

# Functional Area 03

## Talent Management and Development

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Professional in Human Resources – International (PHRi) -  
2021

Professional in Human Resources – International (PHRi) Workbook

Module Three: Talent Management and Development

2021 Edition





## ***Introduction***

This workbook is not a textbook. These materials include workbooks and practice exams are intended for use as an aid to preparation for the **PHRi** Certification Exam conducted by the HR Certification Institute. By using all of the preparation materials, you will be well-versed in the **six** key functional areas that make up the HR Certification Institute **PHRi** body of knowledge. Studying these materials does not guarantee, however, that you will pass the exam. These workbooks are not to be considered legal or professional advice.

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## Part One: Performance Management

### 1. Job Performance Management

Job performance is defined as the set of behaviors that are relevant to the goals of the organization or the organizational unit in which a person work. Job performance is what the organization hires one to do, and do well. Job performance is not the consequence or result of action, it is the action itself. However, if the action does not produce a result that is useful to shareholder, the action does not count. The criterion domain of job performance:

Job Performance management, often called “Performance Management” in an individual level, is the process of identifying, executing, evaluating, and developing the performance of the human resources in an organization.

The performance management process from two perspectives: a). the upstream component encompasses planning, objective setting, and measurement, which lends itself to standardization of performance management practices; b).The downstream component includes the performance appraisal itself. This component often reflects localization of performance management practices. An effective Performance Management process establishes the groundwork for excellence by:



#### 1.1. Performance planning

Performance planning is a discussion for developing a common understands of the objectives or performance standard that need to be achieved.

#### 1.2. Performance monitoring

Performance monitoring is a day-to-day management behavior to assure the objectives

could be accomplished.

### 1.3. Performance appraisal

Performance appraisal is the process that measures the degree to which employee accomplishes work requirements.

### 1.4. Performance development

Performance development is an ongoing cyclical process aims to develop, maintain and improve your skills, knowledge and job performance through performance planning, monitoring, and appraisal.

## 2. Performance Planning

Performance planning is a formal structured process for identifying and communicating the organizational and individual goals expected of the employee. The performance plan consists of performance expected of an employee and an Individual Development Plan.

Performance plans are decided collaboratively between the supervisor and employee working together. They together determine the performance expectations and development objectives to be accomplished during the review period. They discuss goals, objectives and expectations for the review period. The process helps to improve the communication and discuss the career development plan of the employee. Here are some important issues regarding performance planning:

### 2.1. Performance Standard

Objectives or goals (the terms are interchangeable) define what organizations, functions, departments, teams and job holders are expected to perform and accomplish. Some cultural factors that may influence performance management standards:

- ★ Some cultures value performance of the group over the individual as follow.
- ★ In some cases, an open and honest exchange of issues can occur. In other cultural contexts, a more formal, reserved relationship is the norm.
- ★ The appropriateness of forms and the meaning of rating scales vary significantly from culture to culture and location to location.
- ★ In some cultures, only positive feedback is provided so employees can save face.
- ★ The act of ranking employees within a group can be difficult in collective cultures.
- ★ Compensation practices vary widely across borders, cultures, and legal systems. The perceived value of the rewards can also vary from culture to culture.
- ★ This practice may not be accepted in collective cultures and those with high individual value dimensions.
- ★ Appraisals can be highly culturally specific. Even the meaning of the term "performance" can vary among individual and collective cultures. Also, the process of gaining input from colleagues can be easy and expected in some cultures but very guarded in others.

## 2.2. Management by objectives (MBO)

MBO can be defined as a process whereby the employees and the superiors come together to identify common goals, the employees set their goals to be achieved, the standards to be taken as the criteria for measurement of their performance and contribution and deciding the course of action to be followed.

No objectives will have significant incentive power if they are forced choice unrelated to a person's needs. Job holder should set his or her own goal, checking them out with the superior, and should use the performance planning session as a counseling device. Thus, the superior would become one who helped subordinates achieve their own objectives instead of a dehumanized inspector of products.

## 2.3. Goal Setting

Goal setting theory is widely recognized as one of the best motivational theories in self help, personal development, and personal growth. Specific and difficult goals led to better task performance than vague or easy goals.

Employee goals can be clarified through performance and development planning, with attention to the level of performance needed and the specific desired results. Goal setting is most effective when it is combined with feedback, so progress can be monitored. Direct feedback and coaching is an often underutilized approach that enhances communication and bottom-line results. SMART goals include five elements in each objective:

Objectives		Standards		Weight
Balanced perspective	Qualitative Quantitative	Achievement	Difficulty	Percentage %
<ul style="list-style-type: none"> <li>★ Results</li> <li>★ Behaviors</li> <li>★ Competencies</li> <li>★ Mind-set</li> </ul>	<ul style="list-style-type: none"> <li>★ Specific</li> <li>★ Measurable</li> <li>★ Achievable</li> <li>★ Relevant</li> <li>★ Time-bound</li> </ul>	What have to accomplish	How difficult to achieve	How important to the strategy or stakeholders value

### 2.3.1. Specific

Specific goals outline exactly what we hope to accomplish. A specific goal is a focused goal. It will state exactly what the organization intends to accomplish. While the description needs to be specific and focused, it also needs to be easily understood by those involved in its achievement. It should be written so that it can be easily and clearly communicated.

### 2.3.2. Measurable

A goal is measurable if it is quantifiable. Measurable goals can be evaluated to determine whether we have been accomplished. Measurement is accomplished by first obtaining or establishing base-line data. It will also have a target toward which

progress can be measured, as well as benchmarks to measure progress along the way.

### 2.3.3. Attainable

Attainable goals figure out ways we can make them come true. There should be a realistic chance that a goal can be accomplished. This does not mean or imply that goals should be easy. On the contrary, a goal should be challenging. It should be set by or in concert with the person responsible for its achievement. The organization's leadership, and where appropriate its stakeholders, should agree that the goal is important and that appropriate time and resources will be focused on its accomplishment. An attainable goal should also allow for flexibility. A goal that can no longer be achieved should be altered or abandoned.

### 2.3.4. Relevant

Individual goals should be appropriate to and consistent with the strategic and operational goals of the organization. Each goal adopted by the organization should be one that moves the organization toward the achievement of its strategic goals.

Relevant goals will not conflict with other organizational goals. It is important that all short-term goals be relevant (e.g., consistent) with the longer-term and broader goals of the organization.

### 2.3.5. Time-bound

Finally a goal must be bound by time. Timely goals outline actions we can apply immediately. That is, it must have a starting and ending point. It should also have some intermediate points at which progress can be assessed. Limiting the time in which a goal must be accomplished helps to focus effort toward its achievement.

## 2.4. Objectives and Key Results (OKR)

In line with MBO (management by objectives), OKR (Objectives and Key Results) is a goal system used by Intel, Google, and others. It is a simple tool to create alignment and engagement around measurable goals. The big difference from traditional

performance planning method is that OKRs are frequently set, tracked, and re-evaluated – usually quarterly. OKR has two components, the Objective and the Key Results:

### 2.4.1. Objectives

Objectives are memorable qualitative descriptions of what you want to achieve. Objectives should be short, inspirational and engaging. An Objective should motivate and challenge the team.

### 2.4.2. Key Results

Key Results are a set of metrics that measure your progress towards the Objective. For each Objective, you should have a set of 2 to 5 Key Results. More than that and no one will remember them.

A critical element of why OKRs work so well is their transparency up, down and

across the entire organization. This transparency enables every person in the workforce to see how what they do ladders up to the most important goals of the organization. This visibility and alignment are critical for recruiting, engaging and retaining the top talent needed in every high-growth organization.

The OKR system is inherently action oriented. Employees are expected to set aggressive goals and achieve most of them. Then pause to ponder over the insights gained, celebrate achievements and carry on the process. For this, the employees and managers can meet together during one-on-ones according to the cadence.

Teams and departments can hold regular meetings to review progress and chart the future course of action towards shared objectives.

### 3. Performance Monitoring

Once the performance-planning phase has been completed, it is time to get the job done—to execute the plan. Performance monitoring is the second phase of an effective performance management process for enhancing objective achievement and organizational citizenship behaviors (OCB) - all the positive and constructive employee actions and behaviors that aren't part of their formal job description. For the individual, the critical responsibility in this phase is getting the job done—achieving the objectives. For the appraiser-people manager, there are several major responsibilities to create a conditions that motivate, and confronting and correcting any performance problems:

#### 3.1. Eliminating Obstacle or Updating Objectives

The guru of quality management, W. Edwards Deming, said the system factor account for 94 percent of variance in performance result, which are beyond the control of performer. Circumstances beyond a performer's control can have the effect of either facilitating or constraining the level of performance. As a people manager, he or she should help the subordinates eliminate any obstacle to achieve performance objective, while the manager should collaborate with subordinates to update the objectives if necessary.

