


**IN TODAY'S  
COMPETITIVE  
CLIMATE,  
INTEGRATED  
CAREER  
DEVELOPMENT  
SYSTEMS ARE  
ESSENTIAL TO  
ORGANIZATIONAL  
EFFECTIVENESS.**

*Roxana Villa*



# When Careers Flower, Organizations Flourish



Far-reaching economic and societal changes are transforming the developmental needs of people and organizations. Ongoing organizational restructuring has become a permanent feature of the corporate landscape. Employers no longer imply the promise of job security in return for employee loyalty. Instead, more employers offer opportunities for development and continuous learning in return for high performance and productivity during an employee's tenure.

The demographics and expectations of the U.S. workforce are changing, as well. The workforce is increasingly diverse and increasingly concerned with striking a better balance between work and home life. The post-baby-boom generation is largely uninterested in promotion at any cost; today's "new-values worker" tends to prize family and leisure time at least as much as work.

Fierce global competition has prompted a major commitment of energy and resources to total-quality management. TQM's emphasis on customer service and

continuous improvement also has led to the increasing empowerment of employees, who must be able to make decisions, troubleshoot, and take responsibility quickly and flexibly. Effective quality initiatives require a new set of competencies for both managers and employees.

All of these changes make organizational support for career development systems and processes imperative. Where can organizations start? As the field of career development has matured, it has spawned a wide array of tools and techniques for organizations to draw on.

BY THOMAS G. GUTTERIDGE, ZANDY B. LEIBOWITZ, AND JANE E. SHORE

But our research indicates that most HRD practitioners consider isolated interventions far less effective than a systems approach to career development.

We recently surveyed 1,000 large U.S. organizations about their career development practices and attitudes. We compared our findings from that study with those from surveys of organizations in Europe, Singapore, and Australia.

We discovered that practitioners around the world share some basic goals and concerns. Many HR professionals grapple with such issues as how to develop people from within the organization to meet new challenges, how to use career development to enhance competitiveness, and how to refine the role managers play in career development.

More significantly, respondents share a strong belief in the need for systemic career development, even if their organizations do not yet have such systems in place.

### Thinking about systems

An organization that uses a systems approach devises career development activities based on a common language and assumptions and integrates this system with other HR activities and overall business goals. Successful career development systems involve partnerships among managers, employees, and organizations, with each partner playing specific roles and handling specific responsibilities. Within this kind of framework, individual career development initiatives serve as catalysts for a variety of mutually reinforcing activities.

Survey respondents reported that their organizations derive the greatest benefits by linking career development initiatives to specific business objectives. What's more, the respondents stressed the need for managers to support career development systems by helping employees identify their skills, interests, and values; by helping them align their career goals with the needs of the

organization; and by encouraging continuous communication and feedback to their supervisors.

To find out how organizations have effectively implemented career development systems, we studied 12 organizations. We found that despite their many differences, all of the organizations are committed to creating and sustaining career development efforts that either lay the foundation for a systems approach or build upon one. What follows are pictures of three effective career development systems at different stages, drawn from our research data.

### Development for profitability

In the late 1980s, leaders of Amoco Production Company, a subsidiary of Amoco Corporation, decided that APC needed a career development system that would align business objectives with individual visions of career success. The company devised a four-phase implementation process comprising the following:

### Catalysts for Career Development: Four Case Studies

Effective career development systems don't materialize—they evolve. One thoughtfully planned initiative can spark, enhance, or refine other efforts. That's what synergism is all about: capitalizing on disparate strengths to heighten their overall effect.

What practices best serve as catalysts for systemic career development programs? As part of our survey of the state of the art in organizational career development, we examined practices in career development that can trigger development of a full-fledged career development system. Here are four exemplary career development practices identified in our study.

**3M's Job Information System.** In the late 1980s, largely in response to needs expressed by employees, 3M created a job-posting system to help employees take charge of their own careers. The Job Information System helps managers identify suitable internal candidates and helps employees identify skills they need in order to prepare for different jobs.

The system posts jobs electronically; employees can call a hot line if

they have questions. More than 98 percent of all jobs at 3M are listed, and employees may apply for any listed job for which they feel qualified. Hiring managers respond to all candidates through a process for feedback that users say has improved information-sharing throughout the company.

3M designed the Job Information System as part of an overall human resource system geared toward matching business needs with employee potential. The system complements a human resource review process that covers everyone at 3M. The Job Information System is in place at 3M facilities across the United States, and 3M is contemplating an international rollout of the program.

One interesting result of this approach is the high percentage of applications for positions that are lateral moves rather than promotions, which suggests that employees are thinking developmentally as they use the system.

