

Chapter

9

Developing Employees for Future Success

What Do I Need to Know? After reading this chapter, you should be able to:

1. Discuss how development is related to training and careers.
2. Identify the methods organizations use for employee development.
3. Describe how organizations use assessment of personality type, work behaviors, and job performance to plan employee development.
4. Explain how job experiences can be used for developing skills.
5. Summarize principles for setting up successful mentoring programs.
6. Tell how managers and peers develop employees through coaching.
7. Identify the steps in the process of career management.
8. Discuss how organizations are meeting the challenges of the “glass ceiling,” succession planning, and dysfunctional managers.

Introduction

As we noted in Chapter 1, employees' commitment to their organization depends on how their managers treat them. To “win the war for talent” managers must be able to identify high-potential employees, make sure the organization uses the talents of these people, and reassure them of their value, so that they do not become dissatisfied and leave the organization. Managers also must be able to listen. Although new

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**employee
development**

The combination of formal education, job experiences, relationships, and assessment of personality and abilities to help employees prepare for the future of their careers.

employees need strong direction, they expect to be able to think independently and be treated with respect. In all these ways, managers provide for **employee development**—the combination of formal education, job experiences, relationships, and assessment of personality and abilities to help employees prepare for the future of their careers. Human resource management establishes a process for employee development that prepares employees to help the organization meet its goals.

This chapter explores the purpose and activities of employee development. We begin by discussing the relationships among development, training, and career management. Next, we look at development approaches, including formal education, assessment, job experiences, and interpersonal relationships. The chapter emphasizes the types of skills, knowledge, and behaviors that are strengthened by each development method, so employees and their managers can choose appropriate methods when planning for development. The third section of the chapter describes the steps of the career management process, emphasizing the responsibilities of employee and employer at each step of the process. The chapter concludes with a discussion of special challenges related to employee development—succession planning, the so-called glass ceiling, and dysfunctional managers.

LO1

Training, Development, and Career Management

Organizations and their employees must constantly expand their knowledge, skills, and behavior to meet customer needs and compete in today's demanding and rapidly changing business environment. More and more companies operate internationally, requiring that employees understand different cultures and customs. More companies organize work in terms of projects or customers, rather than specialized functions, so employees need to acquire a broad range of technical and interpersonal skills. Many companies expect employees at all levels to perform roles once reserved for management. Modern organizations are expected to provide development opportunities to employees without regard to their sex, race, ethnic background, or age, so that they have equal opportunity for advancement. In this climate, organizations are placing greater emphasis on training and development. To do this, organizations must understand development's relationship to training and career management.

Development and Training

The definition of development indicates that it is future oriented. Development implies learning that is not necessarily related to the employee's current job.¹ Instead, it prepares employees for other positions in the organization and increases their ability to move into jobs that may not yet exist.² Development also may help employees prepare for changes in their current jobs, such as changes resulting from new technology, work designs, or customers. So development is about preparing for change in the form of new jobs, new responsibilities, or new requirements.

In contrast, training traditionally focuses on helping employees improve performance of their current jobs. Many organizations have focused on linking training programs to business goals. In these organizations, the distinction between training and development is more blurred. Table 9.1 summarizes the traditional differences.

	TRAINING	DEVELOPMENT
Focus	Current	Future
Use of work experiences	Low	High
Goal	Preparation for current job	Preparation for changes
Participation	Required	Voluntary

TABLE 9.1
Training versus
Development

Development for Careers

The concept of a career has changed in recent years. In the traditional view, a career consists of a sequence of positions within an occupation or organization.³ For example, an academic career might begin with a position as a university’s adjunct professor. It continues with appointment to faculty positions as assistant professor, then associate professor, and finally full professor. An engineer might start as a staff engineer, then with greater experience earn promotions to the positions of advisory engineer, senior engineer, and vice president of engineering. In these examples, the career resembles a set of stairs from the bottom of a profession or organization to the top.

Changes such as downsizing, restructuring, bankruptcy, and growth have become the norm in the modern business environment. As this has happened, the concept of career has become more fluid. The new concept of a career is often referred to as a **protean career**—that is, a career that frequently changes based on changes in the person’s interests, abilities, and values and in the work environment. For example, an engineer might decide to take a sabbatical from her position to work in management at the United Way for a year. The purpose of this change could be to develop her managerial skills and evaluate whether she likes managerial work more than engineering. As in this example, the concept of a protean career assumes that employees will take major responsibility for managing their careers. This concept is consistent with the modern *psychological contract* we described in Chapter 2. In place of the traditional expectation of job security and advancement within a company, today’s employees need to take control over their careers and personal responsibility for managing their careers. They look for organizations that will support them by providing development opportunities and flexible work arrangements so they can pursue their goals.

protean career
A career that frequently changes based on changes in the person’s interests, abilities, and values and in the work environment.

In this environment, employees need to develop new skills, rather than rely on an unchanging base of knowledge. This need results from employers’ efforts to respond to customer demands. The types of knowledge that an employee needs have changed.⁴ The traditional career requires “knowing how,” or having the appropriate skills and knowledge to provide a particular service or product. Such knowledge and skills remain important, but a protean career also requires that employees “know why” and “know whom.” Knowing why means understanding the employer’s business and culture in order to apply knowledge and skills in a way that contributes to the business. Knowing whom means developing relationships that contribute to the employer’s success—for example, connections with vendors, suppliers, community members, customers, or industry experts. Learning these categories of knowledge requires more than formal courses and training programs. Rather, the employee must build relationships and obtain useful job experiences.

These relationships and experiences often take an employee along a career path that is far different from the traditional steps upward through an organization or profession. Although such careers will not disappear, more employees will follow a spiral

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career path in which they cross the boundaries between specialties and organizations. As organizations provide for employee development (and as employees take control of their own careers), they will need a pair of opportunities. First, employees need to determine their interests, skills, and weaknesses. Second, based on that information, employees seek development experiences that will likely involve jobs and relationships as well as formal courses. As discussed later in the chapter, organizations can meet these needs through a system for *career management* or *development planning*. Career management helps employees select development activities that prepare them to meet their career goals. It helps employers select development activities in line with its human resource needs.

LO2

Approaches to Employee Development

The New York City–based Metropolitan Transportation Authority (MTA) found that it needed a system for developing employees for first-level management positions.⁵ To meet that need, it created its Future Managers Program. The goal of the program is to develop first-level managers who understand the transportation business and operations. It uses assessment, courses, job experiences, and relationships, combining classroom instruction that provides a learning foundation with job rotation that exposes participants to a wide variety of experiences. Class time is devoted to case studies, team building, and practice in problem solving, delegation, leadership, and communications. Working in groups, employees complete projects that involve real issues such as creating a customer service brochure in Chinese. Job rotation assignments have included working with the system road foreman, in the operations control center, and at Grand Central Terminal. Because job rotation makes employees familiar with different aspects of operations, they are prepared to move into new areas when positions become available. During the process, mentors answer questions and help participants understand the MTA's culture. Supervisors and peers provide continued performance feedback. After completing the program, a majority of graduates have received jobs they desired.

As at the MTA, employee development often focuses on managers, but development is useful for all levels of employees. For example, a grocery store manager could give clerks feedback as part of their performance appraisals. At the same time, the manager could ask the clerks to think of ways to change their weaknesses and invite them to state goals, such as positions they desire to hold in the future. In this way, the performance management process can support employee development.

The many approaches to employee development fall into four broad categories: formal education, assessment, job experiences, and interpersonal relationships.⁶ Fig-

Employee development includes building relationships with key vendors, suppliers, or community members that contribute to career success.



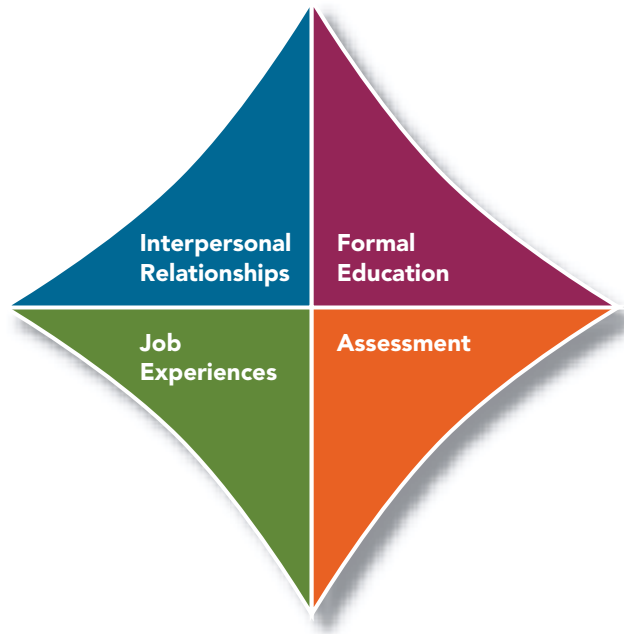


FIGURE 9.1

The Four Approaches to
Employee Development

Figure 9.1 summarizes these four methods. Many organizations combine these approaches, as in the previous example of the MTA.

Formal Education

Organizations may support employee development through a variety of formal educational programs, either at the workplace or off-site. These may include workshops designed specifically for the organization's employees, short courses offered by consultants or universities, university programs offered to employees who live on campus during the program, and executive MBA programs (which enroll managers to meet on weekends or evenings to earn a master's degree in business administration). These programs may involve lectures by business experts, business games and simulations, experiential programs, and meetings with customers. Chapter 7 described most of these training methods, including their pros and cons.

Many companies, including Motorola, IBM, General Electric, and Metropolitan Financial, operate training and development centers that offer one- or two-day seminars and week-long programs. For example, GE's Management Development Institute in Crotonville, New York, teaches courses in manufacturing and sales, marketing, and advanced management training.⁷ New employees may take the professional development program, with courses emphasizing preparation for a specific career path. Courses in the executive development program emphasize strategic thinking, leadership, integration of the functional specialties, global competition, and customer satisfaction. Tuition is paid by the employee's business unit.

Independent institutions offering executive education include Harvard, the Wharton School of Business, the University of Michigan, and the Center for Creative Leadership. A growing number of companies and universities are using distance learning (discussed in Chapter 7) to reach executive audiences. For example, Duke University's Fuqua School of Business offers an electronic executive MBA program. Students use personal computers to view lectures on CD-ROM, download study aids,

E- HRM



E-Learning Helps Build Management Talent at IBM

To compete successfully, companies need to identify employees with managerial talent and help managers become more effective. To attract and retain talented employees, companies must offer training and development opportunities. This can be challenging for a company such as IBM whose employees are geographically dispersed and dealing with many demands. IBM's solution is to apply its e-commerce expertise to its development programs.

