



Chapter 8

Career Development

Chapter Outline

- Career Planning and Development
- Career Development and the Responsibilities of the Manager and the Employer
- Managing Promotions and Transfers
- Management Development
- Executive Development

Learning Outcomes

After studying this chapter you should be able to:

Discuss the factors that affect career choices.

Explain how to make a new employee's first assignment more meaningful.

Discuss how to manage promotions and transfers more effectively.

Explain what management development is and why it is important.

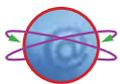
Describe on-the-job and off-the-job management-development techniques.

Discuss the five-step executive development process.

Career Planning and Development

boundaryless career A career that spans several organizations and/or industries.

career planning and development The deliberate process through which a person becomes aware of personal career-related attributes, and the lifelong series of activities that contribute to his or her career fulfillment.



Career Planning Exercises
www.careerstorm.com
 Career Planning
www.careeraction.org

Today, it is widely acknowledged that job security is dead, along with employee loyalty to the employer. Strategically focused employers support their human capital by assisting their employees in managing the career ambiguity associated with this new employment-contract reality, which typically results in multiple-employer careers. Careers that span several organizations, as opposed to the traditional long-term career in a single organization, have become known as **boundaryless careers**.¹

Instead of a promise of job security, today's emphasis is on employability, and the skills to manage careers both inside and outside of a particular organization. The Conference Board of Canada has developed a list called "Employability Skills 2000+" that are needed to enter, remain, and progress in the world of work. There are three categories of skills:

- *Fundamental skills*—communication, managing information, using numbers, thinking, and solving problems.
- *Personal management skills*—demonstrating positive attitudes and behaviours, being responsible, being adaptable, learning continuously, and working safely.
- *Teamwork skills*—working with others, participating in projects and tasks.²

HRM activities play an important role in **career planning and development**. Career-related programs help HR professionals to maintain employee commitment—an employee's identification with and agreement to pursue the company's or the unit's strategic goals. In the new millennium, when the employee may not be sure that he or she will even have a job there at the end of the year, employee commitment is more adult, more honest, and more realistic. Today, there is widespread recognition that employees can and will reconfigure themselves throughout their careers. This new world of work can actually be liberating, offering much greater room for self-actualization. Employees who are pursuing their need to "be all that they can be" increase their sense of *self-reliance*, and know that the ability to take risks is a key factor in career success. Career expert Barbara Moses suggests that employers help their employees by providing support for individuals who are willing to take responsibility for their own careers, including opportunities for self-assessment and self-determination. She believes that effective career-management programs can prepare employees for the future by fostering self-awareness, helping to improve employee–job "fit," and restoring a sense of self-efficacy and confidence.³

Giving employees an opportunity to self-actualize and to develop their potential fosters commitment. Most employees appreciate and respond well to having their potential and skills enhanced, and to knowing that they will be more marketable. Developmental activities, such as providing the educational and training resources required to help employees identify and develop their promotion and career potential, are also important. Career-oriented firms also stress career-oriented appraisals that link the employee's past performance, career preferences, and developmental needs in a formal career plan. Internal job posting systems ensure that the career goals and skills of

inside candidates are matched openly, fairly, and effectively with transfer and promotion opportunities.

Career-development activity is becoming widely accepted as a means for organizations to respond to one of their most serious challenges: retaining employees and keeping them motivated and productive in an environment where there are limited opportunities for promotion.⁴ Managers face the prospect of high turnover and loss of quality workers unless they take action to value the “knowledge capital” that their employees embody.⁵ The key factors in **employee retention** today are opportunities for challenging work, advancement opportunities, and recognition. For example, a 2001 Statistics Canada survey of employees found that new arts and science graduates from high school, trade schools, and community colleges had the highest job search rate (41 percent). Job dissatisfaction due to feeling overqualified, unhappiness with the job not being related to their field of study, and low pay were the main reasons for wanting to change jobs.⁶ A 2002 survey by Drake Beam Morin found that high-tech workers stay on the job less than half as much time as other workers, and nearly half of those who leave look for employment in another industry.⁷

employee retention The extent to which employees are retained by the organization over relatively long periods of time.

Employers should increase the challenge in employees’ jobs by including employees in external activities, involving them more closely in the work of senior management, and giving them money to use for developmental purposes of their own choosing.⁸ These issues are particularly important for “knowledge workers.”⁹ In today’s downsized, flattened, high-tech, and empowered organizations, employers must also depend on their employees to recognize new opportunities, identify problems, and react quickly with analyses and recommendations. As a result, the need has arisen for encouraging **lifelong learning**—in other words, for providing extensive, continuing training from basic remedial skills to advanced decision-making techniques throughout employees’ careers.

lifelong learning Providing extensive continuing training throughout employees’ careers.

Before proceeding, it would be useful to define some of the terms that will be used throughout this chapter.¹⁰ A *career* is a series of work-related positions, paid or unpaid, that help a person to grow in job skills, success, and fulfillment. *Career development* is the lifelong series of activities (such as workshops) that contribute to a person’s career exploration, establishment, success, and fulfillment. *Career planning* is the deliberate process through which someone becomes aware of personal skills, interests, knowledge, motivations, and other characteristics; acquires information about opportunities and choices; identifies career-related goals; and establishes action plans to attain specific goals.

Roles in Career Development

The individual, the manager, and the employer all have roles in the individual’s career development. Ultimately, however, it is the *individual* who must accept responsibility for his or her own career. This requires an entrepreneurial, goal-oriented approach that requires four key skills: self-motivation, independent learning, effective time and money management, and self-promotion.¹¹ Networking is the foundation of active career management and is essential for accessing the most valuable career resource—people. Networking is an organized process whereby the individual arranges and conducts a series of face-to-face meetings with his or her colleagues and contacts, plus individuals they

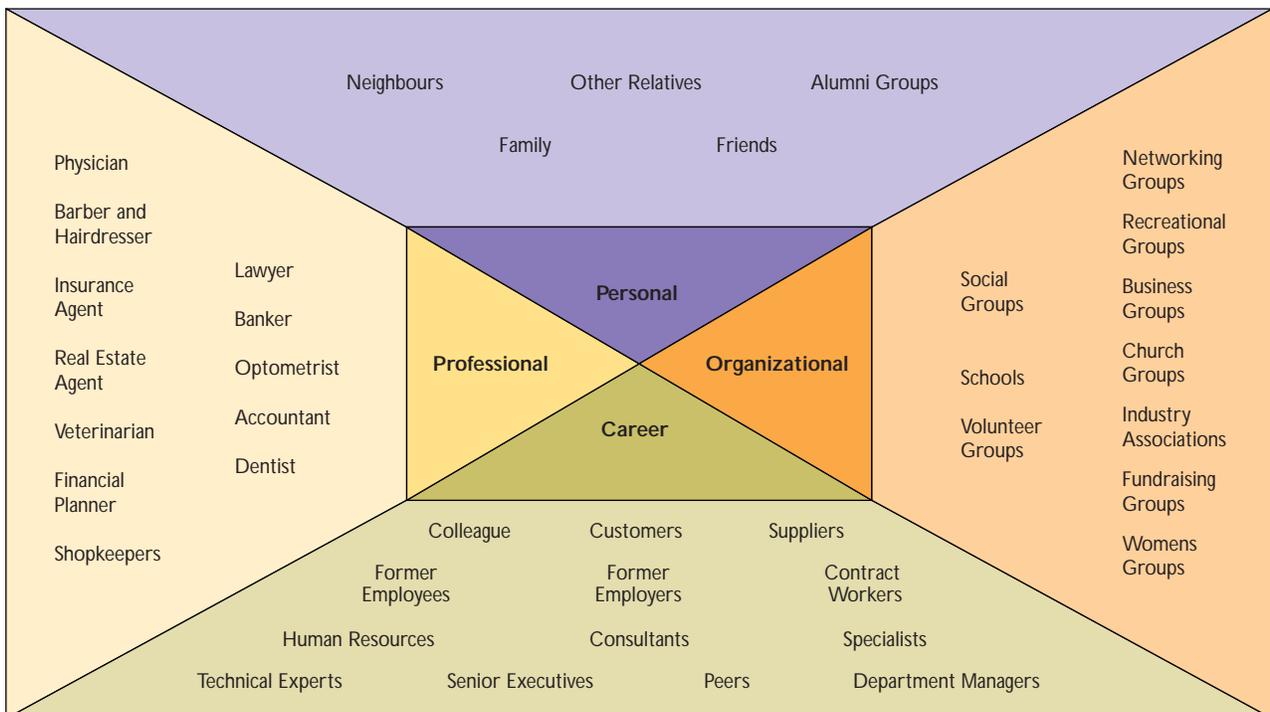


recommend (not cold calls). Networking does not involve asking for a job, and it is not a one-sided encounter where only the individual benefits, but rather a mutual sharing process. Its objectives are to let people know about background and career goals, and to exchange information, advice, and referrals.¹² A personal networking chart is shown in **Figure 8.1**.

Within the organization, the individual's *manager* plays a role, too. The manager should provide timely and objective performance feedback, offer developmental assignments and support, and participate in career-development discussions. The manager acts as a coach, appraiser, advisor, and referral agent, for instance, listening to and clarifying the individual's career plans, giving feedback, generating career options, and linking the employee to organizational resources and career options.