**AT&T's Alliance Learning Center.** A partnership between AT&T and two unions (the Communications Workers

of America and the International Brotherhood of Electrical Workers), the Alliance Learning Center provides training, retraining, and career development opportunities for AT&T union members. Serving roughly 3,500 employees in New England, the center offers

- ▶ a prepaid tuition program covering area schools
- ▶ on-site classes taught by center staff and AT&T employees
- ▶ individual career and education counseling
- ▶ a career development course that includes techniques for job enrichment
- ▶ career discussions with supervisors
- ▶ coaching training for supervisors
- ▶ a career library.

The high level of employee participation in the center indicates the success of this innovative labor management collaboration. Technical managers who were traditionally opposed to such "soft areas" as career development now rely heavily on the center to provide HR-related service to their employees.

The center is linked to AT&T's HR department through a referral system

- ▶ formation of a steering committee
- ▶ assessment of the present and future state of career development
- ▶ system design
- ▶ customization and implementation.

To assess the organization's needs, the steering committee drew on employee focus groups, employee advisory groups, and the company's strategic and business plans. This approach enabled APC to devise a career development system that reflects the goals and concerns of the corporation and individual employees.

At APC, discussions between employees and supervisors drive the career development system; these discussions culminate in individual development plans. The plans focus on contribution and impact, not upward mobility.

Complementing the career development program are training programs, a job-posting system, and management feedback and review. All of these integrated efforts dovetail with the company's strategic and HR initia-

tives, including performance management and continuous improvement. As a whole, this multifaceted system furthers the development of individual employees while enhancing the company's competitive advantage.

### **Enhancing recruitment and communication**

In the late 1980s, Baxter Healthcare, an Australia-based subsidiary of Baxter World Trade Corporation, decided that to stay competitive it needed to attract high-caliber professionals and retain key staff already on board. In 1989, Baxter rolled out a career development system that included the following components:

- ▶ annual performance-management and career development reviews
- ▶ biannual employee-development reviews
- ▶ career-assessment workshops
- ▶ individual counseling.

A hallmark of this system is its flexibility: Employees can tailor career development plans to their individual

needs, avail themselves of support services as they need them, and obtain feedback during the process. All of the elements link to broader HR and business systems to ensure that the system also addresses the company's long-range needs for a multiskilled workforce.

The company reports that the system has enhanced the well-being of individual employees and of the corporation. Employees and managers communicate more effectively on career issues, and feedback from the labor market indicates that Baxter's career development system helps the company attract high-quality applicants. Baxter reports that since it implemented the program, staff turnover has dropped, and sales and customer loyalty have risen.

### **Development for continuous improvement**

More than a decade ago, Corning introduced employee career development training to strengthen its

as well as ongoing discussions of assessment, promotion, and movement of employees. Plans to extend the program's services to managers are being reviewed—an unusual reversal of the typical tendency to design career development programs for managers first and then “trickle them down” to nonmanagers.

#### **Ford Motor Company's LEAD program.**

Like many other large corporations, in the 1980s Ford began rethinking its view of middle management. Its Leadership Education and Development (LEAD) program reflects Ford's revamped priorities.

No longer do middle managers at Ford simply implement upper management's orders; instead, they play key roles in the company's overall efforts to focus on customers, raise quality, and strive for continuous improvement.

During each five-day LEAD session, conducted in partnership with the University of Michigan, cross-functional learning teams participate in experiential exercises. The exercises stress teamwork.

Unlike some strengthen-the-man-

ager programs, the LEAD program is rigorously practical. The program stresses company-specific applications. Executive trainers participate on a rotating basis, and the program serves as a developmental experience for them as well.

Managers apply what they learn in the LEAD program to their interactions with subordinates, empowering whole work teams.

#### **Westpac's succession-planning and career development program.**

Since the mid-1980s, Westpac—Australia's oldest bank, with operations in 27 countries—has integrated career development into its business strategy.

At the center of Westpac's system is its succession-planning program, which is competency-based and designed to develop levels of managerial competence across the organization. The program comprises replacement planning (which deals with short-term staffing changes), executive resource review (which addresses overall performance and emerging business needs), and corporate executive development (which is “owned” by line managers and

focuses on cross-unit movement, training, and education).

Four separate career development programs are under the umbrella of the corporate executive-development group:

- ▶ management development for new high-performing graduate entrants or current solid performers interested in management
- ▶ senior development for junior and middle managers
- ▶ executive development for middle and senior managers
- ▶ key-executive development for senior executives and general (or higher) managers.

Westpac has taken a long-range view of career development. Its system has enabled the company to meet short-term replacement-planning needs; key results will show up in five to 10 years, as management competencies are developed to steer the organization through its evolution. The idea, say system designers, is to support future leaders by generating ample reserves of talent in all functional areas of Westpac's business.