IBM's "Basic Blue for Managers" program uses e-learning and face-to-face classroom experiences. The program helps managers understand their responsibilities in managing performance, employee relations, diversity, and multicultural issues. It moves the learning of all basic management skills to the Web, using classroom experiences for more complex management issues. It also gives managers and their bosses greater responsibility for development, while the company provides support in the form of unlimited access to development activities and support networks.

The learning model has four levels:

1. *Management quick views*—These provide practical information on over 40 common management topics related to how to conduct business, leadership and management competencies, productivity, and HRM issues.
2. *Interactive learning modules and simulations*—Interactive simulations emphasize people and task management. Employees learn by viewing videos; interacting with models of problem employees; deciding how to deal with a problem, issue, or request; and getting feedback on their decisions. Case studies also are available for review.
3. *Collaborative learning*—The learner can connect on IBM's intranet with tutors, team members, customers, or other learners to discuss problems, issues, and approaches to share learning.
4. *Learning labs*—Five-day class workshops build on the learning acquired during the previous phases of e-learning. The workshops

emphasize peer learning and the development of a learning community. Through challenging activities and assignments, managers gain increased awareness of themselves, their work teams, and IBM.

The program recognizes the roles of the manager's supervisor as coach, supporter, and role model. This person provides coaching and feedback, on-the-job learning experiences, assessment of the manager's development needs and progress, and help in completing individual development plans.

IBM believes that e-learning combined with the classroom environment lets managers participate in self-directed learning, try out skills in a low-risk environment, and gain access to communities of learning and just-in-time learning. Combining the advantages of e-learning with classroom experiences and support from the manager's supervisor creates a superior development program.

SOURCE: N. Lewis and P. Orton, "The Five Attributes of Innovative E-Learning," *Training and Development*, June 2000, pp. 47-51.

discuss lectures, and work on team projects using computer bulletin boards, e-mail, and live chat. They also use the Internet to research topics and companies. The nearby "e-HRM" box details how IBM is using the Web for its management development program.

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Another trend in executive education is for employers and the education provider to create short courses with content designed specifically for the audience. An example of this type of customized learning is the Global Leadership Program run by Columbia University's business school. There, executives work on real problems they face in their jobs. One participant, a manager for window maker Pella Corporation, left the program with a plan for international sales.⁸

Executive education also may supplement formal courses with other types of development activities. Avon Products offers its Passport Program to employees thought to have potential to be general managers.⁹ To learn Avon's global strategy, they meet for each session in a different country. The program brings a team of employees together for six-week periods spread over 18 months. University faculty and consultants give participants general background of a functional area. The team then works with Avon senior executives on a country project, such as how to enter a new market. The teams present their projects to Avon's top managers.

Assessment

Another way to provide for employee development is **assessment**—collecting information and providing feedback to employees about their behavior, communication style, or skills.¹⁰ Information for assessment may come from the employees, their peers, managers, and customers. The most frequent uses of assessment are to identify employees with managerial potential to measure current managers' strengths and weaknesses. Organizations also use assessment to identify managers with potential to move into higher-level executive positions. Organizations that assign work to teams may use assessment to identify the strengths and weaknesses of individual team members and the effects of the team members' decision-making and communication styles on the team's productivity.

For assessment to support development, the information must be shared with the employee being assessed. Along with that assessment information, the employee needs suggestions for correcting skill weaknesses and for using skills already learned. The suggestions might be to participate in training courses or develop skills through new job experiences. Based on the assessment information and available development opportunities, employees should develop action plans to guide their efforts at self-improvement.

Organizations vary in the methods and sources of information they use in developmental assessment. Many organizations appraise performance. Organizations with sophisticated development systems use psychological tests to measure employees' skills, personality types, and communication styles. They may collect self, peer, and manager ratings of employees' behavior and style of working with others. The tools used for these assessment methods include the Myers-Briggs Type Indicator, assessment centers, the Benchmarks assessment, performance appraisal, and 360-degree feedback.

Myers-Briggs Type Indicator®

The most popular psychological test for employee development is the **Myers-Briggs Type Indicator (MBTI)**. This test, taken by millions of people each year, identifies individuals' preferences for source of energy, means of information gathering, way of decision making, and lifestyle. The results of the test provide information for team building and leadership development. The test consists of more than 100 questions

LO3

assessment

Collecting information and providing feedback to employees about their behavior, communication style, or skills.

Myers-Briggs Type Indicator (MBTI)

Psychological test that identifies individuals' preferences for source of energy, means of information gathering, way of decision making, and lifestyle, providing information for team building and leadership development.

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TABLE 9.2
Personality Types Used in the Myers-Briggs Type Indicator Assessment

		SENSING TYPES (S)		INTUITIVE TYPES (N)	
		THINKING (T)	FEELING (F)	FEELING (F)	THINKING (T)
Introverts (I) Judging (J)	ISTJ Quiet, serious, earn success by thoroughness and dependability. Practical, matter-of-fact, realistic, and responsible. Decide logically what should be done and work toward it steadily, regardless of distractions. Take pleasure in making everything orderly and organized—their work, their home, their life. Value traditions and loyalty.	ISFJ Quiet, friendly, responsible, and conscientious. Committed and steady in meeting their obligations. Thorough, painstaking, and accurate. Loyal, considerate, notice and remember specifics about people who are important to them, concerned with how others feel. Strive to create an orderly and harmonious environment at work and at home.	INFJ Seek meaning and connection in ideas, relationships, and material possessions. Want to understand what motivates people and are insightful about others. Conscientious and committed to their firm values. Develop a clear vision about how best to serve the common good. Organized and decisive in implementing their vision.	INTJ Have original minds and great drive for implementing their ideas and achieving their goals. Quickly see patterns in external events and develop long-range explanatory perspectives. When committed, organize a job and carry it through. Skeptical and independent, have high standards of competence and performance—for themselves and others.	
	Perceiving (P)	ISTP Tolerant and flexible, quiet observers until a problem appears, then act quickly to find workable solutions. Analyze what makes things work and readily get through large amounts of data to isolate the core of practical problems. Interested in cause and effect, organize facts using logical principles, value efficiency.	ISFP Quiet, friendly, sensitive, and kind. Enjoy the present moment, what's going on around them. Like to have their own space and to work within their own time frame. Loyal and committed to their values and to people who are important to them. Dislike disagreements and conflicts, do not force their opinions or values on others.	INFP Idealistic, loyal to their values and to people who are important to them. Want an external life that is congruent with their values. Curious, quick to see possibilities, can be catalysts for implementing ideas. Seek to understand people and to help them fulfill their potential. Adaptable, flexible, and accepting unless a value is threatened.	INTP Seek to develop logical explanations for everything that interests them. Theoretical and abstract, interested more in ideas than in social interaction. Quiet, contained, flexible, and adaptable. Have unusual ability to focus in depth to solve problems in their area of interest. Skeptical, sometimes critical, always analytical.

SOURCE: Reproduced with special permission of the publisher, Consulting Psychologists Press, Inc., Palo Alto, CA 94303, from *Manual: A Guide to the Development and Use of the Myers-Briggs Type Indicator* by Isabel Briggs-Myers and Mary H. McCaulley. Copyright 1985 by Peter Briggs-Myers and Katherine D. Myers. All rights reserved. Myers-Briggs Type Indicator and MBTI are registered trademarks of Consulting Psychologists Press, Inc. Further reproduction is prohibited without the publisher's consent.

about how the person feels or prefers to behave in different situations (such as “Are you usually a good ‘mixer’ or rather quiet and reserved?” and so forth). The MBTI is based on the work of Carl Jung, noted psychologist who believed that differences in individuals’ behavior result from their degree of extroversion–introversion and from their psychological makeup across several other dimensions. The test described these differences and individuals’ preferences in the four areas:

1. The *energy* dimension indicates where individuals gain interpersonal strength and vitality, measured as their degree of introversion or extroversion. Extroverts (E) gain energy through interpersonal relationships. Introverts (I) gain energy by focusing on inner thoughts and feelings.
2. The *information-gathering* preference relates to the preparations individuals make before taking decisions. Individuals with a Sensing (S) preference tend to gather the facts and details to prepare for a decision. Intuitives (N) tend to focus less on the facts and more on possibilities and relationships among them.
3. In *decision making*, individuals differ in the amount of consideration they give to their own and others’ values and feelings, as opposed to the hard facts of a situation. Individuals with a Thinking (T) preference try always to be objective in making decisions. Individuals with a Feeling (F) preference tend to evaluate the

	SENSING TYPES (S)		INTUITIVE TYPES (N)	
	THINKING (T)	FEELING (F)	FEELING (F)	THINKING (T)
Extroverts (E) Perceiving (P)	ESTP Flexible and tolerant, they take a pragmatic approach focused on immediate results. Theories and conceptual explanations bore them—they want to act energetically to solve the problem. Focus on the here-and-now, spontaneous, enjoy each moment that they can be active with others. Enjoy material comforts and style. Learn best through doing.	ESFP Outgoing, friendly, and accepting. Exuberant lovers of life, people, and material comforts. Enjoy working with others to make things happen. Bring common sense and a realistic approach to their work, and make work fun. Flexible and spontaneous, adapt readily to new people and environments. Learn best by trying a new skill with other people.	ENFP Warmly enthusiastic and imaginative. See life as full of possibilities. Make connections between events and information very quickly, and confidently proceed based on the patterns they see. Want a lot of affirmation from others, and readily give appreciation and support. Spontaneous and flexible, often rely on their ability to improvise and their verbal fluency.	ENTP Quick, ingenious, stimulating, alert, and outspoken. Resourceful in solving new and challenging problems. Adept at generating conceptual possibilities and then analyzing them strategically. Good at reading other people. Bored by routine, will seldom do the same thing the same way, apt to turn to one new interest after another.
Judging (J)	ESTJ Practical, realistic, matter-of-fact. Decisive, quickly move to implement decisions. Organize projects and people to get things done, focus on getting results in the most efficient way possible. Take care of routine details. Have a clear set of logical standards, systematically follow them and want others to also. Forceful in implementing their plans.	ESFJ Warmhearted, conscientious, and cooperative. Want harmony in their environment, work with determination to establish it. Like to work with others to complete tasks accurately and on time. Loyal, follow through even in small matters. Notice what others need in their day-by-day lives and try to provide it. Want to be appreciated for who they are and for what they contribute.	ENFJ Warm, empathetic, responsive, and responsible. Highly attuned to the emotions, needs, and motivations of others. Find potential in everyone, want to help others fulfill their potential. May act as catalysts for individual and group growth. Loyal, responsive to praise and criticism. Sociable, facilitate others in a group, and provide inspiring leadership.	ENTJ Frank, decisive, assume leadership readily. Quickly see illogical and inefficient procedures and policies, develop and implement comprehensive systems to solve organizational problems. Enjoy long-term planning and goal setting. Usually well informed, well read, enjoy expanding their knowledge and passing it on to others. Forceful in presenting their ideas.

impact of the alternatives on others, as well as their own feelings; they are more subjective.