Finally, the *employer* plays a career-development role. For example, an organization wishing to retain good employees should provide career-oriented training and development opportunities, offer career information and career programs, and give employees a variety of career options. Ultimately, employers need not and should not provide such career-oriented activities purely out of altruism. Most employees will ultimately grade their employers on the extent to which the organization allowed them to excel and to become the people they believed they had the potential to become, and that will help to determine their commitment to their employers and their overall job satisfaction.¹³

Figure 8.1 Personal Network Chart



Source: *It's Your Move: A Personal and Practical Guide to Career Transition and Job Search for Canadian Managers, Professionals and Executives* by M. Watters and L. O'Connor. Published by HarperCollins Publishers Ltd. Copyright © 2001 by Knebel Watters & Associates, Inc. All rights reserved.

Factors That Affect Career Choices

The first step in planning a career is to learn as much as possible about the person's interests, aptitudes, and skills.

Identify Career Stage Each person's career goes through stages, and the current stage will influence the employee's knowledge of and preference for various occupations. The main stages of this career cycle follow.¹⁴

career cycle The stages through which a person's career evolves.

growth stage The period from birth to age 14, during which the person develops a self-concept by identifying with and interacting with other people, such as family, friends, and teachers.

Growth Stage The growth stage lasts roughly from birth to age 14, and is a period during which the person develops a self-concept by identifying with and interacting with other people, such as family, friends, and teachers. Toward the beginning of this period, role-playing is important, and children experiment with different ways of acting; this helps them to form impressions of how other people react to different behaviours and contributes to their developing a unique self-concept or identity. Toward the end of this stage, the adolescent (who by this time has developed preliminary ideas about what his or her interests and abilities are) begins to think realistically about occupational alternatives.

exploration stage The period from around age 15 to 24, during which a person seriously explores various occupational alternatives, attempting to match these alternatives with his or her interests and abilities.

Exploration Stage The exploration stage is the period (roughly from age 15 to 24) during which a person seriously explores various occupational alternatives. The person attempts to match these alternatives with what he or she has learned about them and about his or her own interests and abilities from school, leisure activities, and work. Tentative broad occupational choices are usually made during the beginning of this period. Toward the end of this period, a seemingly appropriate choice is made and the person tries out for an entry-level job.

Probably the most important task that the person has in this and the preceding stage is to develop a realistic understanding of his or her abilities and talents. Similarly, the person must make sound educational decisions based on reliable sources of information about occupational alternatives.

establishment stage The period, roughly from age 24 to 44, that is the heart of most people's work lives.

Establishment Stage The establishment stage spans the period from roughly age 24 to 44 and is the heart of most people's work lives. During this period, it is hoped that a suitable occupation is found and that the person engages in activities that help him or her to earn a permanent place in the chosen field. Often, and particularly in the professions, the person locks into a chosen occupation early. In most cases, however, this is a period during which the person is continually testing his or her capabilities and ambitions against those of the initial occupational choice.

maintenance stage The period from about age 45 to 65, during which the person secures his or her place in the world of work.

Maintenance Stage Between the ages of 45 and 65, many people simply slide from the establishment stage into the maintenance stage. During this latter period, most efforts are now directed at maintaining the place that the person has typically created in the world of work.

decline stage The period during which many people are faced with the prospect of having to accept reduced levels of power and responsibility.

Decline Stage As retirement age approaches, there may be a deceleration period known as the decline stage. Here, many people face the prospect of having to accept reduced levels of power and responsibility, and learn to accept and develop new roles as mentor and confidant for those who are younger. However, it is becoming more common for older workers, despite some decline in physical capabilities, to continue to work until normal retirement age and beyond. Following retirement, the person finds alternative uses for the time and effort formerly expended on his or her occupation.

occupational orientation The theory, developed by John Holland, that there are six basic personal orientations that determine the sorts of careers to which people are drawn.

Research Insight



Identify Occupational Orientation Career-counselling expert John Holland says that a person's personality (including values, motives, and needs) determines his or her occupational orientation, which is another important factor in career choices. For example, a person with a strong social orientation might be attracted to careers that entail interpersonal rather than intellectual or physical activities, and to occupations such as social work.

Based on research with his Vocational Preference Test (VPT), Holland found six basic personality types or orientations:¹⁵

1. **Realistic orientation.** These people are attracted to occupations that involve physical activities requiring skill, strength, and coordination. Examples include forestry, farming, and agriculture.
2. **Investigative orientation.** Investigative people are attracted to careers that involve cognitive activities (thinking, organizing, and understanding) rather than affective activities (feeling, acting, or interpersonal and emotional tasks). Examples include biologists, chemists, and college professors.
3. **Social orientation.** These people are attracted to careers that involve interpersonal rather than intellectual or physical activities. Examples include clinical psychology, foreign service, and social work.
4. **Conventional orientation.** A conventional orientation favours careers that involve structured, rule-regulated activities, as well as careers in which it is expected that the employee subordinate his or her personal needs to those of the organization. Examples include accountants and bankers.
5. **Enterprising orientation.** Verbal activities aimed at influencing others are attractive to enterprising personalities. Examples include managers, lawyers, and public-relations executives.
6. **Artistic orientation.** People here are attracted to careers that involve self-expression, artistic creation, expression of emotions, and individualistic activities. Examples include artists, advertising executives, and musicians.

Most people have more than one orientation (they might be social, realistic, and investigative, for example), and Holland believes that the more similar or compatible these orientations are, the less internal conflict or indecision a person will face in making a career choice.

Identify Skills and Aptitudes Successful performance depends not just on motivation but also on ability. Someone may have a conventional orientation, but whether he or she has the skills to be an accountant, banker, or credit manager will largely determine the specific occupation ultimately chosen. Therefore, each individual's skills must be identified.

One useful exercise for identifying occupational skills is to write a short essay that describes "The Most Enjoyable Occupational Task That I Have Had." Make sure to go into detail about duties and responsibilities and what it was that made the task enjoyable. Next, on other sheets of paper, do the same thing for two other enjoyable tasks. Now go through the three essays and underline the skills that were mentioned the most often. For example, was it putting together and coordinating the school play as part of a job in the principal's office one year? Was it the hours spent in the library doing research when working one summer as an office clerk?¹⁶

For career-planning purposes, a person's aptitudes are usually measured with a test battery such as the general aptitude test battery (GATB). This instrument measures various aptitudes, including intelligence and mathematical ability. Considerable work has been done to relate aptitudes, such as those measured by the GATB, to specific occupations.

career anchor A concern or value that you will not give up if a choice has to be made.

Identify Career Anchor Edgar Schein says that career planning is a continuing process of discovery—one in which a person slowly develops a clearer occupational self-concept in terms of what his or her talents, abilities, motives, needs, attitudes, and values are. Schein also says that as you learn more about yourself, it becomes apparent that you have a dominant career anchor, a concern or value that you will not give up if a choice has to be made. Career anchors, as their name implies, are the pivots around which a person's career swings; a person becomes conscious of them as a result of learning about his or her talents and abilities, motives and needs, and attitudes and values. Based on his research, Schein believes that career anchors are difficult to predict ahead of time because they are evolutionary. Some people may not find out what their career anchors are until they have to make a major choice—such as whether to take the promotion to the headquarters staff or strike out on their own by starting a business. It is at this point that all of the person's past work experiences, interests, aptitudes, and orientations converge into a meaningful pattern (or career anchor) that helps to show what is personally the most important in driving the person's career choices. Schein identified five career anchors:¹⁷

1. **Technical/functional career anchor.** People who have a strong technical/functional career anchor tend to avoid decisions that would drive them toward general management. Instead, they make decisions that will enable them to remain and grow in their chosen technical or functional fields.
2. **Managerial competence as a career anchor.** Other people show a strong motivation to become managers, and their career experience convinces them that they have the skills and values required to rise to general-management positions. A management position of high responsibility is their ultimate goal. Qualifications for these jobs include (1) analytical competence (ability to identify, analyze, and solve problems under conditions of incomplete information and uncertainty); (2) interpersonal competence (ability to influence, supervise, lead, manipulate, and control people at all levels); and (3) emotional competence (the capacity to be stimulated by emotional and interpersonal crises rather than exhausted or debilitated by them, and the capacity to bear high levels of responsibility without becoming paralyzed).
3. **Creativity as a career anchor.** People who become successful entrepreneurs have a need to build or create something that is entirely their own product—a product or process that bears their name, a company of their own, or a personal fortune that reflects their accomplishments. For example, one participant in Schein's research became a successful purchaser, restorer, and renter of townhouses in a large city; another built a successful consulting firm.
4. **Autonomy and independence as career anchors.** Some people seem driven to be on their own, free of the dependence that can arise when a person

works in a large organization where promotions, transfers, and salary decisions make them subordinate to others. Many also have a strong technical/functional orientation. Instead of pursuing this orientation in an organization, however, they decide to become consultants, working either alone or as part of a relatively small firm. Others become professors of business, freelance writers, and proprietors of small retail businesses.

5. Security as a career anchor. Some people are mostly concerned with long-run career stability and job security. They seem willing to do what is required to maintain job security, a decent income, and a stable future in the form of a good retirement program and benefits. For those interested in geographic security, maintaining a stable, secure career in familiar surroundings is generally more important than pursuing superior career choices, if choosing the latter means injecting instability or insecurity into their lives by forcing them to pull up roots and move to another city. For others, security means organizational security. They are much more willing to let their employers decide what their careers should be.

Career Development and the Responsibilities of the Manager and the Employer

Along with the employee, the manager and employer both have career-management responsibilities. Some guidelines follow.

Tips for the
Front Line

Avoid Reality Shock

Perhaps at no other stage in the person's career is it more important for the employer to be career development-oriented than at the initial entry stage, when the person is recruited, hired, and given a first assignment and boss. This is (or should be) a period of reality testing during which his or her initial hopes and goals first confront the realities of organizational life and of the person's talents and needs.