In many organizations, HR may initiate the Mid-Year Performance Review (or check-ins) process. After it has been initiated, employees need to self-assess their performance expectations prior to manager review.

Mid-year reviews should be a mix of structured and unstructured conversation between managers and employees, with the structure coming from a list of clearly defined expectations established at the start of the year.

Consider whether new goals have arisen and/or priorities have changed during the year. Review whether the employee's progress on set goals and projects, including managerial goals, has been effective overall. Adjust goals if organizational or departmental needs have changed. Revise established goals and identify new goals for the balance of the year as needed.

Confirm any new or revised performance goals for the balance of the year. Document any additional support or guidance to be offered to the employee to foster success.

## 3.2. Reinforcing Effective Behaviors

### 3.2.1. Positive Reinforcement

This reinforcement implies giving a positive response when an individual shows positive and required behavior. For example, immediately praising an employee for coming early for job. This will increase probability of outstanding behavior occurring again. Reward is a positive reinforce, but not necessarily. If and only if the employees' behavior improves, reward can said to be a positive reinforce. Positive reinforcement stimulates occurrence of a behavior. It must be noted that more spontaneous is the giving of reward, the greater reinforcement value it has.

### 3.2.2. Negative Reinforcement

This reinforcement strengthens a behavior because a negative condition is stopped or avoided as a consequence of the behavior. This implies rewarding an employee by removing negative / undesirable consequences. Both positive and negative reinforcement can be used for increasing desirable or required behavior.

### 3.2.3. Punishment

Punishment weakens a behavior because a negative condition is introduced or experienced as a consequence of the behavior. It implies removing positive consequences so as to lower the probability of repeating undesirable behavior in future. In other words, punishment means applying undesirable consequence for showing undesirable behavior. For instance, suspending an employee for breaking the organizational rules. Punishment can be equalized by positive reinforcement from alternative source.

### 3.2.4. Extinction

Extinction removes something in order to decrease a behavior. It implies absence of reinforcements. In other words, extinction implies lowering the probability of undesired behavior by removing reward for that kind of behavior. For instance - if an employee no longer receives praise and admiration for his good work, he may feel that his behavior is generating no fruitful consequence. Extinction may unintentionally lower desirable behavior.

Stimulus	Desirability of stimulus	Contingencies of reinforcement	Strength of response
Presented	Pleasant	Positive reinforcement	Increases
	Unpleasant	Punishment	Decreases
Withdrawn	Pleasant	Extinction	Decreases
	Unpleasant	Negative reinforcement	Increases

### 3.3. Conversations, Feedback and Recognition (CFR)

Increasingly, though, leading organizations are phasing out the once-a-year review in favor of ongoing, informal "Check-ins" with employees. The goal: to create a culture of ongoing dialogues focused on building a continuous, dynamic and mutually rewarding approach to development.

Like OKR, CFR (Conversations, Feedback and Recognition) champions transparency, accountability, empowerment, and teamwork, at all levels of the organization. It is a complete delivery system to measure what matters. When companies Annual Reviews are accompanied by regular Check-ins and real-time feedback they are in a better position to make progress throughout the year. It also brings in better alignment and transparency to the entire process.

#### 3.3.1. Conversations

The employee and his superiors are supposed to regularly meet (one-on-ones) and discuss the MBO or OKR as per the predefined schedule. The employee must set the agenda and proceedings of the meeting. And the supervisor should provide coaching, guidance, and support necessary for employee development and achievement of the Objectives. The conversation must focus on future improvements and development instead of negative criticism.

The one-on-ones may be arranged Weekly, Monthly or Quarterly depending on the circumstances. However, these meetings should discuss things in detail apart from the day to day work. As workplace conversations become integral, managers are evolving from taskmasters to teachers, coaches, and mentors.

#### 3.3.2. Feedback

Effective feedback fosters performance improvement, however, it has to be specific and integral part of the process. In developing organizations, HR has the responsibility for delivering feedback according to the schedule. Whereas in mature organizations feedback is multidirectional, ad hoc, and real-time open discussion between people anywhere within the organization. There are some organizations using 360 degree feedback as an additional tool for continuous performance management.

When it comes to effective problem-solving in the cross-functional team environment, constructive feedback enhances connections and team bonding. It also results in eradicating silos in the organization and fosters teamwork within departments.

However, one has to be cautious while providing negative feedback to the employees. It is relatively easy to provide favorable feedback. There is ample material available online on "How-to" effectively deliver feedback. There are many software tools available these days with an option to provide anonymous feedback as well.

#### 3.3.3. Recognition

Celebrating makes people feel like winners and creates an atmosphere of recognition and positive energy. Recognition should be frequent and public. Create a high-

performance culture with real-time praise and feedback for successful teams and

Individuals. Recognition these days is horizontal and based on performance. Using the inbuilt system anyone can cheer anyone else's goal regardless of the Function, Department or title.

### 3.4. Maintaining performance records

Generating and managing fair, accurate, and non-biased documentation of employee behavior and performance is one of the most important skills all supervisors need to develop.

Also, good documentation of an employee's pattern of poor performance and discipline can establish that the employee's firing wasn't related to discrimination based on race, sex, age, religion, disability, or national origin. An employer may have a much more difficult time proving that without such documentation.

The absence of such documentation of employees' behavior and performance may prompt an agency to dig deeper, push to interview witnesses, or take other measures designed to elicit information that it expects should have been documented or find out the reasons for the absence of documentation.

Documenting employee behavior and performance also is critical because memories aren't perfect. Remembering a specific performance issue involving one of a hundred employees months or even years ago isn't easy. Moreover, because the unfortunate reality is that we live in an increasingly litigious society, an employee may deny that the performance issue ever happened and leaves the employer in a "he said, she said" situation when trying to justify a personnel decision.

## 4. Performance Appraisal

Performance Appraisal is the systematic evaluation of the performance of employees and to understand the abilities of a person for further growth and development. Performance appraisal is generally done in systematic ways which are as follows:

- ★ The supervisors measure the pay of employees and compare it with targets and plans.
- ★ The supervisor analyses the factors behind work performances of employees.
- ★ The employers are in position to guide the employees for a better performance.

### 4.1. Objectives of Performance Appraisal

Performance appraisals can serve multiple purposes in an organization:

**Improvement:** The process should help both the employee and the organization to get better results, to get better results, improving quality, efficiency, effectiveness, alignment, and the like.

**Coaching and Guidance:** In the traditional management view, appraisal provides a managerial tool and framework for coaching, counseling, and motivating employees.

**Feedback and Communication:** Appraisal is intended to enhance communication between the employee, supervisor, and others in the organization, including feedback

on employee performance.

**Compensation:** By tying appraisal to compensation (salary increases, bonuses), purportedly people will work harder.

**Staffing Decision and Professional Development:** Appraisal attempts to provide information to enable the organization to fairly and effectively select employees for promotion, layoffs, or reductions in force (RIF). It is also used to identify staffing and training needs and assist employees in their career development.

**Termination and Legal Documentation:** Effectively written appraisals should provide objective and impartial documentation that is necessary or useful in disciplinary and discharge decisions. Some organizations applied performance-based layoff strategy to ensure that successful employees with excellent performance records remain with the company, regardless of their personal affiliations with managers or owners. This approach relies on employee testing or evaluations (similar as forced distribution) to determine the efficacy of each worker, with only those scoring in the lowest percentiles, or below a predetermined standard, losing their jobs.

#### 4.2. Process of Performance Appraisals

A performance appraisal is a formal interaction between an employee and her manager. This is when the performance of the employee is assessed and discussed in thorough detail, with the manager communicating the weaknesses and strengths observed in the employee and also identifying opportunities for the employee to develop professionally. Here is the process involved in performance appraisal

##### 4.2.1. Conducting Job analysis.

This is logically our first step because if we don't know what a job consists of, how can we possibly evaluate an employee's performance? We should realize that the job must be based on the organizational mission and objectives, the department, and the job itself.

##### 4.2.2. Establishing Performance Standards

In this we use as the base to compare the actual performance of the employees. In this step it requires to set the criteria to judge the performance of the employees as successful or unsuccessful and the degrees of their contribution to the organizational goals and objectives. The standards set should be clear, easily understandable and in measurable terms. If employee doesn't come up to expectance, then it should be taken extra care for it.

##### 4.2.3. Communicating the standards

It is the responsibility of the management to communicate the standards to all the employees of the organization. The employees should be informed and the standards should be clearly explained. This will help them to understand their roles and to know what exactly is expected from them.

##### 4.2.4. Measuring the actual Performance

The most difficult part of the performance appraisal process is measuring the actual performance of the employees that is the work done by the employees during the specified period of time. It is a nonstop process which involves monitors the performance all over the year. This stage requires the watchful selection of the suitable techniques of measurement, taking care that individual bias does not affect the outcome of the process and providing assistance rather than interfering in an employees work.