- The *lifestyle* preference describes an individual's tendency to be either flexible or structured. Individuals with a Judging (J) preference focus on goals, establish deadlines, and prefer to be conclusive. Individuals with a Perceiving (P) preference enjoy surprises, are comfortable with changing a decision, and dislike deadlines.

The alternatives for each of the four dimensions result in 16 possible combinations, the personality types summarized in Table 9.2. Of course people are likely to be mixtures of these types; but the point of the test is that certain types predominate in individuals.

As a result of their psychological types, people develop strengths and weaknesses. For example, individuals who are Introverted, Sensing, Thinking, and Judging (known as ISTJs) tend to be serious, quiet, practical, orderly, and logical. They can organize tasks, be decisive, and follow through on plans and goals. As a consequence, however—that is, by not having the opposite preferences (Extroversion, Intuition, Feeling, and Perceiving)—ISTJs have several weaknesses. They may have difficulty responding to unexpected opportunities, appear to their colleagues to be too task-oriented or impersonal, and make decisions too fast.

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Applying this kind of information about employees' preferences or tendencies helps organizations understand the communication, motivation, teamwork, work styles, and leadership of the people in their groups. For example, salespeople or executives who want to communicate better can apply what they learn about their own personality styles and the way other people perceive them. For team development, the MBTI can help teams match team members with assignments based on their preferences and thus improve problem solving.¹¹ The team could assign brainstorming (idea-generating) tasks to employees with an Intuitive preference and evaluation of the ideas to employees with a Sensing preference.

Research on the validity, reliability, and effectiveness of the MBTI is inconclusive.¹² People who take the MBTI find it a positive experience and say it helps them change their behavior. MBTI scores appear to be related to one's occupation; that is, people in the same occupation tend to have the same or similar personality types. Analysis of managers' scores in the United States, England, Latin America, and Japan found that a large majority of managers are ISTJ, INTJ, ESTJ, or ENTJ. However, MBTI scores are not necessarily stable over time. Studies in which the MBTI was administered at two different times found that as few as one-fourth of those who took the test were classified as exactly the same type the second time. Still, the MBTI is a valuable tool for understanding communication styles and the ways people prefer to interact with others. It is not appropriate for measuring job performance, however, or as the only means of evaluating promotion potential.

Assessment Centers

assessment center

An assessment process in which multiple raters or evaluators (assessors) evaluate employees' performance on a number of exercises, usually as they work in a group at an off-site location.

At an **assessment center**, multiple raters or evaluators (assessors) evaluate employees' performance on a number of exercises.¹³ An assessment center is usually an off-site location such as a conference center. Usually 6 to 12 employees participate at one time. The primary use of assessment centers is to identify whether employees have the personality characteristics, administrative skills, and interpersonal skills needed for managerial jobs. Organizations also use them to determine whether employees have the skills needed for working in teams.

leaderless group discussion

An assessment center exercise in which a team of five to seven employees is assigned a problem and must work together to solve it within a certain time period.

The types of exercises used in assessment centers include leaderless group discussions, interviews, in-baskets, and role plays.¹⁴ In a **leaderless group discussion**, a team of five to seven employees is assigned a problem and must work together to solve it within a certain time period. The problem may involve buying and selling supplies, nominating a subordinate for an award, or assembling a product. Interview questions typically cover each employee's work and personal experiences, skill strengths and weaknesses, and career plans. In-basket exercises, discussed as a selection method in Chapter 6, simulate the administrative tasks of a manager's job, using a pile of documents for the employee to handle. In-role plays, the participant takes the part of a manager or employee in a situation involving the skills to be assessed. For example, a participant might be given the role of a manager who must discuss performance problems with an employee, played by someone who works for the assessment center. Other exercises in assessment centers might include interest and aptitude tests to evaluate an employee's vocabulary, general mental ability, and reasoning skills. Personality tests may be used to determine employees' ability get along with others, tolerance for uncertainty, and other traits related to success as a manager or team member.

The assessors are usually managers who have been trained to look for employee behaviors that are related to the skills being assessed. Typically, each assessor observes and records one or two employees' behaviors in each exercise. The assessors review

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their notes and rate each employee’s level of skills (for example, 5 = high level of leadership skills, 1 = low level of leadership skills). After all the employees have completed the exercises, the assessors discuss their observations of each employee. They compare their ratings and try to agree on each employee’s rating for each of the skills.

As we mentioned in Chapter 6, research suggests that assessment center ratings are valid for predicting performance, salary level, and career advancement.¹⁵ Assessment centers may also be useful for development because of the feedback that participants receive about their attitudes, skill strengths, and weaknesses.¹⁶ Some organizations, including Eastman Kodak, offer employees training courses and development activities related to the skills evaluated in the assessment center.

Benchmarks

A development method that focuses on measuring management skills is an instrument called **Benchmarks**. This measurement tool gathers ratings of a manager’s use of skills associated with success in managing. The items measured by Benchmarks are based on research into the lessons that executives learn in critical events of their careers.¹⁷ Items measure the 16 skills and perspectives listed in Table 9.3, including how well managers deal with subordinates, acquire resources, and create a productive work climate.

Benchmarks

A measurement tool that gathers ratings of a manager’s use of skills associated with success in managing.

TABLE 9.3

Skills Related to Success as a Manager

Resourcefulness	Can think strategically, engage in flexible problem solving, and work effectively with higher management.
Doing whatever it takes	Has perseverance and focus in the face of obstacles.
Being a quick study	Quickly masters new technical and business knowledge.
Building and mending relationships	Knows how to build and maintain working relationships with coworkers and external parties.
Leading subordinates	Delegates to subordinates effectively, broadens their opportunities, and acts with fairness toward them.
Compassion and sensitivity	Shows genuine interest in others and sensitivity to subordinates’ needs.
Straightforwardness and composure	Is honorable and steadfast.
Setting a developmental climate	Provides a challenging climate to encourage subordinates’ development.
Confronting problem subordinates	Acts decisively and fairly when dealing with problem subordinates.
Team orientation	Accomplishes tasks through managing others.
Balance between personal life and work	Balances work priorities with personal life so that neither is neglected.
Decisiveness	Prefers quick and approximate actions to slow and precise ones in many management situations.
Self-awareness	Has an accurate picture of strengths and weaknesses and is willing to improve.
Hiring talented staff	Hires talented people for the team.
Putting people at ease	Displays warmth and a good sense of humor.
Acting with flexibility	Can behave in ways that are often seen as opposites.

SOURCE: Adapted with permission from C. D. McCauley, M. M. Lombardo, and C. J. Usher, “Diagnosing Management Development Needs: An Instrument Based on How Managers Develop,” *Journal of Management* 15 (1989), pp. 389–403.

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Research has found that managers who have these skills are more likely to receive positive performance evaluations, be considered promotable, and be promoted.¹⁸

To provide a complete picture of managers' skills, the managers' supervisors, their peers, and the managers themselves all complete the instrument. The results include a summary report, which the organization provides to the manager so he or she can see the self-ratings in comparison to the ratings by others. Also available with this method is a development guide containing examples of experiences that enhance each skill and ways successful managers use the skill.

Performance Appraisals and 360-Degree Feedback

As we stated in Chapter 8, *performance appraisal* is the process of measuring employees' performance. This information can be useful for employee development under certain conditions.¹⁹ The appraisal system must tell employees specifically about their performance problems and ways to improve their performance. Employees must gain a clear understanding of the differences between current performance and expected performance. The appraisal process must identify causes of the performance discrepancy and develop plans for improving performance. Managers must be trained to deliver frequent performance feedback and must monitor employees' progress in carrying out their action plans.

A recent trend in performance appraisals, also discussed in Chapter 8, is *360-degree feedback*—performance measurement by the employee's supervisor, peers, employees, and customers. Often the feedback involves rating the individual in terms of work-related behaviors. For development purposes, the rater would identify an area of behavior as a strength of that employee or an area requiring further development. The results presented to the employee show how he or she was rated on each item and how self-evaluations differ from other raters' evaluations. The individual reviews the results, seeks clarification from the raters, and sets specific development goals based on the strengths and weaknesses identified.²⁰

Consider how US West used development planning with 360-degree feedback.²¹ The 360-degree feedback results showed that one manager tended to avoid confrontation. Knowing this helped her focus her training and development activity on role-plays and discussions that would help her become more comfortable with confrontation. She left the program with an individualized list of training and development activities linked directly to the skill she needed to improve.

There are several benefits of 360-degree feedback. Organizations collect multiple perspectives of managers' performance, allowing employees to compare their own personal evaluations with the views of others. This method also establishes formal communications about behaviors and skill ratings between employees and their internal and external customers. For example, in response to feedback from the employees in his group, an AT&T executive learned to air his opinions more freely in meetings of the company's executive committee.²² This method is most likely to be effective if the rating instrument enables reliable or consistent ratings, assesses behaviors or skills that are job related, and is easy to use. Also, the system should ensure raters' confidentiality, and managers should receive and act on the feedback.²³

There are potential limitations of 360-degree feedback. This method demands a significant amount of time for raters to complete the evaluations. If raters, especially subordinates or peers, provide negative feedback, some managers might try to identify and punish them. A facilitator is needed to help interpret results. Finally, simply delivering ratings to a manager does not provide ways for the manager to act on the

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feedback (for example, development planning, meeting with raters, or taking courses). As noted earlier, any form of assessment should be accompanied by suggestions for improvement and development of an action plan.

Job Experiences

Most employee development occurs through **job experiences**²⁴—the combination of relationships, problems, demands, tasks, and other features of an employee's jobs. Using job experiences for employee development assumes that development is most likely to occur when the employee's skills and experiences do not entirely match the skills required for the employee's current job. To succeed, employees must stretch their skills. In other words, they must learn new skills, apply their skills and knowledge in new ways, and master new experiences.²⁵ For example, companies that want to prepare employees to expand overseas markets are assigning them to a variety of international jobs.