For many first-time workers, this turns out to be a disastrous period, one in which their often-naïve expectations confront unexpected workplace realities such as being relegated to an unimportant low-risk job where he or she "cannot cause any trouble while being tried out," inter-departmental conflict and politicking, or a boss who is neither rewarded for nor trained in the unique mentoring tasks needed to properly supervise new employees.¹⁸



Giving an employee responsibility for a major presentation to an important client is one way to front-load entry-level jobs with challenge and to foster employee commitment.

Provide Challenging Initial Jobs

Most experts agree that one of the most important things is to provide new employees with challenging first jobs. In most organizations, however, providing such jobs seems more the exception than the rule. This imbalance, as one expert has pointed out, is an example of "glaring mismanagement" when one considers the effort and money invested in recruiting, hiring, and training new employees.¹⁹

Provide Realistic Job Previews

Providing recruits with realistic previews of what to expect should they be selected to work in the organization—previews that describe both the attractions and possible pitfalls—can be an effective way of minimizing reality shock and improving employees' long-term performance.

Be Demanding

There is often a “Pygmalion effect” in the relationship between a new employee and his or her boss.²⁰ In other words, the more the supervisor expects and the more confident and supportive he or she is, the better new employees will perform.

Provide Periodic Developmental Job Rotation and Job Pathing

The best way in which new employees can test themselves and crystallize their career anchors is to try out a variety of challenging jobs. By rotating to jobs in various specializations—from financial analysis to production to HR, for example—the employee gets an opportunity to assess his or her aptitudes and preferences. At the same time, the organization gets a manager with a broader, multifunctional view of the organization.²¹ One extension of this is called job pathing, which means selecting carefully sequenced job assignments.²²

job pathing Selecting carefully sequenced job assignments to enable employees to test their aptitudes and preferences.

Provide Career-Oriented Performance Appraisals

Supervisors must understand that valid performance appraisal information is, in the long run, more important than protecting the short-term interests of their staff.²³ Therefore, a supervisor needs concrete information regarding the employee's potential career path—information, in other words, about the nature of the future work for which he or she is appraising the employee, or which the employee desires.²⁴

Provide Career-Planning Workshops

Employers should also take steps to increase their employees' involvement and expertise in planning and developing their own careers. One option here is to organize periodic career-planning workshops. A career-planning workshop has been defined as “a planned learning event in which participants are expected to be actively involved, completing career-planning exercises and inventories and participating in career-skills practice sessions.”²⁵

career-planning workshop A planned learning event in which participants are expected to be actively involved in career-planning exercises and career-skills practice sessions.

Such workshops usually contain a self-assessment activity in which individual employees actively analyze their own career interests, skills, and career anchors. There is then an environmental assessment phase in which relevant information about the company and its career options and staffing needs is presented. Finally, a career-planning workshop typically concludes with goal setting and action planning in which the individual sets career goals and creates a career plan.

A career-planning workbook may be distributed to employees either as part of a workshop or as an independent career-planning aid. This is “a printed guide that directs its users through a series of assessment exercises, models, discussions, guidelines, and other information to support career planning.”²⁶ The workbook may also contain practical career-related information, such as how to prepare a résumé. Finally, career-planning workbooks usually contain guides for creating a career-development action plan. A career-planning workbook underlines the employee’s responsibility to initiate the career-development process, whereas career workshops may reinforce the perception that the employer will do so.²⁷ Some career-planning activities are now being offered online. At the TD Bank Financial Group, HR managers are utilizing an online career management program called PD@TD, as described in the HR.Net box.

Provide Opportunities for Mentoring

mentoring The use of an experienced individual (the mentor) to teach and train another person (the protégé) with less knowledge in a given area.

Mentoring has traditionally been defined as “the use of an experienced individual (the mentor) to teach and train someone [the protégé] with less knowledge in a given area.”²⁸ Through individualized attention, “the mentor transfers needed information, feedback, and encouragement to the protégé...,”²⁹ and in that way, the opportunities for the protégé to optimize his or her career success are improved. Effective mentoring builds trust both ways in the mentor–protégé relationship.³⁰ Mentoring provides benefits to both mentors, who demonstrate enhanced attitudes and job performance, and protégés, who become more self-confident and productive, and experience greater career satisfaction and faster career growth.³¹ Group mentoring is another option. A special mentor who offers insight and the wisdom of experience guides four to eight employees, and in addition, each employee’s manager plays a key role in developing learning assignments and coaching the employee.³²

Organizational mentoring may be formal or informal. Informally, of course, middle- and senior-level managers will often voluntarily take up-and-coming

HR.Net

PD@TD

PD@TD is an online, interactive intranet site that combines employee self-assessments with information on TD’s businesses, including strategies, job descriptions, workforce statistics, and key success factors, as well as a virtual library of tools and resources that help employees strike a work-life balance. All this is meant to help employees become more career self-reliant—to find their long-term fit within the organization by determining if they are in the right position in the first place. If they are not, they can draft a development plan to help get them there. PD@TD is often referred to a “virtual mentor.”

Employees start out by finding out about themselves. They log on and complete three assessments about themselves: interests, skills, and values. From

this, the program suggests some positions or types of work the employee would ideally be suited for. Links to the bank’s learning and development site provide more information on courses and development programs. Telephone career services are available when needed to assist employees who want to speak to somebody about career development.

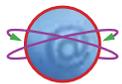
To keep employees up to date, the PD@TD site has a “what’s new page” and puts advertising banners on other sites on the TD intranet. They try to add a new topic each month, such as résumé building, developing interview skills, networking, integrating work and life, and stress management.

Source: “So You Think Self-service Is a Big Deal,” *Canadian HR Reporter* (November 20, 2000), pp. 9, 11. Reproduced by permission of *Canadian HR Reporter*, Carswell, One Corporate Plaza, 2075 Kennedy Road, Scarborough, ON M1T 3V4.

employees under their wings, not only to train them, but to give career advice and to help them steer around political pitfalls. However, many employers also establish formal mentoring programs. Here employers actively encourage mentoring relationships to take place, and may pair protégés with potential mentors. Training may be provided to facilitate the mentoring process and, in particular, to aid both mentor and protégé in understanding their respective responsibilities in the mentoring relationship. A recent study on mentoring across Canada found interesting variations in the gender breakdown between male and female mentors and protégées, based on the type of mentoring program, as shown in Figure 8.2.

A recent study by Peer Resources, a nonprofit centre for mentoring in Victoria, B.C., found that mentoring is not being used to its full potential in Canadian workplaces. Almost one-third of Canadian organizations have no mentoring programs. This is surprising, given the emphasis on learning organizations and knowledge workers in today's businesses. Mentoring is one of the best and cheapest ways to transfer knowledge.³³ Mentoring also keeps skilled employees motivated, loyal, and committed to the organization. Ultimately, an effective mentoring program supports corporate strategy by retaining future leaders.³⁴

A new development in mentoring is reverse mentoring programs where younger employees provide guidance to senior executives on how to use the Web for messaging, buying products and services, finding new business opportunities, and so forth. General Motors, Procter & Gamble, General Electric, and the Wharton Business School are all using reverse mentoring. The relationship that develops often provides benefits to the young mentor when the Web-challenged older manager reciprocates in the form of career advice and guidance.³⁵



Mentors—Peer Resources
www.mentors.ca

Become a Learning Organization

Learning is a survival technique for both individuals and organizations. Today, employees at all levels know that they must engage in lifelong learning in order

Figure 8.2 Male/Female Breakdown of Mentors and Mentees

Program Objectives	Mentor male/female ratio	% male	% female	Mentee male/female ratio	% male	% female
Entrepreneur Development	1.1:1	52.2	47.8	0.5:1	35.4	64.5
Retention/Succession Leadership	1.7:1	63.3	36.7	2.1:1	67.3	32.7
Career Entry/Settlement	1.4:1	58.7	41.3	1.4:1	58.5	41.5
Industry-Specific Mobility	0.1:1	8.7	91.3	0.004:1	3.7	96.3

Source: C. Cuerrier, ed., *Mentoring and the World of Work in Canada: Source Book of Best Practices*. Charlesbourg, QC: Fondation de l'entrepreneuriat, 2003. Reprinted with permission of the publisher.

learning organization An organization focused on creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights.

to remain employable and have a satisfying career. A learning organization “is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights.”³⁶ The HR department is often the driving force behind ensuring that the training and development opportunities necessary to create a learning organization are in place, particularly in the following five activities:

- **Transferring knowledge.** Learning organizations are adept at transferring knowledge. For example, in some firms, rotating assignments are used for transferring knowledge. Other companies organize workers into self-managed teams, the members of which must share their knowledge in order to function successfully.
- **Learning from experience.** Learning organizations also have to review their successes and failures and document the lessons they have learned. Training and development plays an important role in facilitating such learning from past experience. For example, case studies and action learning can be used to study and illustrate what has previously been done correctly or incorrectly.
- **Experimentation.** The learning organization also depends on experimentation, which means systematically searching for and testing new knowledge.³⁷ It is the role of the HR department to create incentive plans that encourage employees to experiment with new processes or products. For example, the management of 3M company supports the development of new products by encouraging research and development staff to use up to 15 percent of their time on experimentation with new product ideas.³⁸
- **Learning from others.** A learning organization is also one that effectively learns from others. Outside training and development activities involving employees from other organizations are important for obtaining such expertise. Employees and managers must also be trained to benchmark, the process through which the best industry practices are uncovered, analyzed, adopted, and implemented.³⁹
- **Systematic problem solving.** The learning organization depends on the scientific method, where they gather data and use simple statistical tools to organize data and draw inferences.⁴⁰ Training and development is crucial for fostering such systematic problem-solving skills.