#### 4.2.5. Comparing the Actual with the Desired Performance

In this the actual performance is compared with the desired or the standard performance. The comparison tells the deviations in the performance of the employees from the standards set. The result can show the actual performance being more than the desired performance or, the actual performance being less than the desired performance depicting a negative deviation in the organizational performance. It includes recalling, evaluating and analysis of data related to the employees' performance.

#### 4.2.6. Discussing Results

The result of the appraisal is communicated and discussed with the employees on one- to-one basis. The focus of this discussion is on communication and listening. The results, the problems and the possible solutions are discussed with the aim of problem solving and reaching consensus. The feedback should be given with a positive attitude as this can have an effect on the employees' future performance. The purpose of the meeting should be to solve the problems faced and motivate the employees to perform better. Performance feedback can be very different across cultures. Managers must learn how feedback that should be given in that culture.

#### 4.2.7. Decision Making

The last step of the process is to take decisions which can be taken either to improve the performance of the employees, take the required corrective actions, or the related HR decisions like rewards, promotions, demotions, transfers etc.

### 4.3. Methods of Performance Appraisal

There are many types of performance appraisal methods. Some of them are :

- 1) Job results
- 2) essay method
- 3) Ranking
- 4) Forced Distribution
- 5) Graphic Rating Scale
- 6) Behavioral Checklist
- 7) Behavioral Anchored Rating Scales (BARS)
- 8) Management by Objectives (MBO)

#### 4.3.1. Job Results

Though not an appraisal method per se, job results are in themselves a source of data

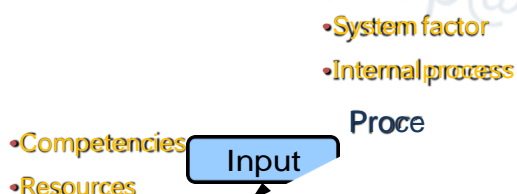
that can be used to appraise performance. Typically, an employee's results are compared against some objective standard of performance. This standard can be absolute or relative to the performance of others.

Results indexes are often used for appraisal purposes if an employee's job has measurable results. Examples of job results indexes are dollar volume of sales, amount of scrap, and quantity and quality of work produced. When such quantitative results are not available, evaluators tend to use appraisal forms based on employee behaviors and/or personal characteristics.

In some cases, appraisals may focus on results rather than behaviors. This is especially true where job content is highly variable, as in many managerial positions, thus making it difficult to specify appropriate behaviors for evaluative purposes. Results indexes such as turnover, absenteeism, grievances, profitability, and production rates can be used to evaluate the performance of organization units.

When we use the output-based scale, the following terms are used: (a) Inputs: all the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include competencies and resources.

### Output-based ratio scale



## Job Results

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

### *Process*

The activities or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, process describe "what we do". However, the external factors may affect the internal process and its ability to pursue a given output. The external factors includes a wide variety of needs and influences that can affect the organization, but which the organization cannot directly control. Influences can be political, economic, ecological, societal and technological in nature.

### *Outputs*

The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver", such as cost, volume, profit, productivity,

ratio, or timeliness. The outputs collectively contribute to one or more outcomes and impacts. Outputs are considered as short-term results because they occur immediately after the activity has ended. On the contrary, outcomes are results that occur after a certain period has elapsed. Output enables organization to find outcomes, but without outcomes, there is no need for outputs.

### *Feedback*

Feedback is having the outputs of work communicated to the employee, work group, or company. For an individual employee, performance measures create a link between their own behavior and the organization's goals. For the organization or its work unit's performance measurement is the link between decisions and organizational goals.

Fundamentally, feedback and management-employee communication can serve as a guide in job performance. Specifically, feedback should help the rates answer the following questions: What would you do to correct or refine the product or project? What would you do differently? What problems did you encounter that you did not find a solution for? What limitations did you materials or programs present?

#### 4.3.2. Essay Method

The essay method involves an evaluator's written report appraising an employee's performance, usually in terms of job behaviors and/or results. The subject of an essay appraisal is often justification of pay, promotion, or termination decisions, but essays can be used for developmental purposes as well.

Since essay appraisals are to a large extent unstructured and open-ended, lack of standardization is a major problem. The open-ended, unstructured nature of the essay appraisal makes it highly susceptible to evaluator bias, which may in some cases be

discriminatory. By not having to report on all job-related behaviors or results, an evaluator may simply comment on those that reflect favorably or unfavorably on an employee. This does not usually represent a true picture of the employee or the job, and content validity of the method suffers.

**Critical incident technique:** Under this method, the manager prepares lists of statements of very effective and ineffective behavior of an employee. These critical incidents or events represent the outstanding or poor behavior of employees on the job. The manager maintains logs on each employee, whereby he periodically records critical incidents of the workers behavior. At the end of the rating period, these

recorded critical incidents are used in the evaluation of the workers' performance. An example of a good critical incident of a sales assistant is the following:

July 20 – The sales clerk patiently attended to the customers complaint. He is polite, prompt, enthusiastic in solving the customers' problem.

On the other hand the bad critical incident may appear as under:

July 20 – The sales assistant stayed 45 minutes over on his break during the busiest part of the day. He failed to answer the store manager's call thrice. He is lazy, negligent, stubborn and uninterested in work.

This method provides an objective basis for conducting a thorough discussion of an employee's performance. This method avoids recency bias (most recent incidents get too much emphasis). This method suffers however from the following limitations:

Negative incidents may be more noticeable than positive incidents.

The supervisors have a tendency to unload a series of complaints about incidents during an annual performance review session.

It results in very close supervision which may not be liked by the employee.

The recording of incidents may be a chore for the manager concerned, who may be too busy or forget to do it.

Most frequently, the critical incidents technique of evaluation is applied to evaluate the performance of superiors rather than of peers of subordinates.

Checklists and weighted checklists: Another simple type of individual evaluation method is the checklist. A checklist represents, in its simplest form, a set of objectives or descriptive statements about the employee and his behavior. If the rater believes strongly that the employee possesses a particular listed trait, he checks the item; otherwise, he leaves the item blank. A more recent variation of the checklist method is the weighted list. Under this, the value of each question may be weighted equally or certain questions may be weighted more heavily than others. The following are some of the sample questions in the checklist.

Is the employee really interested in the task assigned?

Yes/No Is he respected by his colleagues (co-workers )

Yes/No

Does he give respect to his superiors?

Yes/No

Does he follow instructions properly?

Yes/No

Does he make mistakes frequently?

Yes/No

A rating score from the checklist helps the manager in evaluation of the performance of the employee. The checklist method has a serious limitation. The rater may be

biased in distinguishing the positive and negative questions. He may assign biased weights to the questions. Another limitation could be that this method is expensive

and time consuming. Finally, it becomes difficult for the manager to assemble, analyze and weigh a number of statements about the employee's characteristics, contributions and behaviors. In spite of these limitations, the checklist method is most frequently used in the employee's performance evaluation.

#### 4.3.3. Forced-Choice Rating

This method was developed to eliminate bias and the preponderance of high ratings that might occur in some organizations. The primary purpose of the forced choice

method is to correct the tendency of a rater to give consistently high or low ratings to all the employees. This method makes use of several sets of pair phrases, One or two of which may be positive and the other one or two negative and the rater is asked to

indicate which of the four phrases is the most and least descriptive of a particular worker. Actually, the statement items are grounded in such a way that the rater cannot easily judge which statements apply to the most effective employee. The following box is a classic illustration of the forced choice items in organizations.

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

#### 4.3.4. Mixed Standard Scales

Mixed standard scales are a relatively recent innovation in rating scales. They contain statements representing good, average, and poor performance based on behavioral examples obtained from knowledgeable persons, usually supervisors. An evaluator's task is to indicate whether an employee either fits the statement, is better than the statement, or worse than the statement.

In a mixed standard scale, each performance dimension has three statements relating to it: one illustrating good performance, one average, and one poor. Thus, this mixed standard scale has nine statements, three for each of the three dimensions used.

Statements in mixed standard scales are randomly mixed, tending to reduce rater errors by making it less obvious which statements reflect effective or ineffective performance.

Example of a mixed standard scale

Instructions: If the employee fits the statement, put a "o" in the space opposite the statement. If the employee is better than the statement, put a "+". If the employee is worse than the statement, put a "-".

**Mixed standard scale**

Behaviors	Superior	Average	Inferior	Rating
1	+	+	+	7
2	-	o	+	4
3	o	+	+	6
4	-	-	o	2

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

- Is on good terms with everyone. Can get along with people even in disagreement.
- Employee's work is spotty, sometimes being all right and sometimes not. Could be more accurate and careful.
- Has a tendency to get into unnecessary conflicts with people.
- Is quick and efficient, able to keep work on schedule. Really gets going on a new task.
- The accuracy of employee's work is satisfactory. It is not often that you find clear evidence of carelessness.
- Gets along with most people. Only very occasionally has conflicts with others on the job, and these are likely to be minor.
- Is efficient enough, usually getting through assignments and work in reasonable time.
- Work is striking in its accuracy. Never any evidence of carelessness in it.
- There is some lack of efficiency on employee's part. Employee may take too much time to complete assignments, and sometimes does not really finish them.