Most of what we know about development through job experiences comes from a series of studies conducted by the Center for Creative Leadership.²⁶ These studies asked executives to identify key career events that made a difference in their managerial styles and the lessons they learned from these experiences. The key events included job assignments (such as fixing a failed operation), interpersonal relationships (getting along with supervisors), and types of transitions (situations in which the manager at first lacked the necessary background). Through job experiences like these, managers learn how to handle common challenges, prove themselves, lead change, handle pressure, and influence others.

The usefulness of job experiences for employee development varies depending on whether the employee views the experiences as positive or negative sources of stress. When employees view job experiences as positive stressors, the experiences challenge

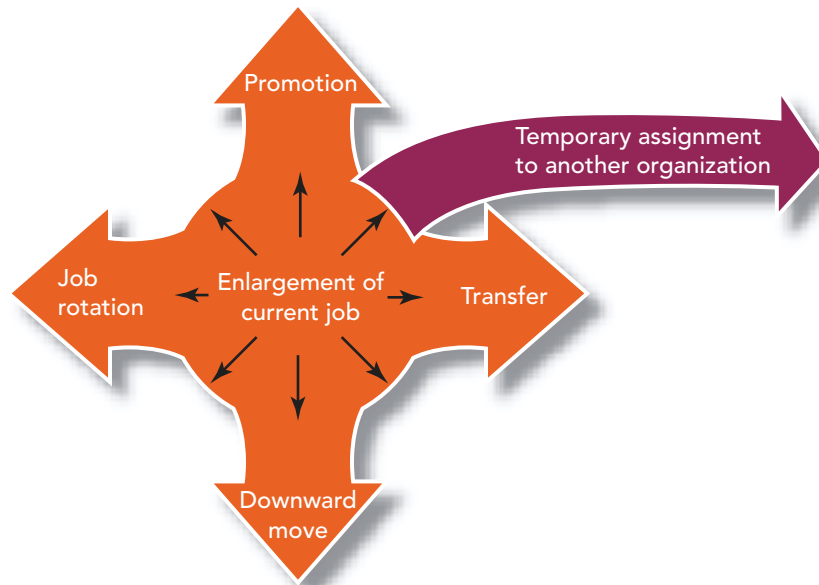
LO4

job experiences

The combination of relationships, problems, demands, tasks, and other features of an employee's jobs.



Working outside one's home country is the most important job experience that can develop an employee for a career in the global economy.

286 PART 3 Assessing Performance and Developing Employees**FIGURE 9.2**How Job Experiences Are
Used for Employee
Development

them and stimulate learning. When they view job experiences as negative stressors, employees may suffer from high levels of harmful stress. Of the job demands studied, managers were most likely to experience negative stress from creating change and overcoming obstacles (adverse business conditions, lack of management support, lack of personal support, or a difficult boss). Research suggests that all of the job demands except obstacles are related to learning.²⁷ Organizations should offer job experiences that are most likely to increase learning, and they should consider the consequences of situations that involve negative stress.

Although the research on development through job experiences has focused on managers, line employees also can learn through job experiences. Organizations may, for example, use job experiences to develop skills needed for teamwork, including conflict resolution, data analysis, and customer service. These experiences may occur when forming a team and when employees switch roles within a team.

Various job assignments can provide for employee development. The organization may enlarge the employee's current job or move the employee to different jobs. Lateral moves include job rotation, transfer, or temporary assignment to another organization. The organization may also use downward moves or promotions as a source of job experience. Figure 9.2 summarizes these alternatives.

Job Enlargement

As Chapter 4 stated in the context of job design, *job enlargement* involves adding challenges or new responsibilities to employees' current jobs. Examples include completing a special project, switching roles within a work team, or researching new ways to serve customers. An engineering employee might join a task force developing new career paths for technical employees. The work on the project could give the engineer a leadership role through which the engineer learns about the company's career development system while also practicing leadership skills to help the task force reach its goals. In this way, job enlargement not only makes a job more interesting, but also creates an opportunity for employees to develop new skills.

Job Rotation

Another job design technique that can be applied to employee development is *job rotation*, moving employees through a series of job assignments in one or more functional areas. At United Technologies Corporation, the job rotation program in finance moves employees into different jobs so that they understand all aspects of budgeting. Greyhound Financial Corporation has high-potential managers participate in its job rotation program, known as “muscle-building.”²⁸ Greyhound puts managers in departments where they have to perform tasks different from those they performed in the past. The managers maintain their titles and compensation levels while moving through the assignments, which have varying status.

Job rotation helps employees gain an appreciation for the company’s goals, increases their understanding of different company functions, develops a network of contacts, and improves problem-solving and decision-making skills.²⁹ Job rotation also helps employees increase their salary and earn promotions faster. However, job rotation poses some problems for employees and the organization. Knowing they will be rotated to another job may give the employees a short-term perspective on problems and their solutions. Employees may feel less satisfied and motivated because they have difficulty developing specialized skills and leave the position too soon to fulfill any challenging assignments. The rotation of employees through a department may hurt productivity and increase the workload of those who remain after employees are rotated out. Job rotation is most likely to succeed when it meets certain conditions:³⁰

- Job rotation is used for developing skills as well as gaining experience for management careers.
- Employees understand specifically what skills rotation is to develop.
- The organization uses job rotation for all levels and types of employees.
- Job rotation is linked with the career management process so employees know what development needs each assignment addresses.
- The organization manages the timing of rotations to maximize their benefits and minimize their costs.
- All employees have equal opportunities for job rotation, regardless of their demographic group.

Transfers, Promotions, and Downward Moves

Most companies use upward, downward, and lateral moves as an option for employee development. In a **transfer**, the organization assigns an employee to a position in a different area of the company. Transfers do not necessarily increase job responsibilities or compensation. They are usually lateral moves, that is, moves to a job with a similar level of responsibility. They may involve relocation to another part of the country or even to another country.

Relocation can be stressful because of the demands of moving, especially when family members are affected. People have to find new housing, shopping, health care, and leisure facilities, and they often lack the support of nearby friends and family. These stresses come at the same time the employee must learn the expectations and responsibilities associated with the new position. Because transfers can provoke anxiety, many companies have difficulty getting employees to accept them. Employees most willing to accept transfers tend to be those with high career ambitions, a belief that the organization offers a promising future, and a belief that accepting the transfer will help the company succeed.³¹

transfer

Assignment of an employee to a position in a different area of the company, usually in a lateral move.

288 PART 3 Assessing Performance and Developing Employees**downward move**

Assignment of an employee to a position with less responsibility and authority.

A **downward move** occurs when an employee is given less responsibility and authority. The organization may demote an employee because of poor performance or move the employee to a lower-level position in another function so that the employee can develop different skills. The temporary cross-functional move is the most common way to use downward moves for employee development. For example, engineers who want to move into management often take lower-level positions, such as shift supervisor, to develop their management skills.

Many employees have difficulty associating transfers and downward moves with development; these changes may feel more like forms of punishment. Employees often decide to leave an organization rather than accept such a change, and then the organization must bear the costs of replacing those employees. Employees will be more likely to accept transfers and downward moves as development opportunities if the organization provides information about the change and its possible benefits and involves the employee in planning the change. Employees are also more likely to be positive about such a recommendation if the organization provides clear performance objectives and frequent feedback. Employers can encourage an employee to relocate by providing financial assistance with the move, information about the new location and job, and help for family members, such as identifying schools, child-care and elder-care options, and job search assistance for the employee's spouse.³²

promotion

Assignment of an employee to a position with greater challenges, more responsibility, and more authority than in the previous job, usually accompanied by a pay increase.

A **promotion** involves moving an employee into a position with greater challenges, more responsibility, and more authority than in the previous job. Usually promotions include pay increases. Because promotions improve the person's pay, status, and feelings of accomplishment, employees are more willing to accept promotions than lateral or downward moves. Even so, employers can increase the likelihood that employees will accept promotions by providing the same kind of information and assistance that are used to support transfers and downward moves. Organizations can more easily offer promotions if they are profitable and growing. In other conditions, opportunities for promoting employees may be limited.

Temporary Assignments with Other Organizations

In some cases, an employer may benefit from the skills an employee can learn at another organization. The employer may encourage the employee to participate in an **externship**—a full-time temporary position at another organization. Mercer Management, a consulting firm, uses externships to develop employees who want experience in a specific industry.³³ Mercer Management promises to employ the externs after their assignments end. One employee with several years' experience as a Mercer consultant became vice president of Internet services for Binney and Smith, the maker of Crayola crayons. He had been consulting on an Internet project for Binney and Smith and wanted to implement his recommendations, rather than just give them to the client and move on to another project. He started working at Binney and Smith while remaining employed by Mercer Management, though his pay comes from Binney and Smith. Mercer believes that employees who participate in its externship program will remain committed to the consulting firm because they have a chance to learn and grow professionally without the demands of a job search.

externship

Employee development through a full-time temporary position at another organization.

Temporary assignments can include a **sabbatical**—a leave of absence from an organization to renew or develop skills. Employees on sabbatical often receive full pay and benefits. Sabbaticals let employees get away from the day-to-day stresses of their jobs and acquire new skills and perspectives. Sabbaticals also allow employees more time for personal pursuits such as writing a book or spending more time with family

sabbatical

A leave of absence from an organization to renew or develop skills.

members. Morningstar, which tracks and reports the performance of mutual funds, provides a six-week paid sabbatical every four years for all employees.³⁴ A Morningstar manager who had recently been promoted to the role of exhibit/conference manager waited an extra year before taking his sabbatical. He spent half his sabbatical on the beach in California and another three weeks pursuing his passion for modern dance. How employees spend their sabbaticals varies from company to company. Some employees may work for a nonprofit service agency; others may study at a college or university or travel and work on special projects in non-U.S. subsidiaries of the company.

Interpersonal Relationships

Employees can also develop skills and increase their knowledge about the organization and its customers by interacting with a more experienced organization member. Two types of relationships used for employee development are mentoring and coaching.

Mentors

A **mentor** is an experienced, productive senior employee who helps develop a less experienced employee, called the *protégé*. Most mentoring relationships develop informally as a result of interests or values shared by the mentor and protégé. According to research, the employees most likely to seek and attract a mentor have certain personality characteristics: emotional stability, ability to adapt their behavior to the situation, and high needs for power and achievement.³⁵ Mentoring relationships also can develop as part of the organization's planned effort to bring together successful senior employees with less experienced employees.