Managing Promotions and Transfers

Promotions and transfers are significant career-related decisions that managers make on an ongoing basis. These decisions have important career development implications for the promoted and/or transferred employee and substantial benefits for the organization in terms of creating a pool of potential future managers with broad experience throughout the firm.

Making Promotion Decisions

Employers must decide on the basis on which to promote employees, and the way that these decisions are made will affect the employees' motivation, performance, and commitment.

**Hints to Ensure
Legal Compliance**

Decision 1: Is Seniority or Competence the Rule? From the point of view of motivation, promotion based on competence is best. However, the ability to use competence as the sole criterion depends on several things, most notably whether or not a firm is unionized. Union agreements often contain a clause that emphasizes seniority in promotions, meaning that only substantial differences in abilities can be taken into account.⁴¹

Decision 2: How Is Competence Measured? If promotion is to be based on competence, how will competence be defined and measured? Defining and measuring past performance are relatively straightforward matters, but promotion also requires predicting the person's potential; thus, there must be a valid procedure for predicting a candidate's future performance. Many employers simply use good past performance as a guide and assume that the employee will perform well on the new job. Other employers use tests or assessment centres to evaluate promotable employees, and to identify those employees with executive potential.⁴²

Decision 3: Is the Process Formal or Informal? Many employers still depend on an informal system where the availability and requirements of open positions are kept secret. Promotion decisions are then made by key managers from among employees whom they know personally, and also from among those who, for one reason or another, have impressed them.⁴³ The problem is that when employees are not made aware of the jobs that are available, the criteria for promotion, and how promotion decisions are made, the link between performance and promotion is severed, thereby diminishing the effectiveness of promotion as a reward. For this reason, many employers establish formal, published promotion policies and procedures that describe the criteria by which promotions are awarded. Computerized skill inventories, replacement charts, and replacement summaries can be used to compile detailed information about the qualifications of hundreds or thousands of employees. The net effect of such actions is twofold: (1) An employer ensures that all qualified employees are considered for openings; and (2) promotion becomes more closely linked with performance in the minds of employees.

**An Ethical
Dilemma**

Is it ethical for employers to keep promotion policies and procedures secret in an era of flattened organizations where so many employees who aspire to higher positions will not get them, but might achieve them elsewhere?

Decision 4: Vertical, Horizontal, or Other Career Path? Finally, employers are increasingly facing the question of how to “promote” employees in an era of flattened organizations that have eliminated many of the higher-management positions to which employees might normally aspire.⁴⁴ Some firms have created two parallel career paths: one for managers, and another for “individual contributors” such as engineers, who can move up to nonsupervisory but still more-senior positions, such as “senior engineer,” with most of the perks and financial rewards attached to management-track positions at that level.⁴⁵ Another option is to provide career-development opportunities by moving the person horizontally, such as a production employee being moved horizontally to HR in order to give him or her an opportunity to develop new skills.

Managing Transfers

Employees may seek transfers into jobs that offer greater possibility for career advancement, opportunities for personal enrichment, or those that are more interesting or more convenient—better hours, location of work, and so on.⁴⁶

Employers may transfer a worker in order to fill a vacant position, or more generally to find a better fit for the employee within the firm. Transfers are thus increasingly a way to give employees opportunities for diversity of job assignment and, therefore, personal and career growth.

Policies of routinely transferring employees from locale to locale, either to give their employees more exposure to a wide range of jobs or to fill open positions with trained employees, have fallen into disfavour, partly because of the cost of relocating employees, and partly because of the assumption that frequent transfers have a bad effect on an employee's family life. Companies are facing a record number of rejections of their relocation offers. About two-thirds of all transfer refusals are due to family or spousal concerns. Providing reassurances that relocation costs will be covered is often no longer enough to persuade employees to upset their lifestyles, their spouses' careers, and their children's activities. To overcome this problem, companies are offering spousal support in the form of career transition programs in order to encourage employees to accept transfers.⁴⁷

Management Development

management development Any attempt to improve current or future management performance by imparting knowledge, changing attitudes, or increasing skills.

Management development is any attempt to improve managerial performance by imparting knowledge, changing attitudes, or increasing skills. Management development is particularly important today because 60 percent of Canadian organizations are facing a shortage of middle managers.⁴⁸ The ultimate aim of management-development programs is to achieve business strategy. For this reason, the management-development process consists of (1) assessing the company's human resources needs to achieve its strategic objectives, (2) creating a talent pool, and then (3) developing the managers themselves.⁴⁹

Some management-development programs are company-wide and involve all or most new (or potential) management recruits. The workers may be rotated through a preprogrammed series of departmental assignments and educational experiences, the aim of which is to identify their management potential and provide the breadth of experience (in, say, production and finance) that will make the new managers more valuable in their first "real" assignment as group product leaders. Superior candidates may then be slotted onto a "fast track," a development program that prepares them more quickly to assume senior-level appointments.

On the other hand, the management-development program may be aimed at filling a specific position, such as CEO, perhaps with one of two potential candidates. When it is an executive position to be filled, the process is usually called succession planning. Succession planning is particularly challenging in today's downsized organizations, as the pool from which to choose future leaders has grown smaller, and includes employees who are often pursuing professional-development activities to make them marketable for other jobs, not necessarily to move up within their current organizations.⁵⁰ However, a formal succession plan that advises high-potential employees they are being considered for senior positions can aid in employee retention by encouraging promising employees to pursue their careers with the firm and offering a reasonable return for loyalty and effort.⁵¹ Thus, a succession plan can be used as an inexpensive form of recognition.⁵² Canadian companies like JetForm, Enbridge Inc., and Schering

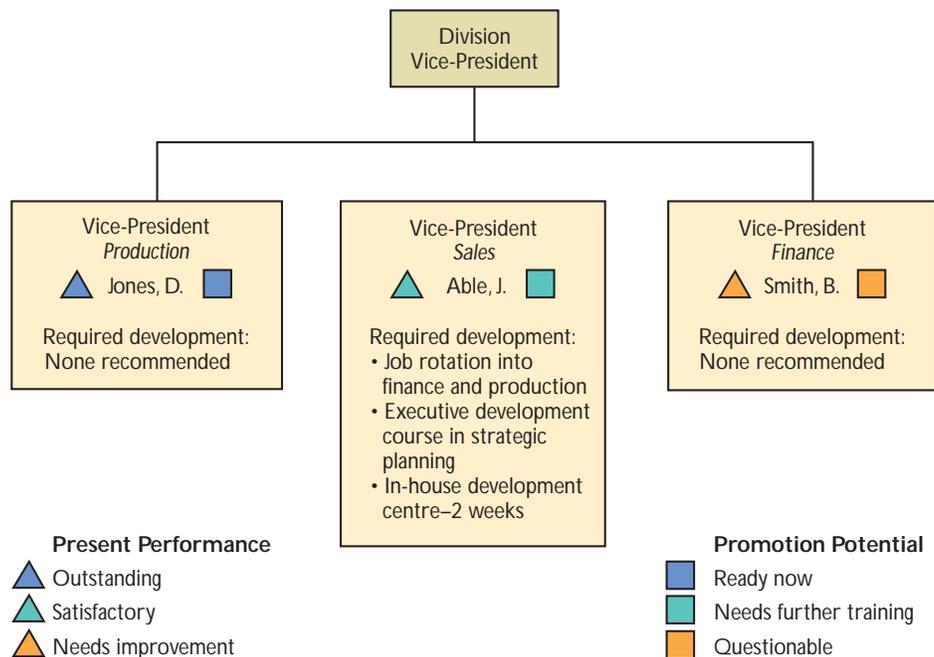
succession planning A process through which senior-level openings are planned for and eventually filled.

Canada all believe it is vitally important to tell employees who have been identified as having the potential to fill senior positions.⁵³ It is important, however, to anticipate the reaction of individuals who are not selected for the “fast track” in order to avoid alienating solid performers who are not chosen.

A succession program typically takes place in stages. First, an organization projection is made; here, each department’s management needs are anticipated based on strategic factors like planned expansion or contraction. Next, the HR department reviews its management-skills inventories to identify the management talent now employed. These inventories contain data on things like education and work experience, career preferences, and performance appraisals. Next management-replacement charts are drawn. These summarize potential candidates for each of the management slots, as well as each person’s development needs. As shown in Figure 8.3, the development needs for a future divisional vice-president might include job rotation (to obtain more experience in the firm’s finance and production divisions), executive-development programs (to provide training in strategic planning), and assignment for two weeks to the employer’s in-house management-development centre.⁵⁴

Employees should be encouraged to be proactive and accept responsibility for their own career, including seeking out opportunities for leadership training. Employees who feel empowered and motivated to be the initiators of their own management-development process may already be demonstrating leadership potential. Empowering employees in the organization to be part of a mutual succession-planning process increases the potential for its success.⁵⁵ However, it may be necessary to pay special attention to providing

Figure 8.3 Management Replacement Chart Showing Development Needs of Future Divisional Vice-President



developmental opportunities for female managers, as they have been found to be disadvantaged in this regard, as discussed in the Workforce Diversity box.

A recent study by the Towers Perrin consulting firm surveyed 4500 employees in Canada, and found that only 43 percent of the Canadian managers were rated as performing well in key areas of management behaviour, including inspiring enthusiasm for work and helping employees understand how they impact financial performance (see Figure 8.4). This is partly because managers have many other responsibilities in addition to managing their employees, and are typically short of time. However, managing people is difficult, complex work that requires time, resources, organizational support, and role models.⁵⁶ A survey by the Center for Creative Leadership found that the most effective leaders are skilled in honest communication, sensitivity to others, and motivating, developing, and retaining staff.⁵⁷

Thus more emphasis on people management is required in management development programs. Management is a discipline with a body of knowledge similar to any science, but is often viewed as an art. Management skills can be taught to and learned by individuals who value the development and success of employees.⁵⁸ At the Loyalty Group in Toronto, a three-day program for managers helps them learn how to delegate work, assess whether an employee has the capability and motivation to do the job, and determine which management style will be most effective.⁵⁹

Workforce Diversity

Climbing the Corporate Ladder: Do Male and Female Executives Follow the Same Route?