### Creating Career Development Systems

To weave career development systems into a broad plan for organizational development, HR specialists should aim to

- ▶ Integrate development planning and strategic planning, and make the link explicit at all organizational levels.
- ▶ Strengthen links between career development and other HR systems and quality initiatives.
- ▶ Move career development systems toward greater openness; a free flow of information ensures that everyone has access to resources and opportunities.
- ▶ Use skill building and accountability to enhance the role of managers in career development.
- ▶ Expand career development measures and evaluation.
- ▶ Continue to study best practices and organizational career development in a global context.

skills base. More recently, new business realities, such as downsizing, changes in workforce demographics, and a pay-for-performance compensation program, prompted Corning to reconsider its approach.

Corning revamped its career development program to support organizational change and continuous improvement. Corning provides employees with workbooks organized to address specific corporate functions, so that employees can tailor their development plans to divisional strategies. Corning briefs managers and staff on its career development program and trains managers to coach and supervise their employees' career development plans.

Corning closely ties its career development process to its performance-appraisal process as well as to the company's quality-improvement initiative; in fact, career development workshops at Corning borrow freely from the language of quality improvement to reinforce both initiatives.

Other components of the system include succession planning and developmental job assignments and training.

Corning's system gives people tools for assessing their strengths and weaknesses, along with the freedom to determine how to mesh their goals with those of the organization.

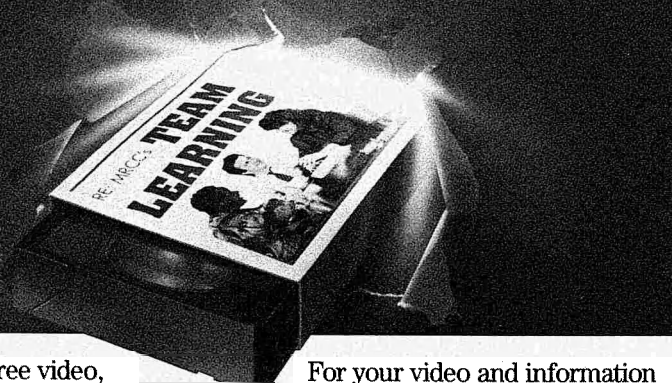
### Making systems work

Corning exemplifies the growing number of organizations that view career development as part of an overall effort to promote fundamental, long-term organizational change. For such efforts to succeed, what basic elements need to be in place? In *Organizational Transitions: Managing Complex Change* (Addison-Wesley, 1977), Richard Beckhard and Reubin T. Harris identify the following elements:

- ▶ a need or opportunity for change
- ▶ a vision of how the organization will be different as a result of the change
- ▶ an action plan for the change.

To this, we add a fourth element:

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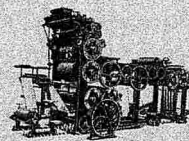
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maintenance of the change. As most HRD practitioners know from experience, even the best career development systems can lose their edge if they aren't renewed. Here are five practices and processes for keeping career development alive:

**Follow up on new initiatives.** Use such strategies as "learning-while-doing" projects, mentoring, career-action teams, manager/staff meetings, and coaching clinics.

**Link career development with other HR initiatives.** These could include performance appraisal, total-quality management, succession planning, competency analysis, and new-employee orientations. Keep the following caveats in mind:

- ▶ Always distinguish between development for current and future needs.
- ▶ Keep the focus on a shared goal—continuous improvement.
- ▶ Make competencies a basic part of all career planning.
- ▶ Strengthen the orientation process to develop and retain new employees.
- ▶ Develop replacement candidates

to assume management positions.

▶ Reward people for value-added performance.

**Communicate and plan constantly.** Build strategic alliances and use one initiative to publicize another.

**Hold managers accountable for development.** Define skills and standards for people development, give managers feedback and coaching, and link development of employees with rewards and possible sanctions.

**Monitor, evaluate, and revise—all the time.** Use multiple assessment tools, collect baseline data early in the process, and design an ongoing evaluation strategy.

Those four practices can help HR specialists create career development systems that respond to broad economic and social changes and that also take advantage of the opportunities change presents.

In organizations around the world, partnerships among employees, managers, and their organizations are enabling career development initiatives to flourish. If HRD practitioners

continue to "think systems" as they create new programs and processes for career development, they will succeed in maintaining the talented and productive workforce that the global future demands. ■

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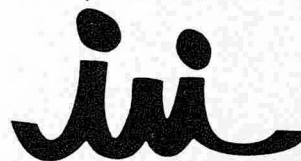
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