction aspirations, the organisation substantially reduces the hazards of succession planning and internal mobility.

2. My Performance

Improvement: The responses documented in this section are particularly useful when they form part of the discussions between manager and employee during a *performance appraisal review*.

3. My Training Plan: Here the recorded information can be extrapolated and, when collated, contributes to defining what and where training can be provided most pertinently, i.e. a *training needs analysis*.

4. My Self-Development Plan and 5. My Job Enrichment Plan: These concluding sections of the CASP, when completed intelligently, increase the *employee's employability*. In other words, the employee's stated commitments enhance their value for their continuing employment by the company.

Employees are, in the main, realistic about the tenuous nature of their continued employment. Many employees now accept that career protection and continued employment are often dependent on their own actions in personal development. The CASP process

emphasises that employees should initiate this. (See Figure 2.)

Program Elements

Career development program components can be far ranging and their scope and selection need to be linked to other human capital strategies already in operation or planned for implementation, e.g. mentoring programs, leadership development, key staff retention, assistance to minority groups, work and life balance, etc. Regard the following as a smorgasbord of choice but remember that the career program design should include a combination of the three delivery media.

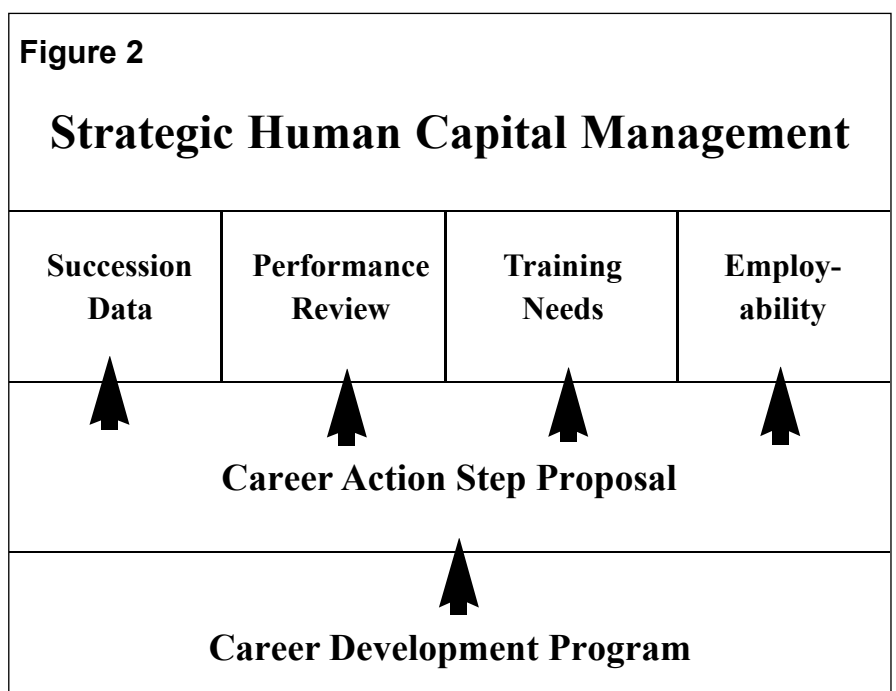
Face-to-face: Confidential access by staff to a coaching facility – either manager, HR staff, non-HR staff, mentors selected and trained in career coaching, or outsourced to an external career service of repute. 'Brown bag' lunch time seminars on career topics. Also career

action planning workshops should be considered, although demand for these work-time consuming learning events is reducing in favour of the following.

Printed resources: Employee career self-help library; structured learning workbooks customised for the employment culture of the organisation; career self-management educational booklets; directories of occupational information; competency self-audit resources; non-psychometric self-assessment instruments.

Technology-driven eHR: A self-service environment is introduced using an Intranet or Internet site for staff to access eLearning on-line training programs, preferably with downloadable worksheet facilities and on-screen self-assessment instruments. For an example see: <http://www.careermastery.com>

Career program elements can present a bewildering array of choice between competing options and cause apprehension concerning what to invest in



when budgets are tight and ROI expectations urgent.

The Career Self-Search Process

Through many studies and consultancy assignments in several countries, we now have much more confidence that adults determine their own career direction, providing they are helped with the right tools and can have access to supportive coaches, if desired, during the process.

With the right tools, the employee selects and assembles data about: their preferred skills; their career-related values; primary wants in their life-work; an appraisal of their perceived constraints or barriers to their desires; and their motivated interests. They conclude this self-assessment by sorting out their desired new learning.

This self-assessed data is then carried forward through a series of stages of further actions before the employee is ready to formulate their CASP. A model is essential for this. See the article: *The Stevens Model of Career Development* at:

<http://www.worklife.com.au/resource/index.html>

Any model selected by an employer should have sound methodology as its foundation and clear guidelines for the user to help them assess when they are ready to move to the next stage.