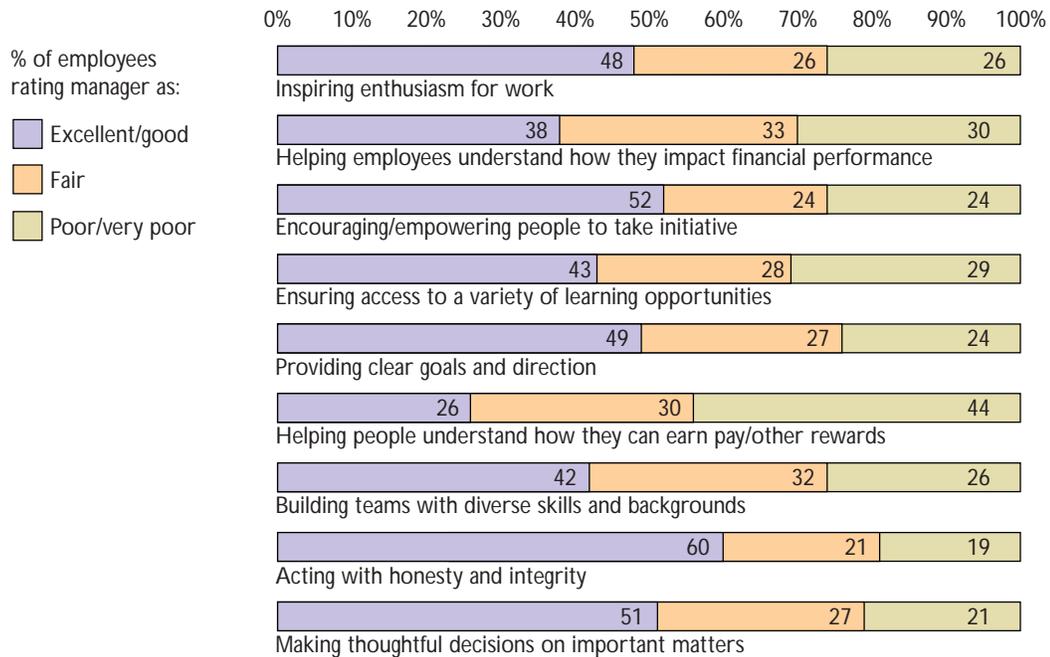
A recent research study compared matched samples of 69 female executives and 69 male executives to investigate whether the career development experiences and career paths that are related to career success for female executives were different from those for male executives. The results indicated that similar developmental experiences and career history characteristics were related to career success for both genders.

However, the findings suggested that although the developmental experiences and career histories of male and female executives were similar, the women faced greater barriers, relied on different strategies for advancement, and followed different routes up the corporate hierarchy than men. For example, mentoring was more strongly related to success for men than women. Female executives reported greater importance of developing relationships and having a good track record as facilitators of their advancement than did male executives.

The results clearly demonstrated the importance of developmental job assignments. Managing diverse businesses was most strongly related to success and functional diversity was also related to career success. Women reported difficulty getting developmental assignments. Men had more international assignments, and women had more developmental experiences involving non-authority relationships.

In order to advance, women must somehow overcome the reluctance of organizational decision makers to take risks on women—for example, by gaining a powerful sponsor, becoming personally known to organizational decision makers, or meeting a higher standard for promotions than their male counterparts. The authors concluded that organizations that are interested in helping female managers advance should focus on breaking down the barriers that interfere with women's access to developmental experiences.

Source: Karen S. Lyness and Donna E. Thompson, "Climbing the Corporate Ladder: Do Female and Male Executives Follow the Same Route?" *Journal of Applied Psychology* 85, no. 1, 2000, pp. 86–101. Copyright © 2000 by the American Psychological Association. Adapted with permission.

Figure 8.4 Ratings of Canadian Management Behaviour

Source: Working Today: Understanding What Drives Employment Engagement: The Towers Perrin 2003 Talent Report. © Towers Perrin, 2003, Toronto. Used with permission. All rights reserved.

On-the-Job Management-Development Techniques

On-the-job training is one of the most popular development methods. Important techniques here include developmental job rotation, the coaching/understudy approach, and action learning.

developmental job rotation A management-training technique that involves moving a trainee from department to department to broaden his or her experience and identify strong and weak points.

Developmental Job Rotation Developmental job rotation involves moving management trainees from department to department to broaden their understanding of all parts of the business.⁶⁰ The trainee—often a recent college or university graduate—may work for several months in each department; this helps not only to broaden his or her experience, but also helps the trainee discover which jobs he or she prefers.

In addition to providing a well-rounded training experience for each person, job rotation helps to prevent stagnation through the constant introduction of new points of view in each department. It also tests the trainee, and helps to identify the person's strong and weak points.⁶¹ Job rotation does have disadvantages. It encourages generalization, and tends to be more appropriate for developing general line managers than functional staff experts.

There are several ways to improve a rotation program's success.⁶² The program should be tailored to the needs and capabilities of the individual trainee, and his or her interests, aptitudes, and career preferences. The length of time

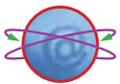
that the trainee stays in a job should then be determined by how fast he or she is learning. At Thrifty Foods in British Columbia, no fixed limit is placed on the amount of time a trainee can spend in any of the eight departments they rotate through.⁶³ Furthermore, the managers to whom these people are assigned should be specially trained themselves to provide feedback and to monitor performance in an interested and competent way. At Thrifty Foods, evaluating potential managers has become such a high priority that four people are involved in the assessments that follow each stage of the rotation—the employee, department manager, store manager, and general manager of retail operations.⁶⁴

At Maple Leaf Foods, a formal management trainee program begins with the selection of the best students from eight Canadian universities, who then go through a three-year process of working on three or four different assignments in various departments of the company. This is the first step in shaping leaders who understand the complete operations of the company. Development plans for each individual management trainee are reviewed monthly, and managers are required to distinguish between the good performers and the exceptional ones, who are given the major challenging assignments they crave.⁶⁵

Coaching/Understudy Approach In the coaching/understudy approach, the trainee works directly with the person that he or she is to replace; the latter is, in turn, responsible for the trainee's coaching. Normally, the understudy relieves the executive of certain responsibilities, thereby giving the trainee a chance to learn the job.⁶⁶ This helps to ensure that the employer will have trained managers to assume key positions when such positions are vacated due to retirement, promotion, transfer, or termination.

To be effective, the executive has to be a good coach and mentor. His or her motivation to train the replacement will depend on the quality of the relationship between them. Some executives are also better at delegating responsibility, providing reinforcement, and communicating than are others, and this also affects the results.

action learning A training technique by which management trainees are allowed to work full-time, analyzing and solving problems in other departments.



Action Learning
www.nestadt.com.au/

Action Learning Action learning releases managers from their regular duties in order that they can work full-time on projects, analyzing and solving problems in departments other than their own.⁶⁷ The trainees meet periodically with a project group of four or five people, with whom their findings and progress are discussed and debated.

The idea of developing managers in this way has pros and cons. It gives trainees real experience with actual problems, and to that extent, it can develop skills like problem analysis and planning. Furthermore, working with the others in the group, the trainees can and do find solutions to major problems. The main drawback is that, in releasing trainees to work on outside projects, the employer loses the full-time services of a competent manager.

Off-the-Job Management-Development Techniques

There are many techniques that are used to develop managers off the job, perhaps in a conference room at headquarters or off the premises entirely at a university or special seminar. These techniques are addressed next.

The Case Study Method The case study method presents a trainee with a written description of an organizational problem. The person then analyzes

case study method A development method in which a trainee is presented with a written description of an organizational problem to diagnose and solve.



Trainees participating in a case-study discussion.

the case in private, diagnoses the problem, and presents his or her findings and solutions in a discussion with other trainees.⁶⁸ The case method approach is aimed at giving trainees realistic experience in identifying and analyzing complex problems in an environment in which their progress can be subtly guided by a trained discussion leader. Through the class discussion of the case, trainees learn that there are usually many ways to approach and solve complex organizational problems. Trainees also learn that their own needs and values often influence their solutions.

Several things can be done to increase the effectiveness of the case approach. If possible, the cases should be actual scenarios from the trainees' own firms; this will help to ensure that trainees understand the background of the case, as well as to make it easier for trainees to transfer what they learn to their own jobs and situations. Instructors have to guard against dominating the case analysis and make sure that they remain no more than a catalyst or coach. Finally, they must carefully prepare the case discussion and let the participants discuss the case in small groups before class.⁶⁹

management game A computerized development technique in which teams of managers compete with one another by making decisions regarding realistic but simulated companies.

Management Games In a computerized management game, trainees are divided into five- or six-person companies, each of which has to compete with the others in a simulated marketplace. Each company sets a goal (e.g., "maximize sales") and is told that it can make several decisions, such as (1) how much to spend on advertising, (2) how much to produce, (3) how much inventory to maintain, and (4) how many of which product to produce. As in the real world, each company usually cannot see what decisions the other firms have made, although these decisions do affect their own sales. For example, if a competitor decides to increase its advertising expenditures, it may end up increasing its sales at the expense of the other firms.⁷⁰ A board game called *Making Sense of Business: A Simulation* designed by Development Dimensions International provides participants with the opportunity to carry out strategic decision-making and learn about the hard decisions and trade-offs that business leaders deal with every day.⁷¹

Management games can be good development tools. People learn best by getting involved in the activity itself, and the games can be useful for gaining such involvement. They help trainees to develop their problem-solving skills and leadership skills, as well as fostering cooperation and teamwork.