One major advantage of formal mentoring programs is that they ensure access to mentors for all employees, regardless of gender or race. Another advantage is that participants in a company-sponsored mentoring program know what is expected of them.³⁶ However, in an artificially created relationship, mentors may have difficulty providing counseling and coaching.³⁷ Mentoring programs tend to be most successful when they are voluntary and participants understand the details of the program. Rewarding managers for employee development also is important, because it signals that mentoring and other development activities are worthwhile. In addition, the organization should carefully select mentors based on their interpersonal and technical skills, train them for the role, and evaluate whether the program has met its objectives. The "HR How To" box offers tips for setting up an effective mentoring program.

New York Hospital–Cornell Medical Center developed a well-planned mentoring program for its housekeeping employees. Each mentor has between 5 and 10 protégés to meet with once each quarter. To qualify as mentors, employees must receive outstanding performance evaluations, demonstrate strong interpersonal skills, and be able to perform basic cleaning tasks and essential duties of all housekeeping positions, including safety procedures. The mentors undergo a two-day training program that emphasizes communication skills. They also learn how to convey information about the job and give directions effectively without criticizing employees. The program helps new employees learn their duties more quickly, and it gives the mentors a chance to quickly identify and correct problems.³⁸

Mentors and protégés can both benefit from a mentoring relationship. Protégés receive career support, including coaching, protection, sponsorship, challenging assignments, and visibility among the organization's managers. They also receive benefits of

LO5

mentor

An experienced, productive senior employee who helps develop a less experienced employee (a protégé).

HR HOW TO



Setting Up a Mentoring Program

Mentoring is most effective if these relationships are part of a well-planned program. Here are some tips for setting up a mentoring program that supports the organization's goals:

- Make participation voluntary, for mentors and protégés alike. Establish a policy that either person may end the relationship at any time without fear of punishment.
- The process of matching mentors and protégés should not prevent relationships from developing informally. For example, the organization can establish a pool of mentors, then allow protégés to choose from a variety of qualified mentors.
- Choose mentors based on their past record of developing employees, willingness to serve in this

role, and evidence of skill in coaching, communication, and listening.

- Clearly communicate the purpose of the program and verify that all participants understand the purpose. Specify the projects and activities that the mentor and protégé are expected to complete.
- Specify the length of the program. Although a formal program has an end date, the organization should encourage the mentor and protégé to pursue the relationship beyond that date if they wish.
- Specify the minimum level of contact expected between the mentor and protégé.
- Encourage protégés to contact one another to discuss problems and share successes.
- Evaluate the mentoring program. Get immediate

feedback from interviews with mentors and protégés, and explore any areas of dissatisfaction. Use surveys to gather more detailed information regarding the benefits the participants have received from the program.

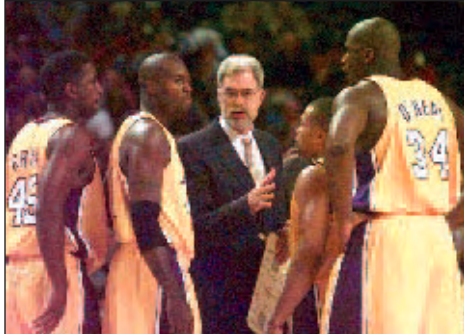
- Reward managers for employee development. The rewards signal that the effort they spend on mentoring and other development activities is worthwhile.

SOURCE: B. R. Ragins, J. Cotton, and J. S. Miller, "Marginal Mentoring: The Effects of Type of Mentor, Quality of Relationship, and Program Design on Work and Career Attitudes," *Academy of Management Journal* 43, no. 6 (2000), pp. 1177-94; S. Siebert, "The Effectiveness of Facilitated Mentoring: A Longitudinal Quasi-Experiment," *Journal of Vocational Behavior* 54 (1999), pp. 483-502; J. A. Wilson and N. S. Elman, "Organizational Benefits of Mentoring," *Academy of Management Executive* 4 (1990), pp. 88-93.

a positive relationship—a friend and role model who accepts them, has a positive opinion toward them, and gives them a chance to talk about their worries. Employees with mentors are also more likely to be promoted, earn higher salaries, and have more influence within their organization.³⁹ Acting as a mentor gives managers a chance to develop their interpersonal skills and increase their feelings that they are contributing something important to the organization. Working with the protégé on technical matters such as new research in the field may also increase the mentor's technical knowledge. When General Electric became involved in e-commerce, it used younger employees with Web expertise to mentor older managers. As the veterans became more familiar with the Internet, their young mentors became more comfortable working with senior managers and developed their business expertise.⁴⁰

So that more employees can benefit from mentoring, some organizations use *group mentoring programs*, which assign four to six protégés to a successful senior employee.

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Phil Jackson has a top reputation as a coach who has helped teams and individuals become champions. Career coaches motivate employees, help them develop their skills, and provide feedback for improvement.

A potential advantage of group mentoring is that protégés can learn from each other as well as from the mentor. The leader helps protégés understand the organization, guides them in analyzing their experiences, and helps them clarify career directions. Each member of the group may complete specific assignments, or the group may work together on a problem or issue.

Coaching

A **coach** is a peer or manager who works with an employee to motivate the employee, help him or her develop skills, and provide reinforcement and feedback. Coaches may play one or more of three roles:⁴¹

1. Working one-on-one with an employee, as when giving feedback.
2. Helping employees learn for themselves—for example, helping them find experts and teaching them to obtain feedback from others.
3. Providing resources such as mentors, courses, or job experiences.

Best Buy, a consumer-electronics retailer, has invested nearly \$10 million on coaches for all top managers.⁴² Once a month, top executives spend a few hours with an industrial psychologist who helps them work through leadership issues. One manager discussed with his coach how to balance the needs of some of the managers who worked for him with the company's business needs. His managers were more comfortable focusing on traditional store retailing at a time when the company needed a focus on competition on the Internet. The manager being coached needed to learn how to lead his team and push new ideas without squelching team members.

Systems for Career Management

Employee development is most likely to meet the organization's needs if it is part of a human resource system of career management. In practice, organizations' career management systems vary. Some rely heavily on informal relationships, while others are sophisticated programs. As shown in Figure 9.3, a basic career management system involves four steps: self-assessment, reality check, goal setting, and action planning. At each step, both the employee and the organization have responsibilities. The system is most likely to be beneficial if it is linked to the organization's objectives and needs, has support from top management, and is created with employee participation.⁴³ Human resource professionals can also contribute to the system's success by ensuring that

LO6

coach

A peer or manager who works with an employee to motivate the employee, help him or her develop skills, and provide reinforcement and feedback.

LO7

FIGURE 9.3

Steps and Responsibilities in the Career Management Process



it is linked to other HR practices such as performance management, training, and recruiting.

Self-Assessment

self-assessment

The use of information by employees to determine their career interests, values, aptitudes, and behavioral tendencies.

In discussing the methods of employee development, we highlighted several assessment tools. Such tools may be applied to the first stage of career development, **self-assessment**. This is the use of information by employees to determine their career interests, values, aptitudes, and behavioral tendencies. The employee's responsibility is to identify opportunities and personal areas needing improvement. The organization's responsibility is to provide assessment information for identifying strengths, weaknesses, interests, and values.

Self-assessment tools often include psychological tests such as the Myers-Briggs Type Inventory (described earlier in the chapter), the Strong-Campbell Interest Inventory, and the Self-Directed Search. The Strong-Campbell inventory helps employees identify their occupational and job interests. The Self-Directed Search identifies employees' preferences for working in different kinds of environments—sales, counseling, and so on. Tests may also help employees identify the relative values they place on work and leisure activities. Self-assessment tools can include exercises such as the one in Figure 9.4. This type of exercise helps an employee consider his or her current career status, future plans, and the fit between the career and the employee's current situation and resources. Some organizations provide counselors to help employees in the self-assessment process and to interpret the results of psychological tests.

Completing the self-assessment can help employees identify a development need. This need can result from gaps between current skills or interests and the type of work or position the employee has or wants. Ford Motor Company has a career management system that provides this type of information.⁴⁴ Ford's system, which it calls the Personal Development Roadmap (PDR), is a Web-based resource that lets marketing, sales, and service employees plan their own personal and professional development. Employees visit PDR on Ford's intranet, where they complete a profile each year.

FIGURE 9.4

Sample Self-Assessment Exercise

<p>Step 1: Where am I? <i>Examine current position of life and career.</i> Think about your life from past and present to the future. Draw a time line to represent important events.</p> <p>Step 2: Who am I? <i>Examine different roles.</i> Using 3 × 5 cards, write down one answer per card to the question “Who am I?”</p> <p>Step 3: Where would I like to be, and what would I like to happen? <i>Begin setting goals.</i> Consider your life from present to future. Write an autobiography answering these questions:</p> <ul style="list-style-type: none"> • What do you want to have accomplished? • What milestones do you want to achieve? • What do you want to be remembered for? 	<p>Step 4: An ideal year in the future <i>Identify resources needed.</i> Consider a one-year period in the future. Answer these questions:</p> <ul style="list-style-type: none"> • If you had unlimited resources, what would you do? • What would the ideal environment look like? • Does the ideal environment match Step 3? <p>Step 5: An ideal job <i>Create current goal.</i> In the present, think about an ideal job for you with your available resources. Describe your role, resources, and type of training or education needed.</p> <p>Step 6: Career by objective inventory <i>Summarize current situation.</i></p> <ul style="list-style-type: none"> • What gets you excited each day? • What do you do well? What are you known for? • What do you need to achieve your goals? • What could interfere with reaching your goals? • What should you do now to move toward reaching your goals? • What is your long-term career objective?
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SOURCE: Based on J. E. McMahon and S. K. Merman, “Career Development,” in *The ASTD Training and Development Handbook*, 4th ed., ed. R. L. Craig (New York: McGraw-Hill, 1996), pp. 679–97. Reproduced with permission.

Reality Check

In the next step of career management, the **reality check**, employees receive information about their skills and knowledge and where these assets fit into the organization’s plans. The employee’s responsibility is to identify what skills she or he could realistically develop in light of the opportunities available. The organization’s responsibility is to communicate the performance evaluation and the opportunities available to the employee, given the organization’s long-range plans. Opportunities might include promotions and transfers.

reality check

Information employers give employees about their skills and knowledge and where these assets fit into the organization’s plans.

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Usually the employer conducts the reality check as part of a performance appraisal or as the feedback stage of performance management. In well-developed career management systems, the manager may hold separate discussions for performance feedback and career development. At Ford, the Personal Development Roadmap helps employees identify areas for development by comparing their annual profiles with the expected skill levels for their job group.

Goal Setting

Based on the information from the self-assessment and reality check, the employee sets short- and long-term career objectives. These goals usually involve one or more of the following categories:

- Desired positions, such as becoming sales manager within three years.
- Level of skill to apply—for example, to use one's budgeting skills to improve the unit's cash flow problems.
- Work setting—for example, to move to corporate marketing within two years.
- Skill acquisition, such as learning how to use the company's human resource information system.