#### 4.3.5. Ranking and Forced Distribution

Ranking methods compare one employee to another, resulting in an ordering of employees in relation to one another. Rankings often result in overall assessments of employees, rather than in specific judgments about a number of job components.

Straight ranking requires an evaluator to order a group of employees from best to worst overall or from most effective to least effective in terms of a certain criterion.

Alternative ranking makes the same demand, but the ranking process must be done in a specified manner (for example, by first selecting the best employee in a group, then the worst, then the second-best, then the second-worst, etc.).

Comparative evaluation systems such as ranking are rarely popular. No matter how close a group of employees is in the level of their performance, and no matter how well they perform on the job, some will rank high and some will end up at the bottom.

Evaluators are often reluctant to make such discriminations. Also, rankings are unable to compare employees across different groups. For example, it is difficult to say whether the second-ranked employee in unit A is as good as or better than the second-ranked employee in unit B. Despite the problems of ranking methods, if an organization has a very limited number of promotions or dollars to allocate, rankings can be very useful in differentiating among employees.

Within this system exist several comparative methods, which are as follows:

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

### *Simple or Straight Ranking*

The first of these methods is known as 'Simple' or 'Straight' ranking. It works by rating individuals on their performance from best to worst. This particular method assumes that the appraising party is able to make judgments on overall performance without any criteria or benchmarks to guide them. This generally causes ratings to be based more so on opinions, as opposed to actual figures of output, sales or labour turnover.

### *Alternate Method*

The second comparative method is known as the 'Alternate', and is similar to the prior in its failings and design. Appraisal is done by listing the best performer first, then the worst last, once this has been done, the second best and worst performers are selected, and placed according. This process continues until the entire group of subordinates are ranked.

### *Paired Comparison Method*

The third method known as the 'Paired Comparison' suffers the same defects as the other two, but allows for slightly more objectivity to be included in comparisons by contrasting two subordinates at a time against all others on a single standard criterion, such as overall performance. Unfortunately, the amount of time taken increases geometrically as the size of the group increases.

### *Forced Distribution*

Forced distribution is a form of comparative evaluation in which an evaluator rates subordinates according to a specified distribution. Unlike ranking methods, forced distribution is frequently applied to several rather than only one component of job performance.

Use of the forced distribution method is demonstrated by a manager who is told that he or she must rate subordinates according to the following distribution: 10 percent low; 20 percent below average; 40 percent average; 20 percent above average; and 10

percent high. In a group of 20 employees, two would have to be placed in the low category, four in the below-average category, eight in the average, four above average, and two would be placed in the highest category. The proportions of forced

distribution can vary. For example, a supervisor could be required to place employees into top, middle, and bottom thirds of a distribution.

Forced distribution is primarily used to eliminate rating errors such as leniency and central tendency, but the method itself can cause rating errors because it forces

discriminations between employees even where job performance is quite similar. For example, even if all employees in a unit are doing a good job, the forced distribution approach dictates that a certain number be placed at the bottom of a graded continuum. For this reason, raters and ratees do not readily accept this method, especially in small groups or when group members are all of high ability.

#### 4.3.6. Graphic Rating

Perhaps the most commonly used method of performance evaluation is the graphic rating scale. Of course, it is also one of the oldest methods of evaluation in use. Under this method, a printed form, as shown below, is used to evaluate the performance of an employee. A variety of traits may be used in these types of rating devices, the most common being the quantity and quality of work. The rating scales can also be adapted by including traits that the company considers important for effectiveness on the job. A model of a graphic rating scale is given below:

#### Graphic rating scales

Relative-Skewed Anchors	Relative-Symmetrical Anchors
1 = Below Average	1 = One of the Worst
2 = Average	2 = Below Average
3 = Above Average	3 = Average
4 = Well Above Average	4 = Above Average
5 = One of the Best	5 = One of the Best
Absolute-Skewed Anchors	Absolute-Symmetrical Anchors
1 = Marginal	1 = Poor
2 = Satisfactory	2 = Marginal
3 = Good	3 = Satisfactory
4 = Very Good	4 = Good
5 = Outstanding	5 = Outstanding

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

#### 4.3.7. Behaviorally Anchored Rating Scale, BARS

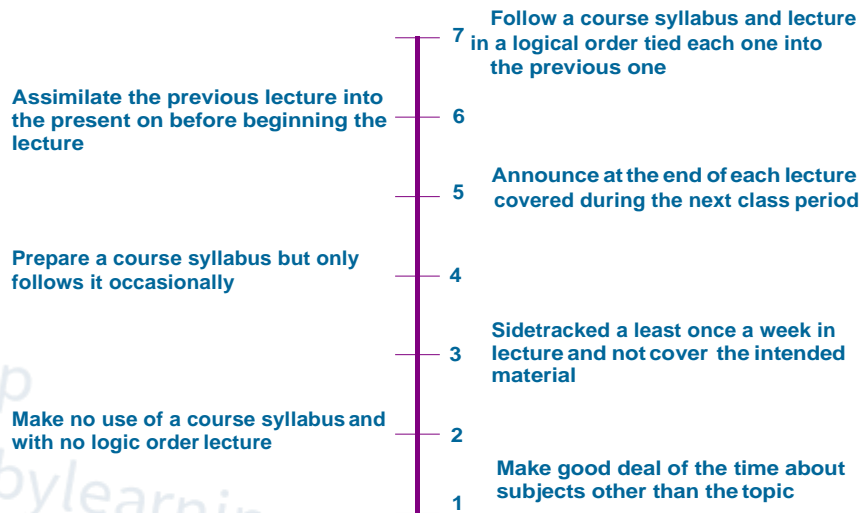
Behaviorally anchored rating scales: Also known as the behavioral expectations scale, this method represents the latest innovation in performance appraisal. It is a

combination of the rating scale and critical incident techniques of employee performance evaluation. The critical incidents serve as anchor statements on a scale and the rating form usually contains six to eight specifically defined performance

dimensions. The following chart represents an example of a sales trainee's competence

and a behaviorally anchored rating scale. Developing a BARS follows a general format which combines techniques employed in the critical incident method and weighted checklist ratings scales. Emphasis is pinpointed on pooling the thinking of people who will use the scales as both evaluators and evaluatees.

### Behaviorally Anchored Rating Scales, BARS



Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

#### *Step 1: Collect critical incidents*

People with knowledge of the job to be probed, such as job holders and supervisors, describe specific examples of effective and ineffective behavior related to job performance.

#### *Step 2: Identify performance dimensions*

The people assigned the task of developing the instrument cluster the incidents into a small set of key performance dimensions. Generally between five and ten dimensions account for most of the performance. Examples of performance dimensions include technical competence, relationships with customers, handling of paper work and meeting day-to-day deadlines. While developing varying levels of performance for each dimension (anchors), specific examples of behavior should be used, which could later be scaled in terms of good, average or below average performance.

#### *Step 3: Reclassification of incidents*

Another group of participants who are knowledgeable about the job is instructed to retranslate or reclassify the critical incidents generated (in Step II) previously. They are given the definition of job dimension and told to assign each critical incident to the dimension that it best describes. At this stage, incidents for which there is not 75 per cent agreement are discarded as being too subjective.

#### *Step 4: Assigning scale values to the incidents*

Each incident is then rated on a one-to-seven or one-to-nine scale with respect of how well it represents performance on the appropriate dimension. A rating of one represents ineffective performance; the top scale value indicates very effective performance. The second group of participants usually assigns the scale values. Means and standard deviations are then calculated for the scale values assigned to each incident. Typically incidents that have standard deviations of 1.50 or less (on a 7-point scale) are retained.

#### *Step 5: Producing the final instrument*

About six or seven incidents for each performance dimension – all having met both the retranslating and standard deviation criteria – will be used as behavioral anchors. The final BARS instrument consists of a series of vertical scales (one for each dimension) anchored (or measured) by the final incidents. Each incident is positioned on the scale according to its mean value.

Because the above process typically requires considerable employee participation, its acceptance by both supervisors and their subordinates may be greater. Proponents of BARS also claim that such a system differentiates among behavior, performance and results and consequently is able to provide a basis for setting developmental goals for the employee. Because it is job-specific and identifies observable and measurable behavior, it is a more reliable and valid method for performance appraisal.