Adventure learning participants enhancing their leadership skills, team skills, and risk-taking behaviour.

Outside Seminars Many organizations offer special seminars and conferences aimed at providing skill-building training for managers. For example, the Niagara Institute in Niagara-on-the-Lake, Ontario, offers programs aimed at "developing the leaders of the future," and the Institute of Professional Management offers a professional accreditation program leading to the Canadian Management Professional (CMP) designation.⁷² Outdoor experiential expeditions, or adventure learning experiences, are sometimes used to enhance leadership skills, team skills, and risk-taking behaviour.⁷³

College/University-Related Programs Colleges and universities provide three types of management-development activities. First, many schools provide executive-development programs in leadership, marketing, HRM, operations management, and the like. The Executive Development Centre at Queen's University in Kingston, Ontario, is an example of one of these programs (see Figure 8.5). The program uses cases and lectures to provide senior-level managers with the latest management skills, as well as practice in analyzing complex organizational problems. Similar programs are available through many other universities across Canada. Most of these programs take the executives away from their jobs, putting them in university-run learning environments for their entire stay.

Second, many colleges and universities also offer individualized courses in areas like business, management, and health-care administration. Managers can take these to fill gaps in their backgrounds. Thus, a prospective division manager with a gap in experience with accounting controls might sign up for a two-course sequence in managerial accounting.

Finally, many schools also offer degree programs such as the MBA or Executive MBA.⁷⁴ The latter is a Master of Business Administration degree program geared especially to middle managers and above, who generally take their courses on weekends and proceed through the program with the same group of colleagues.

The employer usually plays a role in university-related programs.⁷⁵ First, many employers offer tuition refunds as an incentive for employees to develop job-related skills. Thus, engineers may be encouraged to enroll in technical courses aimed at keeping them abreast of changes in their field. Supervisors may be encouraged to enroll in programs to develop them for higher-level management jobs. Employers are also increasingly granting technical and professional employees extended sabbaticals—periods of time off—for attending a college or university to pursue a higher degree or to upgrade skills.

role-playing A training technique in which trainees act out the parts of people in a realistic management situation.

Role-Playing The aim of role-playing is to create a realistic situation and then have the trainees assume the parts (or roles) of specific persons in that situation.⁷⁶ Roles that can be used in an employee discipline role-playing exercise are presented in Figure 8.6. When combined with the general instructions for the role-playing exercise, roles like these for all of the participants can trigger a spirited discussion among the role-players, particularly when they all throw themselves into the roles. The idea of the exercise is to solve the problem at hand and thereby develop trainees' skills in areas like leadership and delegation.

The role-players can also give up their inhibitions and experiment with new ways of acting. For example, a supervisor could experiment with both a considerate and an autocratic leadership style, whereas in the real world, the person might not have this harmless avenue for experimentation. Role-playing also trains a person to be aware of and sensitive to the feelings of others.⁷⁷

Role-playing has some drawbacks. An exercise can take an hour or more to complete, only to be deemed a waste of time by participants if the instructor does not prepare a wrap-up explanation of what the participants were to learn. Some trainees also feel that role-playing is childish, while others who may be uncomfortable with acting are reluctant to participate at all. Knowing the audience and preparing a wrap-up are thus advisable.

An Ethical Dilemma

Is it ethical to require employees to participate in role-playing exercises when they are uncomfortable in this situation?

Figure 8.5 Programs Offered by Queen's University Executive Development Centre

QUEEN'S EXECUTIVE DEVELOPMENT CENTRE 1.888.EXEC DEV (1.888.393.2338)	
<p>Queen's Custom Programs</p> <p><i>Queen's Executive Development Centre</i> will help you meet the competitive challenges of today's dynamic business environment. More than 8500 managers from over 1200 Canadian organizations have made Queen's School of Business Canada's leader in executive development. Queen's Custom Programs are designed to meet the particular development needs of a senior executive team and its organization. The program applies the expertise of the <i>Queen's Executive Development Centre</i> to the unique objectives of the organization.</p>	<p>Queen's Leadership Program</p> <p>Change the way you think about your leadership responsibilities. Return to work with fresh perspectives on your role as a leader and an action plan for ongoing personal development. <i>Five Days</i></p>
<p>Queen's Executive Program</p> <p>This program focuses on 12 themes: Strategic planning, Leading change, Leadership, Sales management, Strategic alliance, Managing new ventures, Project management, Information technology, Finance, Marketing, Operations, and Human resources. <i>Three Weeks</i></p>	<p>Finance for the Non-Financial Executive</p> <p>Use modern financial management tools to improve your business decisions. Learn to evaluate capital spending proposals, make lease/buy decisions, and understand the new metrics of EVA, MVA, and free cash flow. <i>Five Days</i></p>
<p>Queen's Marketing Program</p> <p>Develop marketing strategies that create competitive advantage and improve the positioning of your product or service in the marketplace. <i>Five Days</i></p>	<p>Queen's Information Technology Program</p> <p>IT affects every aspect of your business, from customer response and product development, to the opening of new channels of distribution and the exploitation of emerging market opportunities. Learn how IT can change the competitive framework of your business. <i>Five Days</i></p>
<p>Queen's Public Executive Program</p> <p>Enhance your policy-making, decision-making, and leadership skills by employing a wide variety of formats to tackle your key management issues. <i>Two Weeks</i></p>	<p>Queen's Operations Leadership Program</p> <p>Promote innovation and peak performance within your organization. Lay the groundwork for an operations improvement plan and promote commitment to continuous improvement. <i>Five Days</i></p>
<p>Queen's Sales Management Program</p> <p>Understand the relationship between sales strategy, sales management systems, and selling behaviour as you benchmark against the best practices of leading organizations. <i>Five Days</i></p>	<p>Queen's Human Resources Program</p> <p>Good human resource policies, procedures, and planning can enhance organizational capabilities and determine your organization's abilities to meet its strategic goals. <i>Five Days</i></p>

Source: Reprinted from Queen's Executive Education Planning Guide 2003 with permission of Queen's Executive Development Centre.

Figure 8.6 Typical Roles in an Employee Discipline Role-playing Exercise

Manager: Dale has failed to adapt to the new requirements for production planning. His/her plans are often incomplete or inadequate. Dale's attitude is defensive and he/she is often nasty to co-workers when they are working on their plans. Dale doesn't seem to understand the importance of the new planning procedure. You have given him/her two verbal warnings in the past. You need to get Dale to understand why production planning is so important in this business. You have just asked Dale to come into your office.

Employee: For 25 years in this job, you have never had any complaints about your work. However, in your performance appraisal last month your manager said that you needed to complete your production planning more quickly. Your manager is also very concerned about the accuracy of your production planning, and has warned you a couple of times to be more careful. He/she has just asked you to come into his/her office, and you think it may be about your production planning work.

behaviour modelling A training technique in which trainees are first shown good management techniques, then asked to play roles in a simulated situation, and finally given feedback regarding their performance.

Tips for the Front Line

in-house development centre A company-based method for exposing prospective managers to realistic exercises to develop improved management skills.

Behaviour Modelling Behaviour modelling involves (1) showing trainees the right (or “model”) way of doing something, (2) letting each person practise the right way to do it, and then (3) providing feedback regarding each trainee's performance.⁷⁸ It has been used to train first-line supervisors to better handle common supervisor–employee interactions; this includes giving recognition, disciplining, introducing changes, and improving poor performance. It has also been used to train middle managers to better handle interpersonal situations, such as performance problems and undesirable work habits. Finally, it has been used to train employees and their supervisors to take and give criticism, give and ask for help, and establish mutual trust and respect.

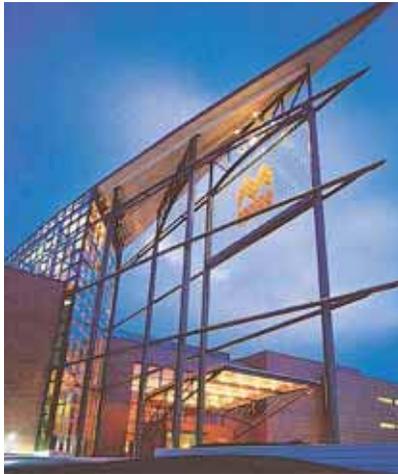
The basic behaviour-modelling procedure can be outlined as follows:

1. **Modelling.** First, trainees watch films or videotapes that show model persons behaving effectively in a problem situation. In other words, trainees are shown the right way to behave in a simulated but realistic situation. The film or video might thus show a supervisor effectively disciplining an employee, if teaching how to discipline is the aim of the training program.
2. **Role-playing.** Next, the trainees are given roles to play in a simulated situation; here they practise and rehearse the effective behaviours demonstrated by the models.
3. **Social reinforcement.** The trainer provides reinforcement in the form of praise and constructive feedback based on how the trainee performs in the role-playing situation.
4. **Transfer of training.** Finally, trainees are encouraged to apply their new skills when they are back on their jobs.

In-House Development Centres Some employers have in-house development centres, also called “corporate universities.” These centres usually combine classroom learning (lectures and seminars, for instance) with other techniques like assessment centres, in-basket exercises, and role-playing, to help

organizational development (OD)

A method aimed at changing the attitudes, values, and beliefs of employees so that employees can improve the organization.