As in these examples, the goals should be specific, and they should include a date by which the goal is to be achieved. It is the employee's responsibility to identify the goal and the method of determining her or his progress toward that goal.

Usually the employee discusses the goals with his or her manager. The organization's responsibilities are to ensure that the goal is specific, challenging, and attainable and to help the employee reach the goal. At Ford, the PDR system does this by helping employees identify areas on which to focus development and recommending development opportunities offered by the company. The PDR has also identified specific leadership behaviors associated with Ford's business success—for example, innovation and desire to serve—and helps employees focus on developing these behaviors.

Action Planning

During the final step, employees prepare an action plan for how they will achieve their short- and long-term career goals. The employee is responsible for identifying the steps and timetable to reach the goals. The employer should identify resources needed, including courses, work experiences, and relationships.

Action plans may involve any one or a combination of the development methods discussed earlier in the chapter—training, assessment, job experiences, or the help of a mentor or coach. The approach used depends on the particular developmental needs and career objectives. For example, suppose the program manager in an information systems department uses feedback from performance appraisals to determine that he needs greater knowledge of project management software. The manager plans to increase that knowledge by reading articles (formal education), meeting with software vendors, and contacting the vendors' customers to ask them about the software they have used (job experiences). The manager and his supervisor agree that six months will be the target date for achieving the higher level of knowledge through these activities.

The outcome of action planning often takes the form of a career development plan. Figure 9.5 is an example of a development plan for a product manager. Development plans usually include descriptions of strengths and weaknesses, career goals,

FIGURE 9.5

Career Development Plan

Name:	Title: Project Manager	Immediate Manager:
<p>Competencies Please identify your three greatest strengths and areas for improvement.</p> <p>Strengths</p> <ul style="list-style-type: none"> • Strategic thinking and execution (confidence, command skills, action orientation) • Results orientation (competence, motivating others, perseverance) • Spirit for winning (building team spirit, customer focus, respect colleagues) 		
<p>Areas for Improvement</p> <ul style="list-style-type: none"> • Patience (tolerance of people or processes and sensitivity to pacing) • Written communications (ability to write clearly and succinctly) • Overly ambitious (too much focus on successful completion of projects rather than developing relationships with individuals involved in the projects) 		
<p>Career Goals Please describe your overall career goals.</p> <ul style="list-style-type: none"> • Long-term: Accept positions of increased responsibility to a level of general manager (or beyond). The areas of specific interest include but are not limited to product and brand management, technology and development, strategic planning, and marketing. • Short-term: Continue to improve my skills in marketing and brand management while utilizing my skills in product management, strategic planning, and global relations. 		
<p>Next Assignments Identify potential next assignments (including timing) that would help you develop toward your career goals.</p> <ul style="list-style-type: none"> • Manager or director level in planning, development, product, or brand management. Timing estimated to be Spring 2004. 		
<p>Training and Development Needs List both training and development activities that will either help you develop in your current assignment or provide overall career development.</p> <ul style="list-style-type: none"> • Master's degree classes will allow me to practice and improve my written communications skills. The dynamics of my current position, teamwork, and reliance on other individuals allow me to practice patience and to focus on individual team members' needs along with the success of the project. 		
Employee _____	Date _____	
Immediate Manager _____	Date _____	
Mentor _____	Date _____	

and development activities for reaching each goal. Ford's PDR helps employees create an annual development plan. It recommends education (Ford classes and seminars), exploration (activities outside the company), and/or experiences (job assignments and other on-the-job opportunities) geared toward meeting each employee's particular development needs. Employees also can enroll in suggested courses on Ford's intranet.

LO8

Development-Related Challenges

A well-designed system for employee development can help organizations face three widespread challenges: the glass ceiling, succession planning, and dysfunctional behavior by managers.

The Glass Ceiling

As we mentioned in Chapter 1, women and minorities are rare in the top level of U.S. corporations. Observers of this situation have noted that it looks as if an invisible barrier is keeping women and minorities from reaching the top jobs, a barrier that has come to be known as the **glass ceiling**. The glass ceiling is likely caused by a lack of access to training programs, appropriate developmental job experiences, and developmental relationships such as mentoring.⁴⁵ According to research, women and men have equal access to job experiences involving transitions or creating change.⁴⁶ But male managers receive significantly more assignments involving great responsibility (high stakes, managing business diversity, handling external pressure) than female managers of similar ability and managerial level. Also, female managers report experiencing more challenge due to lack of personal support (which, as we saw earlier in the chapter, is related to harmful stress). With regard to developmental relationships, women and minorities often have trouble finding mentors. They may not participate in the organization's, profession's, or community's "old boys' network." Also, managers in the organization may prefer to interact with people who have similar status or may avoid interacting with certain people because of discomfort or negative stereotypes.⁴⁷

Organizations can use development systems to help break through the glass ceiling. Managers making developmental assignments need to carefully consider whether stereotypes are influencing the types of assignments men and women receive. A formal process for regularly identifying development needs and creating action plans can make these decisions more objective. The "Best Practices" box describes the steps that Procter & Gamble is taking to break the glass ceiling.

Another organization that is actively working to eliminate the glass ceiling is Deloitte & Touche, an accounting, tax, and consulting firm with offices throughout the United States.⁴⁸ Deloitte & Touche had been experiencing high turnover of talented women, so it set up a task force chaired by the company's chief executive officer to analyze the problem and develop recommendations. The task force gathered data by having every management professional in the company attend a workshop designed to explore how attitudes about gender affected the work environment. The workshops included discussions, videos, and case studies, such as one case in which two promising candidates, one male and one female, with identical skills were evaluated. The workshops also focused on how work assignments were allocated. The workshops found differences in the ways men and women were evaluated and in the kinds of assignments they were given, based on managers' assumptions about men and women. As a result, Deloitte & Touche began to rethink how assignments were given, to make sure women had opportunities for highly visible assignments. The company started a formal process for career planning for women and men and began offering networking events at which women could meet successful female partners and high-level managers. Deloitte & Touche began measuring turnover and promotion rates and linking rewards to meeting career development objectives. Through these changes, the company improved its retention of women, and reducing turnover has saved \$250 million in hiring and training costs.

glass ceiling

Circumstances resembling an invisible barrier that keep most women and minorities from attaining the top jobs in organizations.



BEST PRACTICES

Procter & Gamble Selling Women on Careers

Procter & Gamble is famous for its ability to sell products like Tide detergent and Pampers diapers to women. Until recently, it was much less successful in bringing women into its management ranks. No women sat on P&G's executive committee, and few executives were female. A study of employee turnover found that two of every three high-performing employees who left the company were women. P&G has a policy of promoting from within, so retaining and promoting high performers is important for filling the company's top ranks.

To uncover the reasons women were leaving rather than moving up, P&G conducted interviews and surveys. The results showed that women felt they had a consensus-building management style that was not valued; rather, P&G executives favored quick, aggressive decision making. Career planning was not openly discussed, so women reported they didn't know where they stood with the company, and women (more than male employees) were uncomfortable with the feeling that they were not valued. Women also expressed an interest in flexible schedules so that they could put in the long hours required for success and still meet other demands on their time.

To apply these results, P&G

created a task force to study the career path of the brand manager, the major route to executive-level jobs. The team set goals to lower the turnover rate among women and to achieve 40 percent women at each level of brand management by 2005.

The task force also developed a mentoring program, which it named Mentor Up. As the name suggests, the Mentor Up program directs the mentoring relationship in an unusual direction: The mentors are mid-level or junior female managers with at least a year's experience as good performers in the job. The protégés are senior-level male executives. Mentoring is intended to raise the executives' awareness of women's work-related issues. The female managers are matched with senior managers, based on their responses to a questionnaire. These protégés and mentors attend an orientation session that includes a panel discussion by past participants in the program and a series of exercises probing women's workplace issues and reasons for success at P&G. Mentors are required to meet with their protégés at least once every two months.

Mentors and protégés receive discussion guides designed to help them conduct a beneficial dialogue when they meet. For example, one

discussion guide asked the mentoring pairs to explore the keys to success and failure for women and men in company leadership positions. The discussion guides also include questions designed to uncover feelings about occasions when women feel valued. The mentors and protégés answer the questions independently, then discuss their responses. By noticing similarities and differences in their answers, they can identify ways people like to be recognized.

The Mentor Up program has frequently raised two issues: the barriers that women face in balancing work and personal demands; and differences that mentoring pairs notice in the ways men and women manage people and make decisions. One of the program's biggest benefits has been that mentors and protégés have shared advice and perspectives and feel comfortable using each other to test new ideas. The junior managers also appreciate their exposure to top executives. The program has reduced the turnover rate of female managers by 25 percent, making it similar to turnover among male managers.

SOURCE: Based on T. Parker-Pope, "Inside P&G, a Pitch to Keep Women Employees," *The Wall Street Journal*, September 9, 1998, pp. B1, B6; D. Zielinski, "Mentoring Up," *Training*, October 2000, pp. 136-40.

succession planning

The process of identifying and tracking high-potential employees who will be able to fill top management positions when they become vacant.

Succession Planning

Organizations have always had to prepare for the retirement of their leaders, but the need is more intense than ever. The aging of the workforce means that a greater share of employees are reaching retirement age. Many organizations are fueling the trend by downsizing through early-retirement programs. As positions at the top of organizations become vacant, many organizations have determined that their middle managers are fewer and often unprepared for top-level responsibility. This situation has raised awareness of the need for **succession planning**—the process of identifying and tracking high-potential employees who will be able to fill top management positions when they become vacant.

Succession planning offers several benefits.⁴⁹ It forces senior management to regularly and thoughtfully review the company's leadership talent. It assures that top-level management talent is available. It provides a set of development experiences that managers must complete to be considered for top management positions, so the organization does not promote managers before they are ready. Succession planning systems also help attract and retain ambitious managerial employees by providing development opportunities.

Succession planning focuses on *high-potential employees*, that is, employees the organization believes can succeed in higher-level business positions such as general manager of a business unit, director of a function (such as marketing or finance), or chief executive officer.⁵⁰ A typical approach to development of high-potential employees is to have them complete an individual development program including education, executive mentoring and coaching, and rotation through job assignments. Job assignments are based on the successful career paths of the managers whom the high-potential employees are preparing to replace. High-potential employees may also receive special assignments, such as making presentations and serving on committees and task forces. Research shows that an effective program for developing high-potential employees has three stages:⁵¹

1. *Selection of high-potential employees*—Organizations may select outstanding performers and employees who have completed elite academic programs, such as earning a master's degree in business administration from a prestigious university. They may also use the results of psychological tests such as assessment centers.
2. *Developmental experiences*—As employees participate in developmental experiences, the organization identifies those who succeed in the experiences. The organization looks for employees who continue to show qualities associated with success in top jobs, such as communication skills, leadership talent, and willingness to make sacrifices for the organization. Employees who display these qualities continue to be considered high-potential employees.