Researchers, after surveying several studies on BARS, concluded that “despite the intuitive appeal of BARS, findings from research have not been encouraging”. It has not proved to be superior to other methods in overcoming rater errors or in achieving psychometric soundness. A specific deficiency is that the behaviors used are activity oriented rather than results oriented. This creates a potential problem for supervisors doing the evaluation, who may be forced to deal with employees who are performing the activity but not accomplishing the desired goals. Further, it is time consuming and expensive to create BARS. They also demand several appraisal forms to accommodate different types of jobs in an organization. In a college, lecturers, office clerks, library staff, technical staff and gardening staff all have different jobs; separate BARS forms would need to be developed for each. In view of the lack of compelling evidence demonstrating the superiority of BARS over traditional techniques such as graphic rating scales. A scholar concluded that: “It may be time to quit hedging about the efficacy of behavioral scaling strategies and conclude that this method has no clear-cut advantages over more traditional and easier methods of performance evaluation”.

#### 4.3.8. Behavioral Observation Scales, BOS

A technique for evaluating the performance of an employee which can be used as part of the appraisal process. Like behaviorally anchored rating scales, the “Behavioral Observation Scales (BOS)” technique involves a process of identifying the key tasks for a particular job, but the difference is that employees are evaluated according to how frequently they exhibit the required behavior for effective performance. The scores for each of these observed behaviors can then be totaled to produce an overall performance score. In such instances, the various measures of behavior are normally weighted to reflect the relative importance of the measure to the overall job.

The

instruments of BOS are ordinal scale questionnaires. The question is typically related to the frequency or intensity of the symptom of behavior.

### Behavioral Observation Scales, BOS

#### I. Overcoming Resistance to Change

(1)	Describes the detail of the change to subordinates	Never	1	2	3	4	5	6	Always
(2)	Explains why the change is necessary	Never	1	2	3	4	5	6	Always
(3)	Discusses how the change will affect the employee	Never	1	2	3	4	5	6	Always
(4)	Listen to the employee concerns	Never	1	2	3	4	5	6	Always
(5)	Asks the employee for help in making the change work	Never	1	2	3	4	5	6	Always

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

#### 4.3.9. 360 Degree Feedback

"360" refers to the 360 degrees in a circle. The multiple rating sources would come from subordinates, peers, and managers in the organizational hierarchy, as well as self- assessment, and in some cases external sources such as customers and suppliers or other stakeholders. The purpose of the 360 degree performance feedback is to assist

each individual to understand his or her strengths and weaknesses, and to contribute insights into aspects of his or her work needing professional development.

This multi-rater feedback differs from what most employees get in an annual performance review in several ways:

*Well-rounded look.* Most performance reviews involve the employee getting feedback directly from their manager. While a manager's perspective is invaluable, it's inherently limited. 360-degree feedback involves feedback from many additional sources, providing a well-rounded look at an employee. After all, people may act differently around their boss than around their peers and direct reports.

*Forward-looking.* While there is some debate on the role of 360s and performance reviews, a general rule of thumb is that performance reviews are evaluative and *backward looking* – how have employees performed in relation to their goals. In contrast, 360-degree feedback is traditionally non-evaluative and forward-looking – what are employees' strengths and weaknesses, and what developmental steps can help them become even better.

*Broader view.* Some argue that keeping 360-degree assessments non-evaluative is essential to getting honest feedback. An employee's peers, they'll argue, are much less

likely to provide negative or even constructive feedback if they think it will negatively impact someone's bonus or promotion potential.

Simply put, 360-degree multi-rater assessments address important competencies and provide opportunities for managers, peers and direct reports to provide important developmental feedback that they may not otherwise share.

When it comes to measuring valuable employee skills and attributes, few things are as important or effective as 360s. They measure things like leadership, teamwork, communication, decision-making and collaboration. Given the continual demands of work, it is easy to get caught up in only looking at how well employees get their jobs done, instead of taking the longer term view to make sure they are developing into the most productive employee they can become. 360s help managers and employees look at competencies that will help make them and their organizations better.

In addition, with more and more Millennials in the workforce, providing regular feedback has never been more important. Millennials want feedback more than any other group. While providing ongoing multi-rater feedback is important, 360s provide a formalized opportunity for a holistic view of strengths, weaknesses and opportunities for development. The results should be put into action plans to give employees the tools they need to develop into better employees.

Traditionally, 360s have been limited to the top leadership at a company. But the tides are shifting. Organizations are beginning to recognize the need to develop all of their employees and they're using 360s as an integral part of their employee development plans. As previously noted, Millennials want feedback – and they don't want to wait until they are senior managers to get it.

Technology is making it easier, faster and more affordable to deliver 360 feedback than ever before. More organizations are choosing to provide this feedback and the associated development opportunities for all of their employees, from the C-level to entry level. It goes along with the fabled conversation between the CEO and the CFO. The CFO asks, "What if we train all our people and they leave the company?" To which the CEO responds, "What if we don't and they stay?"

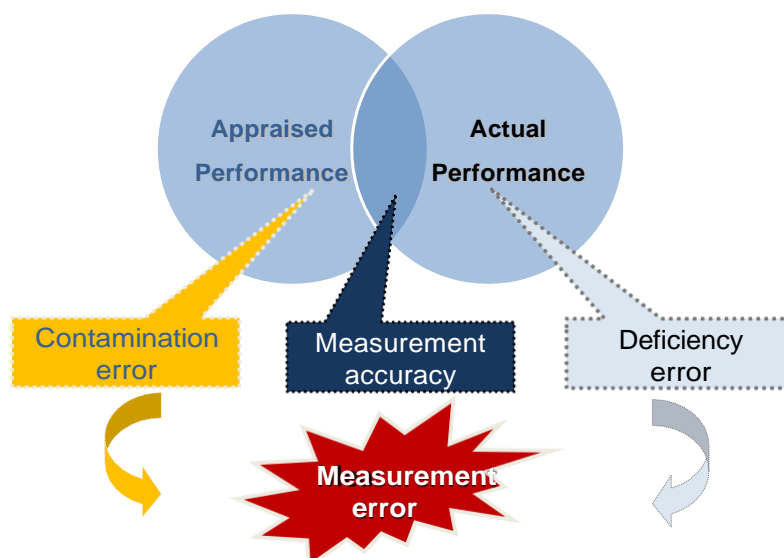
360-degree employee assessments are important to organizations, managers, and employees. Managers benefit from having the opportunity to get feedback from a variety of sources which both helps them improve and allows them to help their employees learn how they can capitalize on their strengths and improve where they are weak. Employees benefit because, for the most part, they are eager to improve and want feedback. And the organization as a whole benefits because 360s foster a culture of feedback and continuous improvement that leads to a stronger, more engaged workforce.



Source: Lepsinger, R. & Lucia, A.D. (2009). The Art and Science of 360 Degree Feedback 2nd Edition. San Francisco, CA: Pfeiffer.

#### 4.4. Measurement Error

Performance appraisal and measure is subject to two main flaws: criterion contamination and deficiency. The omission of pertinent performance criteria is referred to as criterion deficiency. For example, an appraisal form that rates the performance of police officers solely on the basis of the number of arrests made is deficient because it fails to include other aspects of job performance, such as conviction record, court performance, number of commendations, and so on. Such a deficient form may steer employee behavior away from organizational goals; imagine if police officers focused only on arrests and neglected their other important duties.



## Measurement Error

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San Francisco, CA: Pfeiffer.

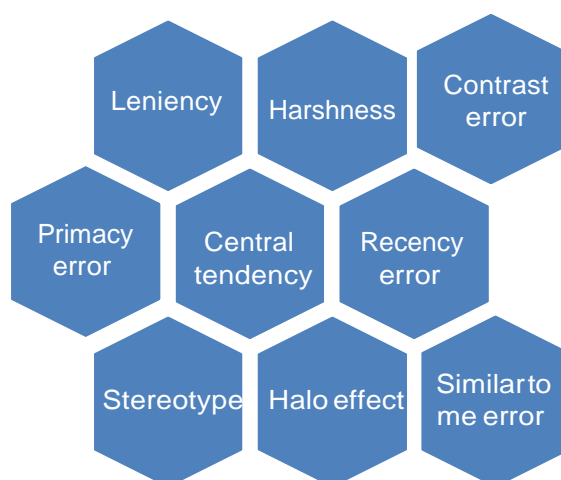
When irrelevant criteria are included on the rating form, criterion contamination occurs, causing employees to be unfairly evaluated on factors that are irrelevant to the job. For example, criterion contamination would occur if an auto mechanic were evaluated on the basis of personal cleanliness, despite the fact that this characteristic has nothing to do with effective job performance.

Performance standards indicate the level of performance an employee is expected to achieve. Such standards should be clearly defined so that employees know exactly what the company expects of them. For instance, the standard "load a truck within one hour" is much clearer than "work quickly." Not only does the use of clear performance standards help direct employee behavior, it also helps supervisors provide more accurate ratings; two supervisors may disagree on what the term "quickly" means, but both attribute the same meaning to "one hour."

To meet the standards, a firm must use an effective rating form. The form provides the basis for the appraisal, indicating the aspects or dimensions of performance that are to be evaluated and the rating scale for judging that performance.

