

EXERCISE 9.3

Career Development at TechnoChip Computers*

Overview

As noted in Chapter 9, career development has become an increasingly more important topic with which HR professionals need to be familiar. Organizations have adopted more career programs and have changed the role of managers to reflect more of a coaching function than a traditional supervisory job. As organizations change in terms of structure (more teams, flattening managerial hierarchies), HR professionals face greater pressures in designing effective career programs to meet the needs of a new, more diverse workforce. This exercise presents you with a case that you will need to analyze in order to design a career development system that can be used with the firm's employees.

Learning Objectives

After completing this exercise, you should be able to

1. Analyze a case to determine the career issues of importance for employees and the types of career programs that are currently in use.
2. Recommend career development tools that can be used for various types of employees and issues.

Procedure

Part A: Individual Analysis

- Step 1. Read the background information about the company in Exhibits 9.3.1, 9.3.2, and 9.3.3.
- Step 2. Complete the questions found in Form 9.3.1.

Part B: Group Analysis

- Step 1. In teams of about five or six people, review each person's responses to the questions found in Form 9.3.1.
- Step 2. Discuss your responses and reach consensus on the appropriate career development tools to implement in the sales division at TechnoChip Computers. Be sure to address the following issues:
 - a. What is the timeline for implementation of your ideas and recommendations for career interventions?
 - b. What are the potential drawbacks as well as advantages to your recommendations?

EXHIBIT 9.3.1

BACKGROUND INFORMATION ON TECHNOCHIP COMPUTERS

TechnoChip Computers is a nationwide computer manufacturing and sales organization. Annual corporate revenue is in excess of \$3 billion. Headquarters are located in Troy, Michigan, and there are branch offices in 100 cities across the United States. There are three main divisions within the organization: product development and research, manufacturing and distribution, and sales. This project will focus on the sales division.

TechnoChip has experienced increased competitive pressure in the past three years. This has mainly come from the diversification of products offered in the computer marketplace and rapid technological advancements. While a leader in the computer industry, TechnoChip's annual sales have declined in the past several years, most notably in the past two. Some key indicators of corporate performance are listed below.

Performance Criteria	1999	2000	2001	2002
Annual sales	3.5	3.4	3.2	2.9
Growth of customer base (new customers)	1%	1%	-3%	-5%
Retention of existing customer base	90%	88%	82%	78%
Customer satisfaction	65%	64%	62%	60%

Notes: Annual sales indicated in billions. Growth of customer base measured as a percentage change from previous year, with positive values indicating an increase and negative values indicating a decrease. Customer satisfaction percentages indicate the percent of customers rating service and product quality "very good" or "good."

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EXHIBIT 9.3.1 (Continued)

To remain competitive in the years ahead, the new CEO of the sales division, Bryan Williams, and a core staff of organizational representatives have refined the mission and strategic objectives for the organization. Their revised mission statement is presented below.

Mission Statement of TechnoChip Computers: Sales Division

Increase TechnoChip’s shareholder value and remain the undisputed leader in the computer industry through:

- Satisfying customer needs and exceeding customer expectations
- Improving productivity through employee empowerment and quality principles
- Hiring, developing, and retaining top employees

Strategic Objectives for TechnoChip Computers: Sales Division

- Grow the existing customer base 3 percent annually over the next five years.
- Develop specialized sales teams to offer customized service to existing customers.
- Increase customer perceptions of product quality and customer service. Specifically, by 2007, 90 percent of customer satisfaction ratings should be in the “very good” to “good” category.
- Increase customer retention so that in five years, customer retention rates are at 96 percent.
- Increase employee perceptions that TechnoChip is the employer of choice. Key indicators of this will be turnover rates, job satisfaction, and commitment to the organization.

To accomplish the strategic objectives, TechnoChip decided to reorganize work around segmented sales teams in the sales division, instead of continuing the current practice of having individuals try to sell computers to all types of markets. It was believed that the change to teams would allow sales representatives to better meet customer needs by becoming experts in a particular business market. In the new system, sales reps would be better able to develop long-term relationships with customers because they would be servicing the same customers each year. This approach greatly differed from the “old” way of doing things, where sales reps serviced different customers every year. TechnoChip is also embracing employee empowerment by allowing the teams considerable latitude in decision making, work scheduling, and productivity management.