The Route to ROI

An organisation wanting to revitalise or extend an existing range of career services, or to initiate them, needs to be prepared to

educate first, provide employee self-help resources second, and finally delineate clear corporate expectations in consultation with management so that the effort and cost can be measured, i.e. the success rating factors. The latter need to be linked to operational issues of current concern to the effective management of the business, whether for-profit or not-for-profit.

One of our corporate clients defined their human capital concerns as: *an aging workforce; insufficient numbers of people with pivotal business and information technology skills; and a need for negotiation and partnership skills among all employees in the field.* The custom-designed career development program that ensued focused on these issues.

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Whether career development support is delivered to employees via print or electronic media, it is critical to provide voluntary access to skilled helpers other than their manager for discussions. These skilled helpers are usually termed 'career coaches'. The workload of HR staff sometimes inhibits their availability to fulfil this role. For several years Worklife has helped employers to select and train suitable staff who are not from the HR function to be part-time career coaches. The advantage of this is that career help is dispersed, visible and accessible to employees close to or within their immedi-

ate work unit.

The growth of in-company career development programs has been matched with the growth in commercial offerings of career systems and materials. A caution here, as many suppliers offer quick-fix solutions which rarely include an educational component or a sound underpinning methodology. The outcomes from employees' use of these may not be sustainable in real-life situations at work and jeopardise the critical ROI.

Career development programs should be designed, implemented and assessed by how well the components are contributing to the achievement of the employer's strategic objectives and pursuit of its mission. Career development is then working within a strategic human capital context.

HR practitioners are often criticised for failing to operate in a strategic way or are infrequently valued for doing so. Skilful career development program design and management is a way for this image to be corrected. By shaking off the administrative image of HR and focusing on value-adding strategies, such as career development, a new rationale for the HR function's role emerges – not as a cost centre but as an asset developer for enhancing and protecting the organisation's human capital.

By using career development delivery systems skilfully, Human Resources can, in partnership with managers, tap into the reservoir of latent potential for superior performance deep within the organisation's human capital and be rewarded by handsome dividends in productivity

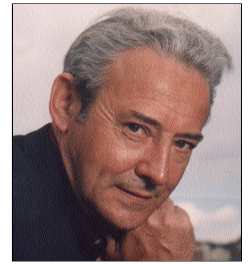
and profitability.

It is worthwhile pondering the derivation of the term 'career'. It comes from the Latin word, *car - raria* meaning a carriage-road. One measure of ROI is to ask if the career program carries the employee towards their satisfiers, concurrent with the evolving destinations of the employer.

Career development, when appropriately implemented, can

help heal the emotional wounds – those intrinsic factors – that unsatisfying work causes in many people in employment. It has the power to enhance the wellbeing of employees and also our larger communities which, in turn, improves the economic welfare of a country's human assets.

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Among the 40 titles he has written in the form of texts, guides and instruments is Career Development Support in Organisations, 180 pages, ISBN 1 875134 21 2, A\$32.95

The WORKLIFE® Series

This article is published in the interests of promoting best practice in the provision of support to adults in their career management and life transitions and to enhance their contributions to those who employ them.

Other articles in The WORKLIFE® Series are:

- *Bottom Up Succession Planning Works Better*
- *The Worklife Methodology: A Framework for Career Transition Making*
- *What Works and What Doesn't in Career Development Programs*
- *Career Self-Help Centres: An HRM Initiative with Distinct ROI*
- *Gaining Commitment to Change through Career Coaching*
- *Strategies for Electronic Career Support to Employees*
- *Why Career Planning Can't Be Hurried*
- *Portfolio Careerism: Are You Ready?*

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An Explanation — WORKLIFE®

The term 'worklife' was chosen to reflect our continuing work in research, counselling, training and publishing material which relates to improving people's enjoyment from their employment activities and other aspects of their lives.

We do not accept the traditional view of career support – that is, to help people acquire satisfaction only from their working hours. We consider that occupational satisfaction can only occur when a person's total needs are included in the assessment of what is lacking and what needs to be done to increase inner wellbeing, improved relationships with others, and effective performance both at work and non-work activities. 'Life' in Worklife means our focus is on the total person. 'Work' relates to the paid and unpaid roles in which the person is involved (employee, student, homemaker, and citizen) and their environments (workplace, educational institution, home, community).

Ours is a holistic approach – in our counselling and career training learning events we consider all features of a person at the same time as maintaining respect for personal privacy by use of non-threatening inquiries into thoughts and circumstances.

Finding one's purpose rarely comes as an epiphany. More often it is found with great difficulty. It's up to you to do the work of discovery, to connect with an answer. There is no such thing as a career path any more – it's crazy paving and you lay it yourself.

Paul Stevens