### 4.5. Rater Errors

Rater errors are errors in judgment that occur in a systematic manner when an individual observes and evaluates another. Personal perceptions and biases may influence how we evaluate an individual's performance. What makes these errors so difficult to correct is that the observer is usually unaware that she or he is making them. When we understand the errors and how they occur, we are able to take steps to minimize them.



### Rater Errors

Source: Smither, J.W. & London, M. (2009). Performance Management: Putting Research into Action. San

Francisco, CA: Pfeiffer.

#### 4.5.1. Halo effect

A halo effect may occur when an employee is extremely competent in one area and is therefore rated high in all categories. Conversely, the horn effect may occur when one weakness results in an overall low rating.

#### 4.5.2. Recency error

The recency error occurs when an appraiser gives more weight to recent occurrences and discounts the employee's earlier performance during the appraisal period.

#### 4.5.3. Primacy errors

The primacy error occurs when an appraiser gives more weight to the employee's earlier performance and discounts recent occurrences.

When an appraiser's values, beliefs, or prejudices distort ratings (either consciously or unconsciously), the error is due to bias.

#### 4.5.4. Harshness error

Strictness, called the "harshness" error, occurs when a manager gives low ratings.

#### 4.6.5. Leniency error

Leniency errors are the result of appraisers who don't want to give low scores.

#### 4.5.6. Central tendency errors

Central tendency errors occur when an appraiser rates all employees within a narrow range, regardless of differences in actual performance, especially when using graphic scale.

#### 4.5.7. Contrast error

The contrast error occurs when an employee's rating is based on how his or her performance compares to that of another employee instead of on objective performance standards.

#### 4.5.8. Stereotyping

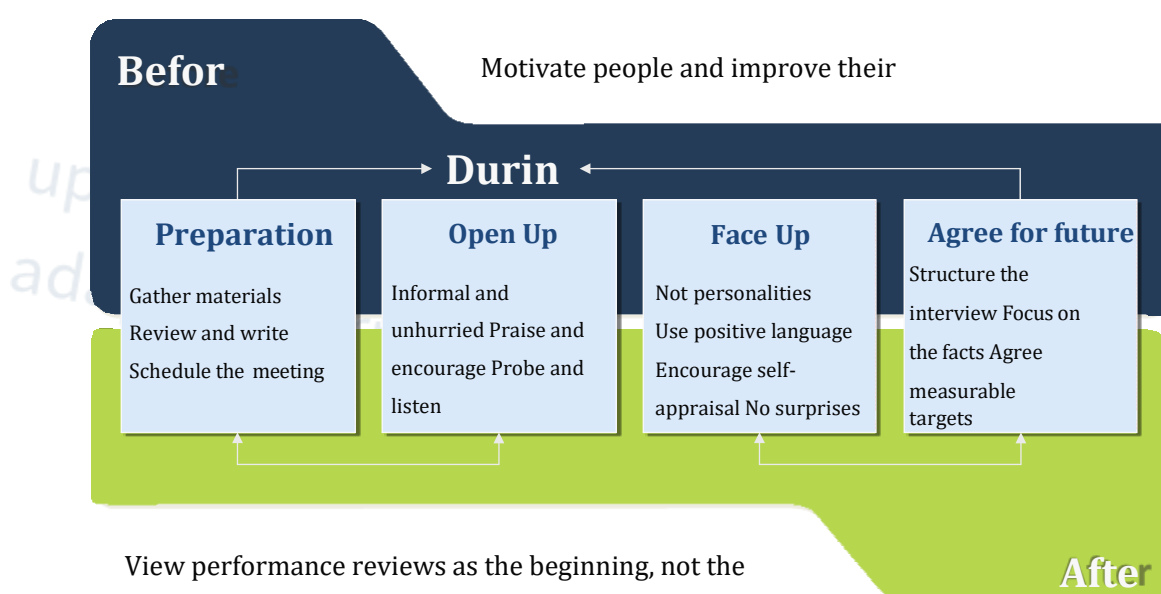
Stereotyping occurs when evaluations are influenced to some degree by a person's membership in a particular social group. Individuals from different cultures consistently misinterpret each other's behavior, possibly biasing the appraisals.

#### 4.5.9. Similar to me error

Similar-to-me error is when the rater's tendency is biased in performance evaluation toward those employees seen as similar to the raters themselves.

## 5. Performance Development

Performance development is a broad term that includes performance management and employee development. It describes both managing/assessing the work that needs to be done and providing opportunities for professional growth and development. Performance development is the ongoing process between supervisor and employee of communicating and clarifying position responsibilities, priorities and performance expectations to guarantee mutual understanding and to enhance effectiveness in achieving the campus and departmental mission and goals. Conducting employee performance reviews demands a lot of time and effort, but when done correctly, they can bring numerous benefits to both the employee and the business, including:



### 5.1. Prepare the interview

Holding successful mid-year and end-of-year performance appraisal discussions requires preparation. For example, developing a comprehensive written appraisal narrative can be extremely helpful when preparing for the face-to-face appraisal review. Appraising officials can use the following checklist as a tool to help them prepare for employee appraisal reviews.

#### 5.1.1. Gather the Material

Have all the necessary tools close at hand before starting to write the appraisal narrative, including:

- a copy of the employee's performance plan;
- notes of previous meetings with the employee (remember what was discussed with the employee during previous meetings);
- employee self-evaluation documents, which could include a list of completed projects and accomplishments prepared by the employee;

-written or recorded feedback on employee performance from other sources (these can include letters of appreciation, customer feedback, etc.); and

-appraisal program instructions that describe the performance appraisal process and procedures.

### 5.1.2. Review and Write

Become familiar with the appraisal form and review how to derive the summary rating (e.g., numerical formula, percentages, and numerical weights). Take the time to review the employee's elements and standards, knowing which elements are critical, non-

critical, and additional, and how to measure employee performance. Finally, review all the documentation. When writing the narrative, consider these points:

★ Responsibilities and Duties. Review employee

responsibilities: Have the employee's work responsibilities changed? If so, how?

Has the employee been assigned additional responsibilities which were not included in the performance plan? If so, consider acknowledging these additional responsibilities in the narrative and the performance interview. Also, consider whether to include the new responsibilities in next year's performance plan.

★ Performance. Include performance data for the entire appraisal period, not just the most recent information. The appraisal narrative should address:

-how well the employee performed the assigned responsibilities and the quality and/or timeliness of the employee's accomplishments;

-whether and how well the employee met performance goals;

-areas of performance that improved over the appraisal period; and

-areas of performance that might need improvement.

★ Review Developmental Needs.

In addition to the information in the narrative, prepare to talk to the employee about developmental needs. Identify skills and competencies that may enhance or improve the employee's performance. Look into a variety of ways of improving skills, such as classroom or on-line training, professional conferences and workshops, details to other work units or to positions with higher responsibilities, or on-the-job training. Enter the appraisal review with this information on hand, but during the review, be sure to ask the employee for input on development needs. If employees participate in creating their own development plans, those plans likely will be more successful.

### 5.1.3. Schedule the Interview/meeting

The final preparation step is to set aside a time and a place to meet with the employee. When scheduling the appraisal interview, make sure to:

-schedule a time that is convenient for you and the employee. This should be uninterrupted time so that you and the employee can concentrate on the appraisal.

-give the employee a copy of the performance appraisal with its narrative before the meeting so that he or she can have time to prepare for the appraisal interview.

## 5.2. Getting people to open up

### 5.2.1. Establish an informal, unhurried atmosphere

Seating arrangements matter - there should be no barriers and the two chairs must be the same height so that one person is not looking down on the other. Rapport building is very important, particularly with shy people. The ritual cup of coffee and some unthreatening, casual chat are important scene-setting activities.

### 5.2.2. Praise and encourage

People like Sharon sometimes convince themselves that appraisal is going to be an unpleasant experience. It is important to change their perception early on by congratulating them for their good work.

### 5.2.3. Probe and listen

Good appraisers ask open (how, what and why) questions to get the person talking, then probe for more information ('tell me a bit more about...') and finally ask closed questions to confirm agreement and understanding.

### 5.2.4. Give time to talk

Advise the group not to be in too much of a hurry. People, particularly shy ones, need time to think. Silence, a friendly facial expression and, if necessary, encouraging prompts ('take your time') will produce answers which rushing the appraisee will not.

## 5.3. Facing up to the problem

### 5.3.1. Performance, not personalities

Appraisal is not therapy and you are not a psychiatrist! Whatever we think about someone's personality, we are unlikely to be able to change it in one relatively short discussion. What we can change is behavior, which means concentrating on performance.

Watch out for the word 'attitude'. Before you criticize someone's attitude you must be quite clear what, specifically, you don't like and how that shows up in practice, with examples.

### 5.3.2. Use positive language

If a person's performance was universally awful, you would be having a disciplinary interview with them, rather than appraising them. So find a way to make your criticisms positive.