The change to teams occurred six months ago. Within each division, teams were created consisting of 4 to 13 members. Each team was formed to specialize in a particular business segment, and the size of the teams was determined based on the relative size of the business segments. To illustrate this work arrangement, the structure of the Newark, New Jersey, sales division is presented below.

Business Segment	Percentage of Total Market Sales	Number of team Members
Mainframe computers	15%	10
Management information systems (hardware & software)	35	21
Educational computers and software	10	8
International computer systems	10	8
Personal computers	30	19

NATURE OF THE JOB

Sales representatives can consist of telephone sales representatives who are primarily responsible for calling customers and on-site reps who make actual visits to meet with customers. Each team consists of several telephone reps and several on-site reps. Team members’ duties and responsibilities are highly interdependent with one another. Sales calls (phone or on-site) to a customer are typically made by a team of individuals, each of whom has expertise in a certain function (e.g., installation, software, hardware). All team members are expected to have basic knowledge of each other’s jobs. For instance, if Allie specializes in installation, then she also needs to have expertise in software and hardware for the particular business segment. In this sense, the teams are expected to be cross-functional. In addition, all team members are responsible for having knowledge specific to their business segment. This is necessary for customer expectations to be exceeded. This can be obtained in a variety of ways, including attending seminars, subscribing to trade journals, and reading current business articles.

CHARACTERISTICS OF THE SALES FORCE

Each city has a sales force of approximately 50 employees, although in larger cities, the sales force may have as many as 80 employees. The total sales force consists of about 7,000 sales reps (4,000 telephone sales reps; 3,000 on-site sales reps) and about 200 managers and 650 team leaders. At least 40 percent of the sales representatives have college degrees and the rest have high school degrees or some college. The average age of a sales rep is about 32, with most reps anywhere from 21 to 58 years old. The average tenure with the company is about 8 years, with most ranging from 1 year to about 25 years of service with TechnoChip.

In the new team environment, former managers have been renamed team leaders or coaches. This individual works side-by-side with the team and acts as a resource for the team by obtaining support for new ideas and facilitating team decision making. The organization is just starting to examine the training needs of its team leaders to help them in their new role as coach. An organizational chart is presented in Exhibit 9.3.2.

OTHER ONGOING INITIATIVES

Consistent with the mission statement, other efforts also have been made to increase employee perceptions of empowerment. This includes instituting a formal suggestion system and starting quality action teams to solve divisionwide problems (similar to quality circles). In addition, in the past three months, the sales division, in all locations, has implemented an employee survey system to collect feedback from employees about their views on the changes and other suggestions. The findings from this survey are presented in Exhibit 9.3.3.

EXHIBIT 9.3.2

ORGANIZATIONAL CHART FOR SALES DIVISIONS AT TECHNOCHIP COMPUTERS

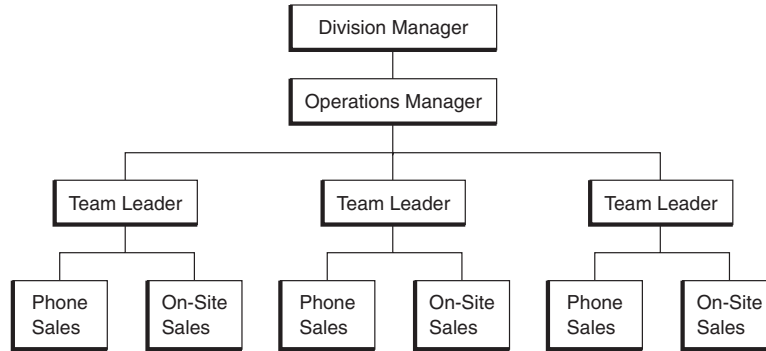


EXHIBIT 9.3.3

SURVEY RESULTS FROM SALES DIVISION

GENERAL RESULTS

Sales representatives responded to a survey in which they indicated whether they were satisfied, neutral, or dissatisfied with various aspects of their jobs. The results for some of the issues are noted below:

- **Job content plateauing:** 55 percent of all sales reps reported *not* feeling plateaued with respect to the nature of the job. In other words, they felt that they were given interesting work and it was not mundane or routine; 10 percent were neutral; and 35 percent felt that they were plateaued and were doing boring work. Telephone sales reps were much more likely to indicate that they were plateaued or bored than were on-site sales reps.
- **Satisfaction with job challenges:** 58 percent of all sales reps reported that they were satisfied with the challenges on their job (i.e., feelings of worthwhile accomplishments, personal growth and development); 12 percent were neutral; and 30 percent reported being dissatisfied with the degree of challenge provided by their jobs. Telephone reps were much more likely than on-site reps to indicate they were dissatisfied.
- **Autonomy:** 70 percent of all sales employees agreed that they were given autonomy in completing their work; 20 percent were neutral; and 10 percent disagreed that they were given autonomy in doing their work. Telephone reps were more likely to indicate they were not given autonomy than were on-site reps.
- **Participation in decision making:** 60 percent of all sales reps agreed that they participated in decision making; 20 percent were neutral; and 20 percent disagreed.
- **Job security:** 55 percent of all sales employees agreed that they were satisfied with their job security or felt secure about their jobs; 10 percent were neutral; and 35 percent felt insecure (or fearful about losing their jobs). No differences were detected between on-site and telephone sales reps in their perceived job security.
- **Promotional opportunities:** 25 percent of all sales reps were satisfied with their chances for promotion or felt that the promotion process was a fair one; 15 percent were neutral; and 60 percent were dissatisfied with the promotion system in place. Note that sales reps could be promoted only one level higher than their current position to the position of team leader. No differences were detected between on-site and telephone sales reps.
- **Career guidance and development system:** 20 percent of all sales reps indicated they were satisfied with the career guidance and

development provided to them by the company; 10 percent were neutral; and 70 percent reported being dissatisfied. No differences were detected for telephone or on-site reps.

- **Coaching system:** 25 percent of all sales reps indicated they were satisfied with the coaching provided by their team leader; 10 percent were neutral; and 65 percent reported being dissatisfied. No differences were detected for telephone and on-site reps. Note that 90 percent of all reps reported liking their team leaders. They did, however, feel that their team leaders did not devote enough time to coaching them or providing career assistance.
- **Team leaders' perspective on coaching:** 100 percent of all team leaders felt they did not have enough time to do all their job duties. All indicated that they did not have enough time to coach sales reps. Further, they indicated that in their performance appraisals, their bosses emphasized meeting sales quotas and never mentioned "coaching sales reps" or "career development of reps" as important job duties of team leaders.
- **Role clarity:** 80 percent of all sales reps reported that their roles were clear and that they knew what their job duties were; 10 percent were neutral; and 10 percent reported their roles were not clear. No differences were detected among on-site and telephone sales reps. Seventy-five percent of all team leaders reported that their roles were *not* clear; 10 percent were neutral; and 15 percent felt their roles were clear.
- **Job-induced tension:** 45 percent stated they experienced job-induced tension, while 10 percent were neutral; and 45 percent stated they did not experience job-induced tension. Job-induced tension refers to stress created by the work (having too much to do; conflicts at work; thinking about work-related problems off-duty; experiencing physical symptoms of stress such as ulcers, fatigue, headaches). On-site sales reps were more likely to report higher levels of job-induced stress than were telephone sales reps. Team leaders also reported high levels of job-induced tension.
- **Work-family conflict:** 60 percent of all sales reps indicated they experienced work-family conflict or stress; 15 percent were neutral; and 25 percent reported they did not experience work-family conflict or stress. On-site reps were much more likely to report experiencing work-family stress than were telephone sales reps due to all the traveling the on-site reps do.

FORM 9.3.1

Name _____ Group _____

1. For each of the following groups of employees in the sales division at TechnoChip Computers, first identify their career-related concerns as noted from the survey results. Then provide some recommendations for each group to meet career or job-related needs.

A. Telephone sales employees:

1. Concerns:

2. Recommendations:

B. On-site sales employees:

1. Concerns:

2. Recommendations:

C. Team leaders:

1. Concerns:

2. Recommendations:

FORM 9.3.1 (Continued)

5. For each specific training need you identified above, what types of training methods would be appropriate to incorporate into the training? (Hint: Review the description of training methods and techniques in Chapter 8.)

6. Some of the employee attitude problems TechnoChip is facing may be due to the fact that when current employees were hired the job was very different than it is today. What steps can TechnoChip management take before hiring future sales employees and team leaders to be sure the applicants have a realistic assessment of what the job is like? (Hint: Think about what you learned in the previous chapters about job analysis, recruiting, and selecting employees.)