The Bank of Montreal's Institute for Learning.

develop employees and other managers. The number of corporate universities in North America has grown exponentially over the last several years. Two of the best-known centres in Canada are the Bank of Montreal's Institute for Learning and the CIBC's Leadership Centre.

Organizational Development Organizational development (OD) is a method that is aimed at changing the attitudes, values, and beliefs of managers and other employees so that they can identify and implement organizational change. OD has several distinguishing characteristics. First, it is usually based on action research, which means collecting data about the organization, and then feeding the data back to the employees to analyze and identify problems. Second, it applies behavioural science knowledge for the purpose of improving the organization's effectiveness. Third, it changes the attitudes, values, and beliefs of employees, so that the employees themselves can identify and implement the changes needed to improve the company's functioning. Fourth, it changes the organization in a particular direction—toward improved problem solving, responsiveness, quality of work, and effectiveness.⁷⁹

The number and variety of OD techniques have increased substantially over the past few years. OD got its start with human-process interventions, which were aimed at understanding one's own and others' behaviour, in order to improve that behaviour for the benefit of the organization. Sensitivity training, team building, confrontation meetings, and survey research are four widely used human-process interventions.

1. **Sensitivity Training** The basic aim of sensitivity training (also known as T-group training) is to increase the participant's insight into his or her own behaviour and the behaviour of others by encouraging an open expression of feelings in a trainer-guided group.⁸⁰ T-group training is obviously quite personal in nature, and is a controversial technique that is used much less frequently now than at the height of its popularity about 20 years ago.

2. **Team Building** The characteristic OD stress on action research is perhaps most evident in team building, which refers to the following process of improving team effectiveness. Data concerning the team's performance are collected and then fed back to the members of the group. The participants examine, explain, and analyze the data and develop specific action plans or solutions for solving the team's problems.

3. **Confrontation Meetings** Confrontation meetings can help to clarify and bring into the open intergroup misconceptions and problems so that they can be resolved. The basic approach here is that the participants themselves provide the input before the meeting; they then confront and thrash out misperceptions in an effort to reduce tensions.

4. **Survey Feedback** Survey feedback research requires that employees throughout the organization fill out attitude surveys. The data are then used as feedback to the work groups as a basis for problem solving and action planning. In general, such surveys are convenient for unfreezing an organization's management and employees by providing a comparative, graphic illustration of the fact that the organization does have problems that should be solved.⁸¹ The continuing popularity of employee attitude surveys reflects the view that there is

team building Improving the effectiveness of teams through the use of consultants, interviews, and team-building meetings.

survey feedback A method that involves surveying employees' attitudes and providing feedback so that problems can be solved by the managers and employees.

validity in employee reports of their experiences. These reports can be very useful as diagnoses of the degree to which a new strategy is being implemented, and the degree to which policies and practices are related to the achievement of strategic goals like customer satisfaction and customer attention.⁸²

Executive Development

As we progress through the early years of the twenty-first century, Canada faces a shortage of leadership talent. The demand for leaders is increasing, due to new opportunities being created by economic growth, unplanned early retirements, global “brain drain,” a decade of neglected succession planning, lack of organizational commitment to developing talent, problems with traditional job rotation in learning organizations, and mixed success with external recruitment.⁸³ A recent Conference Board of Canada survey found that only 5 percent of companies believe that they have the leadership capability they need to face the challenges of the new millennium. The report concluded that Canadian companies need a fundamental overhaul of their leadership development practices if they hope to keep up in today’s business environment.⁸⁴

Effective executive development is particularly challenging because leaders need the opportunity to acquire knowledge, try it out, and be coached and supported in the process. At the Royal Bank Financial Group, the Developing People Management Competencies Program focuses on five areas—change management, achievement motivation, impact and influence, developing others, and teamwork and cooperation. Participants in the program must develop their ability by completing a workplace project.⁸⁵

The Banff Centre for Management in Alberta uses a five-step process that involves competency modelling and learning contracts in order to maximize the effectiveness of its executive development programs:⁸⁶

1. Evaluation of leadership competencies. Competency profiles have been researched for the leader’s specific position, and can provide a mechanism for peers, colleagues, and supervisors to provide feedback. Table 8.1 illustrates key competencies for professional development for senior leaders.
2. The learning contract. The learning contract ensures individual focus and agreement between the participant, his or her supervisor, and the instructor, on the critical elements for developmental success in the next six to nine months. Even the most capable adult can really only work on improving four or five attributes at once.
3. The learning process. The competency profiling and learning contract help focus the learning process, creating links and building strategies. The learning must be hands-on, and provide participants with opportunities to try out new behaviour, receive feedback, and practise again several times.
4. Re-entry planning. The learning contract helps the learner plan how he or she will start to apply the learning. Clear implementation plans with timelines and follow-up support will help to ensure that the training actually results in changed behaviour and has an impact on the company.
5. Measurement of training effectiveness. The competency profile and learning contract form the basis for measurement of successful changes in behaviour, as well as levels of impact on the sponsoring organization. They can also be used to track continuous improvement by all parties in the learning partnership.

Table 8.1 Leading Strategically: Competency Map

Core Competency	Category A Behaviour	Category B Behaviour	Category C Behaviour	Category D Behaviour
1 Fashions clear vision and passion for quality, innovation and business strategy across organization/division.	Shows a personal sense of quality, passion and innovation for the organization and its products/services.	Engages the team in developing general quality direction/standards for the organization. Key points of contact for decision making around new ideas and processes are clear.	Input from all departments in the organization and customers, is utilized to drive goals and “future state.” Customers and stakeholders are regularly tapped to suggest improvements and new processes.	Stakeholder input, competitive benchmarks and organization/customer knowledge is utilized to create continuously improving standards, values, and goals for the organization, department and individuals. High level of passion and commitment to this end is maintained.
2 Is capable of leading strategic planning processes.	Correlates plans and orchestrates activities for short-term results and fire fighting.	Involves key stakeholders in longer-term, strategic discussions on selected issues. Leads own team effectively in business planning process.	Leads a complete strategic planning process (to action plans) with senior management including input from internal stakeholders. Departmental “outcome measures” are defined, business risk assessed, and realignment of organization considered.	Establishes interactive and integrated strategic planning process with all stakeholders based on an accurate scanning of the environment, audience tastes and client needs. Goals and outcomes are clearly defined for the organization within evolving organization.
3 Vision development and enunciation within sector and in keeping with global trends.	Shows a personal sense of the general direction of the organization.	Engages team in developing a common understanding of future direction.	Establishes the process and gathers input from key stakeholders for the purpose of describing a desired future state shared by the management team.	Develops a clear and shared picture of the future state based on an accurate reading of sector, global trends and forces within the environment. Consistently communicates to multistakeholders so it is understood.
4 Is able to recognize “big picture” patterns and relationships and understands how to make balanced decisions suitable for the organization.	Has good problem-solving skills utilizing traditional models. Able to balance competing demands and tends to see/create opportunity from problems.	Engages colleagues in looking at organization and industry trends, issues. Draws connections among them in order to make balanced decisions for his/her team.	Sees clearly how change in one part of the organization affects many others. Works with other departments to develop structures/processes in order to understand and address key issues.	Can conceive and think through systems seeing complex cause and effect relationships. Uses these to keep focus on macro-goals, service outcomes and the larger global context. Sees organization existing within larger industry/community, with attendant responsibilities, impact and challenges.
5 Development of effective differentiation strategies within organization.	Shows an intuitive sense about how their business unit can be/is unique in its products and services.	Engages team to identify strategies that will make the area unique, listens to customer needs, then positions business unit products/services accordingly in the marketplace.	Engages all levels of the business unit to examine their value to customers and finds new ways to build relationships that add value and distinctiveness from competitors.	Partners with customers, stakeholders, and the marketplace, to establish processes that support uniqueness strategies. Creates sustained, value-enhancing, competitive advantage.

Source: Leading Strategically © 2002: Competency Map. Banff, AB: The Banff Centre 2002. www.banffcentre.ca/departments/leadership/competency.map. Reproduced with permission of The Banff Centre.

Entrepreneurs and HR

Executive Development

Small businesses need to develop senior managers because their growth is most often impaired by a lack of management talent. Most smaller enterprises do not have the resources or the time to develop full-blown executive succession programs or to fund many outside programs. Yet, at the same time, the president of a smaller firm has the advantage of working more closely with and knowing more about each of his or her employees than does the CEO of a bigger firm.

For larger companies, there is usually an adequate supply of talent given the ongoing influx of new recruits. For the smaller company, the problem is ensuring that key positions are filled and that the president has the foresight to know when to surrender part of the company's operations. There are thus four main steps in the smaller company's executive development process:

Step 1. Problem Assessment

The executive development process must begin with an assessment of the company's current problems and the owner's plans for the company's future. Obviously, if the owner/entrepreneur is satisfied with the current size of the firm and has no plans to retire in the near future, no additional management talent may be required. On the other hand, if plans call for expansion, or current problems seem to be growing out of control, management development/succession planning might be the key. It often happens, for instance, that as a small company evolves into a larger firm, the management system that adequately served the owner in the past is no longer effective. At this point, the president must assess the problems in his or her firm with an eye toward determining whether and when new management talent is required.

Step 2. Management Audit and Appraisal

One reason management selection and development are so important in small firms is that the "problems" assessed in Step 1 are often just symptoms of inadequate management talent. It is simply not possible for the owner/entrepreneur to run a \$5 million company the way he or she did when the company was one-tenth the size. Therefore, the lack of adequate management is a depressingly familiar cause for many of the problems in the small growing firm. The problems found in Step 1 can be used as a starting point in conducting a management audit and appraisal of the people now helping to manage the firm. One simple and effective way to do this is by evaluating them on the traditional management functions of planning, organizing, leading, and controlling.