### 5.3.3. Encourage self-appraisal

It is much less threatening to ask people what they think about their performance than simply telling them what you think. Of course, they will want your opinion. But if you have heard what they have to say first, you will often find that, when it is your turn,

you can put a positive slant on what they have.

#### 5.3.4. No surprises!

At least, no negative ones. If something is going wrong with an individual's performance it must be addressed at the time. Appraisers can certainly review progress on areas of improvement at appraisal time, but saving up bad news.

### 5.4. Agreeing a plan for the future

#### 5.4.1. Structure the interview

Decide on the main performance areas you want to talk about. These may come from the job description, or they may be objectives you have agreed at the beginning of the appraisal period, or they may be a set of competences. Here is a typical structure for an appraisal discussion.

**Rapport building: agenda setting.** Start by setting a relaxed unhurried tone. Outline what the discussion will cover. Find out if the appraisee agrees. Explain the order. Stress that appraisal is a discussion - you want to hear the appraisee's opinions and ideas.

**Opening the discussion.** Ask a general, open question to get the ball rolling. Before we get into the detail, how would you sum up the last six months?

**Performance areas: One by one.** Try to focus on one area at a time, rather than jumping around. Summarize at the end of each section before moving on to the next.

**Themes and conclusions.** These will begin to appear as the discussion progresses. Test your understanding of them when they do (I'm getting the feeling that you rather enjoy handling crises. Have I got that right?). Make a note, so that you can pull them together at the end.

**Training/development.** This will be one of the most important themes. Remember that formal training courses are only one way of developing people. So ask: 'What additional skills and knowledge do you need in this area?' and then 'How do you think we could best provide that?' Avoid asking 'What courses would you like to go on this year?'

**Actions: boss and job holder.** It's not just the discussion that is supposed to be two-way. The actions are as well. For example, if you are the boss, is there some coaching that you can give the appraisee? Should you delegate more work to him? Can you help sort out his working relationship with one of your colleagues?

Is the appraisee satisfied? Don't end the discussion until you are sure that the appraisee has said everything he or she wants to say.

#### 5.4.2. Focus on the

facts This means two

things:

Resisting the temptation to get sucked into irrelevant discussions

## Nailing down generalizations

### 5.4.3. Agree measurable targets

This is reasonably easy if they can be easily quantified. One of the benefits of appraisal is that it gives bosses and their team members the opportunity to talk about how they measure the achievement of targets, such as improving communication, which don't come with numbers attached.

### 5.4.4. Set review dates

Appraisal is not supposed to be merely a once-a-year chore. To get the maximum benefit from it, it should be part of a never-ending process of improvement. This means agreeing targets, reviewing them and learning from how they have gone.

## 6. Performance Improvement Plans and Individual Development Plans

Many organizations may define their performance review as a good opportunity to develop employees' competencies and performance. You may hear two acronyms like 'PIP' and 'IDP' during the performance review.

### 6.1. Performance Improvement Plans (PIPs)

From time to time, it may become apparent that a person in your department is not performing up to expectations. If a frank 'sit down' conversation isn't effective, they may need the structure of a Performance Improvement Plan (PIP) to help them regain the focus and execution prowess needed for them to be successful.

The communication of poor performance should never be a surprise. The key is to have regular conversations with each person concerning their performance – the good, the bad and the ugly. If you and your direct reports are not perfectly aligned on your perception of their performance, you are failing them as their leader.

Remember, PIPs are (or should be) designed to correct poor performance and put the individual on a path toward success. They should never be used to railroad someone out of an organization. The first person to know that their performance is sub-par is, of course, the employee. Constructing a PIP is similar as goal setting that must follow the S.M.A.R.T principle.

### 6.2. Individual Development Plans (IDPs)

An individual development plan (IDP) is a tool that helps facilitate employee development. It's a two-way commitment between an employee and their manager on what they are going to do to grow. IDPs are often used as a way to drive leadership development or to develop high potential employees.

An IDP is the road map to the future success of each individual professional in your department. It's also a huge signal to that individual that you, as his/her leader, are making the concerted effort necessary to architect a customized approach to help that person develop into a much more valuable asset for the organization. The IDP identifies those skill sets and experiences that each person needs to reach their full professional potential. We tend to do a great job 'training' our people for their

current roles, but not

such a good job 'developing' them for tomorrow's requirements.

The IDP requires a series of steps to be conducted by the mentee, and then discussed and corroborated with his/her manager or mentor. These steps represent an interactive effort that requires full engagement by the employees and managers.

#### 6.2.1. Conducting a skills-assessment

Conduct an assessment of employees' strengths, weaknesses, and skills; then request a review of the assessment with their managers.

#### 6.2.2. Completing the IDP

Develop and document the employee's career goals and complete the IDP in accordance with S.M.A.R.T. principle.

#### 6.2.3. Implementing the IDP

Arrange an appointment or series of meetings between the employee and the manager. Discuss and refine the employee's IDP with his/her manager; implement the steps outlined in the employee's IDP; periodically review the progress, and modify it.

IDP based on the outcome of the review and the progress toward goal attainment.

## ***Part Two: Employee Training***

### **1. Adult Learning**

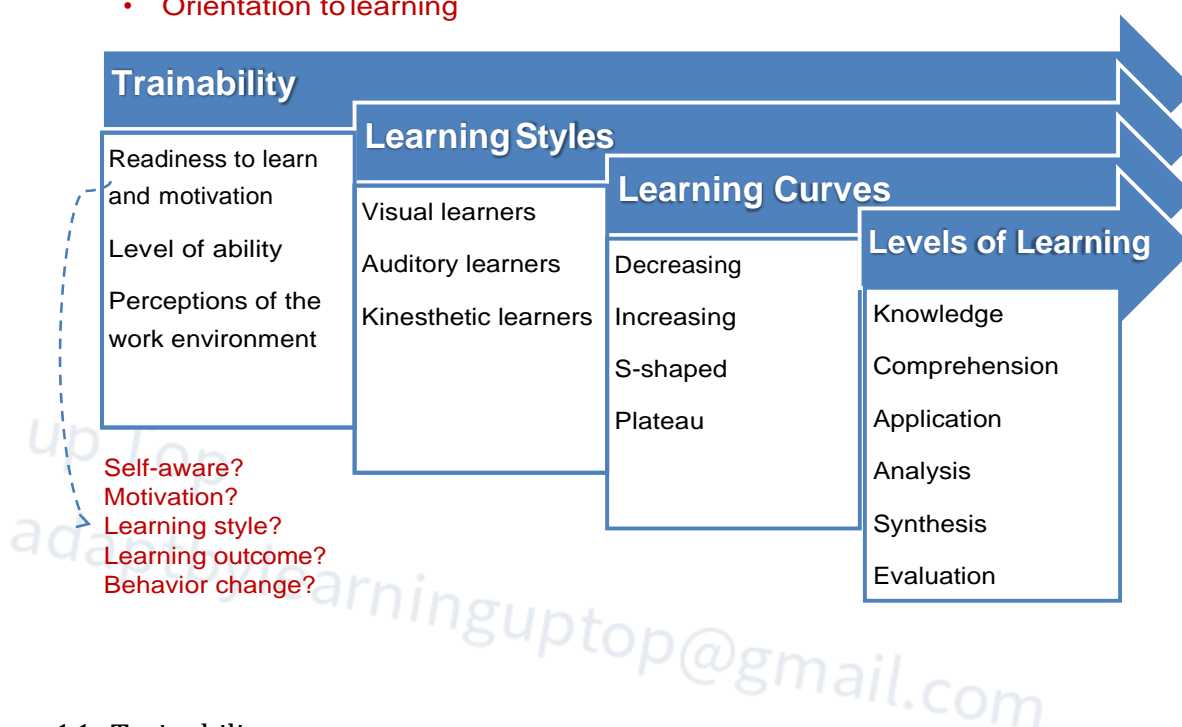
Learning is a relatively permanent change in behavior based on an individual's interactional experience with its environment.

Malcolm Knowles developed a new theory - which he called "Andragogy" - in the context of adult learners. This is often contrasted with the child's learning methods - pedagogical learning. The central idea in the context of adult learning is that it is only after convincing him- or herself of the rationale of learning that an adult will decide to learn. Hence, adults cannot be treated like children. Therefore it is assumed that workshops and seminars organized by the students themselves create a better learning environment than those organized externally. There are five assumptions about adult learning:

- ★ The need to know: adult learners need to know why they need to learn something before undertaking to learn it.
- ★ Learner self-concept: adults need to be responsible for their own decisions and to be treated as capable of self-direction
- ★ Role of learners' experience: adult learners have a variety of experiences of life which represent the richest resource for learning. These experiences are however imbued with bias and presupposition.
- ★ Readiness to learn: adults are ready to learn those things they need to know in order to cope effectively with life situations.
- ★ Orientation to learning: adults are motivated to learn to the extent that they perceive that it will help them perform tasks they confront in their life situations.

