

CAREER DEVELOPMENT MAXIMIZES RETURN ON HUMAN CAPITAL INVESTMENT

It is probable that a majority of your current employees were not hired with your present business strategy in mind. Unless you are a start-up company, most of your employees have been with you for much longer than five years — a lifetime in today's business climate. Your company has a large investment in each employee, most likely well over a million dollars over time, even for hourly production employees. To maximize return on this human capital investment, you need to ask what new skills and competencies are critical to meet today's and tomorrow's challenges and achieve the company's desired business results. While some employees will have the appropriate skills already, others will not and will be miscast or misplaced.

Just as you would not allow a million dollar investment in equipment to rust, you should not allow your employees' skills to rust. Employees are your most important asset and probably one of the most expensive. But more often than not, career development is left up to the individual or to chance.

You need a scientific and objective process to identify and measure important skills and competencies for the future in order to assess your current bench strength and to provide training and development to meet future needs. Often employees and employers are not



objective or insightful in assessing or assigning individuals. The use of objective testing for important skills and behaviors can be extremely helpful as a means to determine strengths, weaknesses and developmental needs. By comparing individuals with appropriate benchmarks, PSP can perform a gap analysis and provide critical information for career development, action planning and

coaching. When reorganizations are necessary, this same information can provide management with knowledge essential to retaining and effectively utilizing the employees with the most appropriate skill sets.

Just as organizations change, so do people. And as people change, so do their career interests and choices. Career choices made in one's twenties and early thirties may no longer be satisfying or relevant in today's business climate or able to meet an individual's own needs, interests, skills and motivators. We find that some employees in technical or staff positions want an opportunity to become managers with greater leadership responsibility, while some managers want to return to more customer contact or a more technical role. Others want to learn new skills or recharge their batteries through a different type of assignment. These assignments

do not have to be permanent, and often they can be lateral, a step back, or a move across job functions. This might create challenges, but individuals often are more flexible because they want to make a change.

Job Enrichment Provides a Measurable Return

PSP has helped a number of individuals to make seemingly radical changes from staff positions in human resources, finances and corporate legal departments to sales and general management. Individuals in R&D assignments have successfully made the move to general management, and vice versa. Such moves can involve a lot of learning, but a continuous learner with the appropriate skills and work behaviors will welcome such a transition, and the learning curve is shorter than people expect.

PSP has promoted the concept of job enrichment since the days almost half a century ago when Dr. Frederick Herzberg, then PSP's Research Director and now world-renowned for his theories, developed the concept and conducted research on what motivates employees. Today, organizations have caught up with the principles he advocated, providing more opportunity for individuals to self-actualize through changing job assignments and developing skills. The measurable return for the company is a more productive employee who is more likely to stay with the company, improving retention and reducing recruitment costs.

All Job Levels Impact the Bottom Line

Career development should not be limited to individuals at managerial and professional levels, traditionally the target audiences because companies typically are more willing to spend money on these higher priced contributors. PSP has found that companies can benefit significantly from providing career development to employees throughout the organization. For example, PSP has helped hourly production employees, both non-union and union, to assess their skill sets and identify newly needed skill levels to meet a company's strategic needs. At PSP we have seen hourly employees assume responsibilities previously thought beyond their ability, both through the use of self-directed work teams and, for some, by progressing into the professional and management ranks. These career moves can save a company measurable bottom line dollars through increased productivity and reduced recruitment costs. These employees have "been there," and they tend to provide practical suggestions for improvements in production processes.

With carefully designed career development activities to maximize the return on your human capital investment, you can improve your current bench strength, prepare for the future, and create measurable benefits for your company.