GE knew that Jack Welch would be retiring, so the company planned for the succession. Welch is shown here with Jeffrey Immelt, the new CEO. What are the benefits of succession planning?



3. *Active involvement with the CEO*—High-potential employees seen by top management as fitting into the organization's culture and having personality characteristics necessary for representing the company become actively involved with the chief executive officer. The CEO exposes these employees to the organization's key people and gives them a greater understanding of the organization's culture. The development of high-potential employees is a slow process. Reaching stage 3 may take 15 to 20 years.

When American Express Financial Services wanted to develop leaders for expansion of the business, the company established a process for succession planning.⁵² The process forecasts how many and what kinds of leaders the company will need over the next two years, assesses the talents of current employees, and develops employees identified as having management talent. Vice presidents recommend talented employees to participate in assessment programs that measure leadership and basic managerial skills. Employees receive personalized development plans for improving their weaknesses in knowledge, skill, or experiences. Top managers monitor their progress and provide coaching as needed.

At some organizations, succession planning systems identify a few potential managers for each position. This limited approach allows the organization to target development activities to the most talented managers, but it may not prepare enough managers to fill vacant positions. High-potential employees who are not on the short list for managerial jobs may leave. American Express's approach avoids this problem by identifying many qualified leaders, which builds commitment to the company.

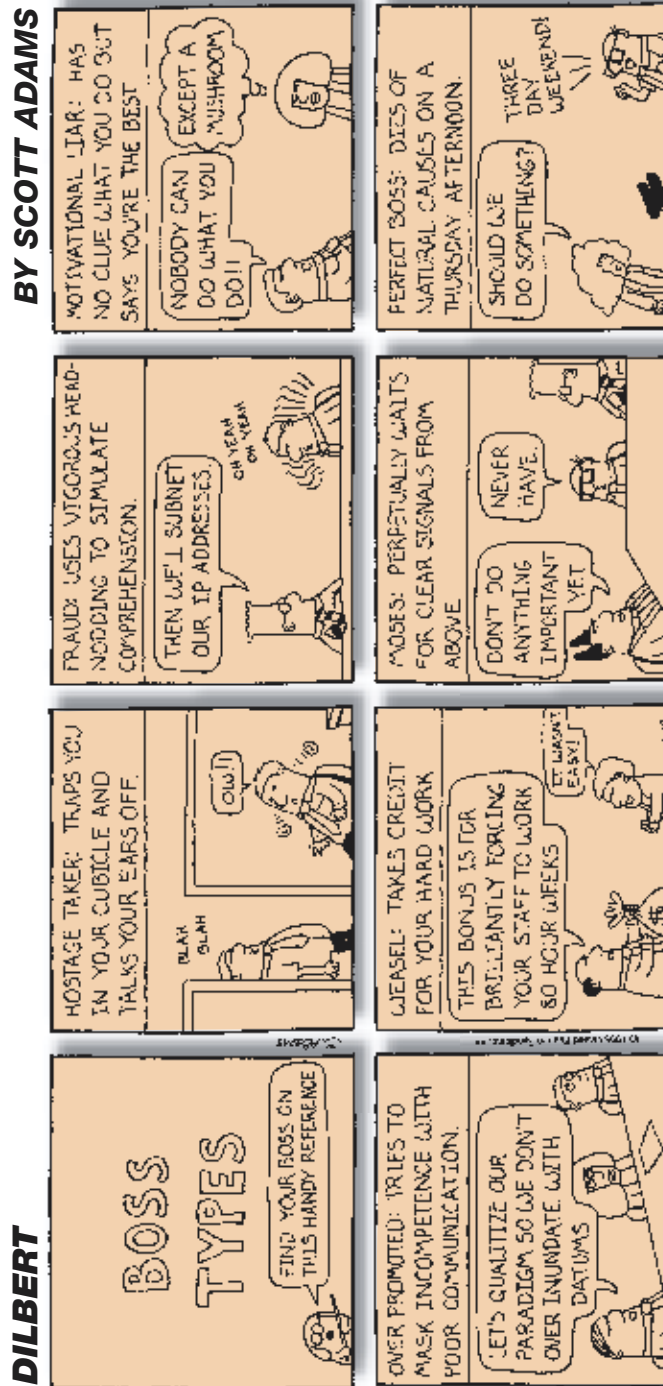
Dysfunctional Managers

A manager who is otherwise competent may engage in some behaviors that make him or her ineffective or even “toxic”—someone who stifles good ideas and drives away employees. These dysfunctional behaviors include insensitivity to others, inability to be a team player, arrogance, poor conflict management skills, inability to meet business objectives, and inability to adapt to change.⁵³ For example, suppose a manager has great depth of technical knowledge and has excellent ability in keeping two steps ahead of competitors. But the manager is abrasive and aggressive with employees and peers and has a leadership style that discourages employees from contributing their ideas. This manager is likely to have difficulty motivating employees and may alienate people inside and outside the organization. Some of these dysfunctional manager behaviors are illustrated humorously in the popular “Dilbert” comic strip, shown in Figure 9.6.

When a manager is an otherwise valuable employee and is willing to improve, the organization may try to help him or her change the dysfunctional behavior. The usual ways to provide type of development include assessment, training, and counseling. The organization may enroll the manager in a program designed specifically to help managers with dysfunctional behavior, such as the Individual Coaching for Effectiveness (ICE) program. The ICE program includes diagnosis, coaching, and support activities, which are tailored to each manager's needs.⁵⁴ Psychologists conduct the diagnosis, coach and counsel the manager, and develop action plans for implementing new skills on the job.

During diagnosis, the psychologist collects information about the manager's personality, skills, and interests. The information comes from psychological tests and interviews with the manager, his or her supervisor, and colleagues. The psychological

FIGURE 9.6
Dysfunctional Managers



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tests help the psychologist determine whether the manager will be able to change the dysfunctional behavior. For example, change will be difficult if the manager is extremely defensive. If the diagnosis indicates the manager can benefit from the program, the manager and supervisor work with the psychologist to set specific developmental objectives.

During the coaching phase of the program, the manager receives information about the target skills or behavior. This may include principles of effective communication or teamwork, tolerance of individual differences in the workplace, or conducting effective meetings. Next, the manager participates in behavior modeling training, described in Chapter 7. The manager also receives psychological counseling to overcome beliefs that may interfere with learning the desired behavior.

The support phase of the ICE program creates conditions to ensure that the manager can use the new behaviors and skills on the job. The manager's supervisor gives the manager and psychologist feedback about the manager's progress in using the new skills and behaviors. The psychologist and manager identify situations in which the manager may tend to rely on dysfunctional behavior. The coach and manager also develop action plans that outline how the manager should try to use new behaviors in daily work activities.

The effectiveness of this kind of program has not yet been thoroughly studied. Still, research suggests that managers who participate in programs like ICE improve their skills and are less likely to be terminated.⁵⁵ This suggests that organizations can benefit from offering development opportunities to valuable employees with performance problems, not just to star performers.

Summary

1. Discuss how development is related to training and careers.

Employee development is the combination of formal education, job experiences, relationships, and assessment of personality and abilities to help employees prepare for the future of their careers. Training is more focused on improving performance in the current job, but training programs may support employee development. In modern organizations, the concept of a career is fluid—a protean career that changes along with changes in a person's interests, abilities, and values and changes in the work environment. To plan and prepare for a protean career requires active career management, which includes planning for employee development.

2. Identify the methods organizations use for employee development.

Organizations may use formal educational programs at the workplace or off-site, such as workshops, university courses and degree programs, company-sponsored training, or programs offered by independent institutions. Organizations may use the assessment process to help employees identify strengths and areas requiring further development. Assessment can help the organi-

zation identify employees with managerial potential or identify areas in which teams need to develop. Job experiences help employees develop by stretching their skills as they meet new challenges. Interpersonal relationships with a more experienced member of the organization—often in the role of mentor or coach—can help employees develop their understanding of the organization and its customers.

3. Describe how organizations use assessment of personality type, work behaviors, and job performance to plan employee development.

Organizations collect information and provide feedback to employees about their behavior, communication style, and skills. The information may come from the employees, their peers, managers, and customers. Many organizations use performance appraisals as a source of assessment information. Appraisals may take the form of 360-degree feedback. Some organizations use psychological tests designed for this purpose, including the Myers-Briggs Type Indicator and the Benchmarks assessment. Assessment centers combine a variety of methods to provide assessment information. Managers must share the assessments, along with suggestions for improvement.

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4. Explain how job experiences can be used for developing skills.
Job experiences contribute to development through a combination of relationships, problems, demands, tasks, and other features of an employee's jobs. The assumption is that development is most likely to occur when the employee's skills and experiences do not entirely match the skills required for the employee's current job, so employees must stretch to meet the demands of the new assignment. The impact varies according to whether the employee views the experience as a positive or negative source of stress. Job experiences that support employee development may include job enlargement, job rotations, transfers, promotions, downward moves, and temporary assignments with other organizations.
5. Summarize principles of successful mentoring programs.
A mentor is an experienced, productive senior employee who helps develop a less experienced employee. Although most mentoring relationships develop informally, organizations can link mentoring to development goals by establishing a formal mentoring program. A formal program also provides a basis for ensuring that all eligible employees are included. Mentoring programs tend to be most successful when they are voluntary and participants understand the details of the program. The organization should reward managers for employee development, carefully select mentors based on interpersonal and technical skills, train them for the role, and evaluate whether the program has met its objectives.
6. Tell how managers and peers develop employees through coaching.
A coach is a peer or manager who works with an employee to motivate the employee, help him or her develop skills, and provide reinforcement and feedback. Coaches should be prepared to take on one or more of three roles: working one-on-one with an employee, helping employees learn for themselves, and providing resources, such as mentors, courses, or job experiences.
7. Identify the steps in the process of career management.
First, during self-assessment, employees use information to determine their career interests, values, aptitudes, and behavioral tendencies, looking for opportunities and areas needing improvement. Self-assessment tools often include psychological tests or exercises that ask about career status and plans. The second step is the reality check, during which the organization communicates information about the employee's skills and knowledge and how these fit into the organization's plan. The employee then sets goals and discusses them with his or her manager, who ensures that the goals are specific, challenging, and attainable. Finally, the employee works with his or her manager to create an action plan for development activities that will help the employee achieve the goals.
8. Discuss how organizations are meeting the challenges of the "glass ceiling," succession planning, and dysfunctional managers.
The glass ceiling is a barrier that has been observed preventing women and minorities from achieving top jobs in an organization. Development programs can ensure that these employees receive access to development resources such as coaches, mentors, and developmental job assignments. Succession planning ensures that the organization prepares qualified employees to fill management jobs as managers retire. It focuses on applying employee development to high-potential employees. Effective succession planning includes methods for selecting these employees, providing them with developmental experiences, and getting the CEO actively involved with employees who display qualities associated with success as they participate in the developmental activities. For dysfunctional managers who have the potential to contribute to the organization, the organization may offer development targeted at correcting the areas of dysfunction. Typically, the process includes collecting information about the manager's personality, skills, and interests; providing feedback, training, and counseling; and ensuring that the manager can apply new, functional behaviors on the job.