Step 3. Analysis of Development Needs

The next step is to determine whether any inadequacies uncovered in Step 2 can be remedied via some type of development program. At one extreme, the person may not have the potential to grow beyond what he or she is now, and here development may serve no purpose. At the other extreme, the problems uncovered may just reflect a lack of knowledge. For example, sending a bookkeeper/accountant back to school for a course or two in management accounting could alleviate the problem. Another question to answer here is whether the owner/entrepreneur may be responsible for some of the problems, and whether he or she should attend a management-development program (or move out of the firm altogether).

Step 4. Identify Replacement Needs

The assessment may uncover a need to recruit and select new management talent. Here, the intellectual, personality, interpersonal, and experience criteria to be used should be determined ahead of time. An on-the-job development program that gives the person the breadth of experience that he or she needs to perform the job should also be mapped out.

It is particularly important for entrepreneurs and small business owners to develop future executives in order to grow the company and to ensure that long-term successors are fully prepared to take over, as described in the Entrepreneurs and HR box.



Development and Superior Leadership

Most development processes involve conversations between managers and employees. These conversations are variously referred to as counselling, tutoring, mentoring, or coaching. Whatever the term used, the important point is that these motives for intervention represent a style of management that is very different from previous “top-down” styles of management....

New forms of work organization are designed to accommodate a more flexible workforce with greater participation in production decisions on the part of employees. The current organizational style has been described using different terms such as “empowered,” “participative,” “decentralized,” and “flexible.” It vests more power and responsibility with employees....

Because the new forms of work organization are designed to increase flexibility, job skills may be more oriented to producing multi-skilled workers. Training becomes less oriented to narrow product-specific skills and more focused on softer skills such as effective communication, problem-solving, and teamwork.

Not all managers possess the skills necessary to work in this more participative environment, and many see these changes as involving the sacrifice of power they once had themselves. Superior managers, however, recognize that it is the results that matter more than the process, and that both sides stand to benefit from the change.

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Chapter Review

Summary

- 1 The first factor affecting career choice is to identify career stage. The main stages in a person’s career are growth (roughly birth to age 14), exploration (roughly age 15 to 24), establishment (roughly age 24 to 44, the heart of most people’s work lives), maintenance (45 to 65), and decline (pre-retirement). The next step is to identify occupational orientation: realistic, investigative, social, conventional, enterprising, and artistic. Then identify skills and aptitudes. Finally, identify career anchors: technical/functional, managerial, creativity, autonomy, and security.
- 2 An employee’s first assignment can be made more meaningful by adhering to the following guidelines: avoid reality shock, provide challenging initial jobs, provide realistic job previews, be demanding, provide periodic developmental job rotation and job pathing, conduct career-oriented performance appraisals, provide career-planning workshops, provide opportunities for mentoring, and become a learning organization.
- 3 In making promotion decisions, firms have to (1) decide to promote based on seniority or competence, (2) decide how to measure competence, (3) choose between a formal or informal promotion system, and (4) determine whether career paths will be vertical, horizontal, or other. Transfers offer employees an opportunity for personal and career development, but they have become more difficult to manage because of spousal and family concerns. Thus career-transition programs for spouses are often provided.
- 4 Management development is any attempt to improve managerial performance and it is aimed at preparing employees for future jobs with the organization. When an executive position needs to be filled, succession planning is often involved. Management development is important because the majority of Canadian companies are facing a shortage of middle managers.

- 5 Managerial on-the-job training methods include developmental job rotation, coaching, and action learning. Basic off-the-job techniques include case studies, management games, outside seminars, college/university-related programs, role-playing, behaviour modelling, in-house development centres, and organizational development techniques such as sensitivity training, team building, confrontation meetings, and survey feedback.
- 6 The five-step executive development process involves (1) evaluation of leadership competencies, (2) creating a learning contract, (3) the learning process, (4) re-entry planning, and (5) measurement of training effectiveness based on the competency profile and learning contract.

Key Terms

action learning (p. 256)
 behaviour modelling (p. 260)
 boundaryless career (p. 240)
 career anchor (p. 245)
 career cycle (p. 243)
 career planning and development (p. 240)
 career-planning workshop (p. 247)
 case study method (p. 256)
 decline stage (p. 243)
 developmental job rotation (p. 255)
 employee retention (p. 241)
 establishment stage (p. 243)
 exploration stage (p. 243)
 growth stage (p. 243)
 in-house development centre (p. 260)
 job pathing (p. 247)
 learning organization (p. 250)

lifelong learning (p. 241)
 maintenance stage (p. 243)
 management development (p. 252)
 management game (p. 257)
 mentoring (p. 248)
 occupational orientation (p. 244)
 organizational development (OD) (p. 261)
 role-playing (p. 258)
 succession planning (p. 252)
 survey feedback (p. 261)
 team building (p. 261)

Review and Discussion Questions

- Briefly describe each of the five stages in a typical career.
- What are the six main types of occupational orientation?
- What is a career anchor? What are the five main types of career anchor?
- Explain three different ways in which managers can assist in the career development of their employees.
- What is meant by the term “learning organization”? Explain the five types of activities that learning organizations engage in.
- Explain the four important decisions to be made in establishing a promotion policy.
- Explain the three major on-the-job management development techniques.
- Discuss the four steps in the behaviour modelling procedure.
- Discuss the five steps in the executive development process used at the Banff Centre for Management.

Critical Thinking Questions

- Do you think developmental job rotation is a good method to use for developing management trainees? Why or why not?
- Would you tell high-potential employees that they are on the “fast-track”? How might this

knowledge affect their behaviour? How might the behaviour of employees who are disappointed at not being included in management development activities be affected?

Application Exercises

Running Case: LearnInMotion.com

What to Do about Succession?

In the second year of operation of LearnInMotion.com, Jennifer was involved in a serious car accident and spent two months in the hospital and another four months in rehabilitation before she was able to return to work. During this six-month period, Pierre had to manage the entire business on his own. It proved to be impossible. Despite some new training, the sales effort continued to falter and sales revenues declined by 25 percent. Staff turnover at LearnInMotion.com increased, as employees found it very frustrating to encounter so much trouble to have even a brief conversation with Pierre. Employees who left were not replaced, as the decline in sales meant that costs had to be reduced. Thus Pierre was spared the difficult job of downsizing—at least for now.

The first day the Jennifer returned to work, Pierre said, “We have to have a succession plan. This business will not survive unless we have other employees who can take over from us temporarily now and permanently in the long term.” Jennifer agreed. “Yes, it was difficult for me being unable to work knowing

that you were overwhelmed with every problem throughout the entire company. And maybe employees’ performance in their current jobs would be enhanced if they knew they had been identified as having management potential, and were provided with specific development opportunities. We’ll have to establish a management development program as well.”

“I agree,” said Pierre, “but we can’t afford to spend much money on this.” So Pierre and Jennifer had asked for your help in establishing a succession plan and a management development plan. Here’s what they’ve asked you to do.

Questions

- 1 What is the best way for a small business like LearnInMotion.com to approach succession planning?
- 2 What on-the-job management development techniques would be most appropriate for LearnInMotion.com?
- 3 What off-the-job management development techniques, if any, would you recommend for LearnInMotion.com, given their financial constraints?

Case Incident Family versus Career—and a Company Caught in the Middle

Dave and Nora live in the Vancouver area, where Dave works for a major software company. He is very motivated to put in whatever time and effort are needed to complete tasks and projects successfully. Top management recognizes his contributions as important, and his prospects at the company are excellent.

Nora has been married to Dave for five years and knows how devoted he is to his career. Both of them want to start a family and agree that Vancouver isn’t where they want to raise their children. Nora, feeling

that she can’t wait forever to have kids, has been pressuring Dave to find a job in a smaller town.

Understanding Nora’s concerns, Dave made a couple of discreet phone calls and was soon asked in for an interview by a company located in a town in Alberta. Dave didn’t know what to say when the company made him an offer. The job pays less than his present job and offers fewer opportunities for advancement, but the area is the kind of environment he and Nora want. He knows Nora is thrilled at the prospect of the move, yet he can’t help feeling

sad. How can he simply walk away from all he has invested in his career at his present company? Maybe there is more to life than his career, but he is already depressed and he hasn't even quit yet.

When Dave told his boss, Terri, about the new job offer, Terri was shocked. Dave is a central figure in the company's plans for the next couple of years, and his expertise is indispensable on a couple of important projects. Terri feels that Dave has blindsided the company. Things will be a mess for a long time if he leaves. But what can the company do to keep him if money isn't the issue?

Experiential Exercises

- 1 Working individually or in groups, contact a provider of management-development seminars such as the Canadian Institute of Management. Obtain copies of recent listings of seminar offerings. At what levels of managers are the seminar offerings aimed? What seem to be the most popular types of development programs? Why do you think that is the case?

Questions

- 1 What preventive measures could Dave's company have taken to avoid the crisis it is faced with? What can the company do now?
- 2 Should Dave's company involve Nora in any of its attempts to retain Dave? If so, how?
- 3 Should Dave's company implement any career development programs after this crisis passes? If so, what kind would you recommend? Why?

Source: L.R. Gomez-Mejia, D.B. Balkin, R.L. Cardy, and D. Dimick, *Managing Human Resources*, Canadian 2nd ed. (Scarborough, ON: Prentice-Hall Canada Inc., 2000), p. 283.

- 2 Find an older person who is Web-challenged (perhaps a family friend or one of your professors who is having trouble setting up a Web site or getting full use of the e-mail system). Offer to reverse mentor him or her on using the Web for a short time (a few weeks) in return for some career mentoring for yourself. Prepare a short report on the benefits of this experience for both of you.