Review and Discussion Questions

1. How does development differ from training? How does development support career management in modern organizations?
2. What are the four broad categories of development methods? Why might it be beneficial to combine all of these methods into a formal development program?
3. Recommend a development method for each of the following situations, and explain why you chose that method.
 - a. An employee recently promoted to the job of plant supervisor is having difficulty motivating employees to meet quality standards.
 - b. A sales manager annoys salespeople by dictating every detail of their work.

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- c. An employee has excellent leadership skills but lacks knowledge of the financial side of business.
- d. An organization is planning to organize its production workers into teams for the first time.
4. A company that markets sophisticated business management software systems uses sales teams to help customers define needs and to create systems that meet those needs. The teams include programmers, salespeople who specialize in client industries, and software designers. Occasionally sales are lost as a result of conflict or communication problems among team members. The company wants to improve the effectiveness of these teams, and it wants to begin with assessment. How can the teams use 360-degree feedback and psychological tests to develop?
5. In an organization that wants to use work experiences as a method of employee development, what basic options are available? Which of these options would be most attractive to you as an employee? Why?
6. Many employees are unwilling to relocate because they like their current community and family members prefer not to move. Yet preparation for management requires that employees develop new skills, strengthen areas of weakness, and be exposed to new aspects of the organization's business. How can an organization change an employee's current job to develop management skills?
7. Many people feel that mentoring relationships should occur naturally, in situations where senior managers feel inclined to play that role. What are some advantages of setting up a formal mentoring program, rather than letting senior managers decide how and whom to help?
8. What are the three roles of a coach? How is a coach different from a mentor? What are some advantages of using someone outside the organization as a coach? Some disadvantages?
9. Why should organizations be interested in helping employees plan their careers? What benefits can companies gain? What are the risks?
10. What are the manager's roles in a career management system? Which role do you think is most difficult for the typical manager? Which is the easiest role? List reasons why managers might resist becoming involved in career management.
11. What is the glass ceiling? What are the possible consequences to an organization that has a glass ceiling? How can employee development break the glass ceiling? Can succession planning help with this problem? Explain.
12. Why might an organization benefit from giving employee development opportunities to a dysfunctional manager, rather than simply dismissing the manager? Do these reasons apply to nonmanagement employees as well?

What's Your HR IQ?

The Student CD-ROM offers two more ways to check what you've learned so far. Use the Self-Assessment exercise to test your knowledge of employee development. Go

online with the Web Exercise to see how well your knowledge works in cyberspace.

BusinessWeek Case

BusinessWeek Basic Training for CEOs

Gary C. Wendt, prepare to be scared straight. On June 21, the Conesco Inc. chief and 19 other recently crowned CEOs will subject themselves to a one-day immersion course administered by a parade of corporate critics and long-time chief executives. Those instructors are convinced they might be the only thing standing between the newbie leaders and career disaster. Open only to CEOs who have held the post for less than three years, the course will be taught by professors from elite business schools, top professionals, and such executive suite veterans as Merck's Raymond V. Gilmartin, Tyco International's former CEO Dennis Kozlowski, and Larry Bossidy,

former head of AlliedSignal. "It's a boot camp for recently appointed CEOs," quips Rajiv L. Gupta, CEO of Rohm & Haas since 1999, who leapt at the chance to enlist.

To be sure, the CEO Academy is more than just a novel experiment in executive education—it may be the poshest, most expensive boot camp ever. The brainchild of an innovative CEO roundtable, the academy was conceived as a way for recently anointed CEOs to learn the perils of life in the corner office and for old-timers to discuss the trials and tribulations of CEO life before a receptive audience. It will be held in the august Harold Pratt mansion on New York city's Upper East Side. Tuition for

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the one-day course is a cool \$10,000. But the lessons—dealing with the land mines that can bring an early end to a CEO's career—will be just as biting as the bark of any drill sergeant.

Newly minted CEOs expecting a lovefest are in for a rude awakening. The session on shareholder relations will be led in part by Nell Minow, a corporate governance agitator who has helped build bonfires under boards reluctant to deal with poor-performing CEOs. "My goal is to teach them what they need to do to avoid hearing from people like me in real life," says Minow, who will urge the CEOs to adopt performance-based pay plans, preferred by shareholders. Says Minow, "If they are responsive [to shareholders] in good times, they will have a better chance of keeping them on their side in a downturn."

If Minow's lecture reminds the new CEOs of one set of bosses, the presentation by superlawyer Ira M. Millstein, the dean of corporate governance, will urge them to pay heed to another: their board members. Millstein believes most new CEOs "would be just as happy not to have a board at all," and give it a low priority. To snap them out of that delusion, he'll warn: "There is nothing more important than getting to know the people who can fire you."

But the highlight of the CEO Academy will no doubt occur when veteran CEOs are asked to share their experiences. G. Richard Thoman, who was fired as Xerox Corporation CEO last May, will talk about the lessons he learned at both Xerox and IBM. Gilmartin, an outsider who reinvigorated Merck & Company, will discuss the special challenges facing CEOs who are brought in from the outside.

Most of the "students" can't wait to get started. "We're most able to learn when we're new in a job," says Amgen CEO Kevin W. Sharer, who got the top job a year ago and expects to benefit from people like Bossidy who have years of experience heading complex organizations.

And that, say the group's founders, is the whole point. The CEO Academy is the creation of the M&A Group Inc., a CEO club formed in 1999 as a forum to discuss and

facilitate mergers and acquisitions among members. They quickly realized new CEOs needed help getting their bearings.

The reason? Although these industry titans get paid a king's ransom whether they succeed or fail, job security is a thing of the past. "This is a high-risk job," says Kozlowski, the M&A Group's chairman. "Our ranks [turn over] about 20 percent every year." And with the honeymoon period growing ever shorter, new CEOs have little time to get up to speed. Moreover, "many new CEOs have had limited experience in running a board, or in dealing with Wall Street, the business press, and shareholders," says Dennis C. Carey, a partner at headhunter Spencer-Stuart. That's why he recruited CEOs as instructors. "I wish I'd had [the chance to attend] a forum like this when I became CEO," says Kozlowski.

Of course, the ultimate test of any boot camp is whether it reduces the casualty rate among participants. It will take years to measure the effectiveness of the academy, which the M&A Group hopes to host annually. But with more CEOs crashing and burning, it sounds like a step in the right direction.

SOURCE: W. C. Symonds, "Basic Training for CEOs," *BusinessWeek*, June 11, 2001.

Questions

1. This chapter focused on employee development as a way to prepare for jobs with greater responsibility. Why would someone who has already gained an organization's top job (chief executive officer) want to participate in employee development activities such as the CEO Academy?
2. What development methods does the CEO Academy use? Can you suggest any other methods that would help a CEO become more effective?
3. A chief executive would not be able to turn to higher-level managers at the organization to serve as the CEO's mentor or coach. Who might coach or mentor a CEO or other high-level manager?

Case: Developing Employees Reduces Risk for First USA Bank

First USA Bank is the largest issuer of Visa credit cards. The company offers cards for consumers and businesses under its own name, that of its parent company (Bank One), the First Card name, and on behalf of several thousand marketing partners. These partners include leading U.S. corporations, universities, sports franchises, and financial institutions. First USA is based in Wilmington, Delaware, and has 11,000 employees.

First USA offers its employees a way to help identify their career dreams and plan what to do to achieve them. The company's Opportunity Knocks program was designed in 1998 in response to the results of an employee

attitude survey showing that employees were dissatisfied with their jobs and pessimistic about their future job and career prospects within First USA. The goals of the Opportunity Knocks program are to improve job satisfaction, reduce turnover, and increase the number of employees promoted. First USA also wants its employees to take charge of their own careers and to realize that promotions are not the only desirable career path. For example, lateral moves within the company let employees work in different jobs at the same level, which can help the employees develop a greater range of experience and perspective.

The core philosophy of Opportunity Knocks is what First

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USA calls “five Ps”: person, perspective, place, possibility, and plan. The *person*, or individual employee, needs to understand his or her skills, values, and interests and to communicate them so career development is possible. Employees conduct self-assessments and seek feedback on them by talking to peers and managers. These self-assessments and discussions give the employees *perspective*. Employees must gain a sense of *place*, meaning they need to understand not only First USA and their jobs, but also developments in the industry, profession, and workplace requiring changes in employees’ skills. Employees need to consider different *possibilities* within First USA: moving laterally or vertically or enriching the current job. Finally, employees need *plans* for developing new skills and knowledge that will help them reach their career goals.

First USA’s development program includes workshops that teach career management skills. In addition, the company set up career resource centers at each worksite. These centers offer business publications, career management literature, and computers for preparing résumés. First USA also hired employment development advisers to counsel employees about their career plans.

The program has had many benefits. Internal promotions at First USA have increased by 50 percent. Attitudes have improved as well. When First USA repeated the employee attitude survey, the company found that employee satisfaction with career development opportunities had increased more than 25 percent. Furthermore, employees who participated in the Opportunity Knocks program were far more likely to stay with the company than those who did not participate.

SOURCE: Based on P. Kiger, “At First USA Bank, Promotions and Job Satisfaction Are Up,” *Workforce*, March 2001, pp. 54–56.

Questions

1. What benefits does the Opportunity Knocks program offer to employees? To First USA?
2. Suggest some ways that First USA could enhance this program with other employee development activities.
3. What if the Opportunity Knocks program leads some employees to decide they should leave the company to pursue their career objectives elsewhere? Does that make the program unwise? How might First USA address this risk?

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