- The need to know
- Learner self-concept
- learners' experience
- Readiness to learn
- Orientation to learning

## Andragogy vs. Pedagogy



### 1.1. Trainability

The principles of adult learning clearly illustrate that how people learn is a direct result of an interaction between forces within the individual and the environment. This interaction can be summarized in one concept trainability, which concerned with these factors:

1.1.1. Readiness to learn and motivation

1.1.2. Level of ability

1.1.3. Perceptions of the work environment

### 1.2. Learning Styles

Learning styles describe the ways individuals learn and how they process ideas. An awareness of these styles allows HR professionals to interpret and reflect upon ways to accommodate each style in learning situations. There are three distinct learning styles:

1.2.1. Visual learners remember best what they see pictures, diagrams, flow charts, time lines, films, and demonstrations.

1.2.2. Auditory learners, called verbal learners; it's a learning style in which a person learns through listening. An auditory learner depends on hearing and speaking as a main way of learning.

1.2.3. Kinesthetic learners, also known as tactile learners, learn best through a hands- on approach. They prefer to actively explore the physical world around them.

### 1.3. Learning Curves

Learning curves graphically depict individual rates of learning over time, with learning proficiency indicated vertically and elapsed time indicated horizontally.

- 1.3.1. Decreasing returns occur when the amount of learning or skill level increases rapidly at first and then the rate of improvement slows. The beginning of the curve is slow while the basics are being learned; then performance takes off as skills and knowledge are acquired.
- 1.3.2. Increasing returns pattern is most common when a person is learning something completely new.
- 1.3.3. S-shaped curve is a combination of increasing and decreasing returns. There is a presupposition that the individual is learning a difficult task that also requires specific insight.
- 1.3.4. Plateau curve refers to the learning is fast at first, but it then flattens out and there is no apparent progress.

### 1.4. Levels of Learning

- 1.4.1. Knowledge simply means that the learner can recall specific facts.
- 1.4.2. Comprehension allows the learner to translate or interpret information.
- 1.4.3. Application is the ability to use learned information in a new situation.
- 1.4.4. Analysis means understanding information to the level of being able to break it down and explain how it fits together.
- 1.4.5. Synthesis is the level at which the learner would be able to respond to new situations and determine trouble-shooting techniques and solutions.
- 1.4.6. Evaluation is the highest level of learning because it allows one to make judgments.

Some people resist change because they fear they will not be able to develop the new competencies that will be required. Accepting change is more difficult for some than for others, even when they realize it is a good one.

If employees do not trust that training is worthwhile or have had negative experiences in the past, they will not commit the attention and energy to make it worthwhile.

Many employees are influenced by their coworkers' perceptions. If employees perceive that an HRD program is inconsequential, those perceptions may transfer to others in the department.

## 2. Training Plan

### 2.1. Definition

Training is the process through which knowledge and skills are developed, information is provided, and attributes are nurtured, in order to help individuals who work in

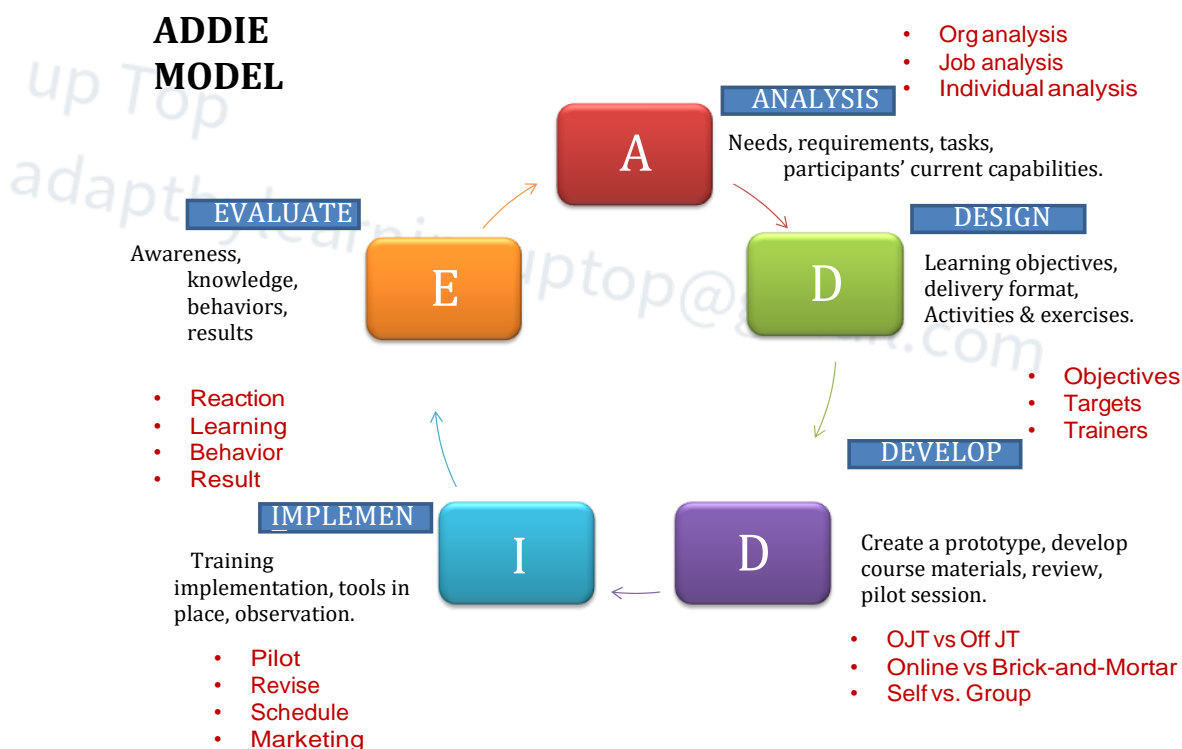
organizations to become more effective and efficient in their work.

Education is 'mind preparation' and is carried out remote from the actual work area.

Development is education, job experiences, relationships, and assessments of personality and abilities that help trainees prepare for the future.

## 2.2. Instructional System Design (ISD)

Instructional Systems Design (ISD) involves a systematic process for the assessment and development of training solutions, designed specifically for the purpose of formal training delivery. There are two widely recognized instructional design models in use today by both educational institutions and corporate training functions. The most traditional is the ADDIE model:



### 2.2.1. Analysis

Data is collected to identify gaps between actual and desired organizational performance. If those gaps point to a lack of employee knowledge and skills, then specific training objectives are established to address the training needs.

According to the ADDIE model, the first thing you should do when you're handed a new training project is a detailed analysis. What do you need to analyze? Three of the most critical analyses carried out by instructional designers are:

*Training Needs Analysis:* This should be the first type of analysis you complete because it identifies whether the training is needed at all. This analysis identifies what performance improvements are expected and how they will be measured, which is critical in identifying whether training has been successful.

*Audience Analysis:* Once you validate that the training is indeed needed, it's time to analyze your learners. Knowing key demographics and background information about your learners will help you identify the information they need to know and the best way to present it to them.

*Task Analysis:* Now that you know what your course is about and who will be taking it, it's time to take a close look at the specific processes and tasks you'll be training learners on by breaking them down into step-by-step chunks.

Once you've completed these analyses, you have a much better idea of the who, what, where, and why of your e-learning. A good idea is to compile these findings into your first deliverable: a project plan.

### 2.2.2. Design

Initial decisions regarding course content, course goals and objectives, delivery methods, and implementation strategies are made.

With the analyses out of the way, you're ready to start development, right? Wrong! Don't skip the first "D"! Starting to develop your course without completing the design phase is like building a house without a blueprint. It makes much more sense to start with a clear plan of how everything in the course will be laid out and how the text, multimedia, and navigation will fit together. Exactly which deliverable you create as a result of the design phase depends on your time, budget, resources, and what you've outlined in your project plan, but typically one of two deliverables comes out of the design phase:

*Storyboard:* This document lays out the elements of the course that will appear on each slide, including the text, imagery, and narration script. Exactly what's included in a storyboard depends on the project. For example, if your project includes audio narration, you'll need to add a script to your storyboard. If you're building a storyboard that you will hand off to a developer, you'll need to add detailed notes for the developer.

*Prototype:* This is typically a model or sample of a course that is created to test and identify whether specific features or concepts work. The prototype lets a stakeholder get a feel for how the course looks and functions before developing the entire course and all of its features.

Once you've got your blueprint for your course, you're ready to jump into the fun part: development!

### 2.2.3. Development:

Materials are created, purchased, and/or modified to meet the stated objectives.

This is the phase where you get to build out your learning content in an authoring tool. The development part of the ADDIE process typically contains two sub-tasks:

*Content Creation:* In this phase you choose and add the final graphics, multimedia, colors, and fonts to make your course look polished and professional. You'll also use your authoring tool to build out activities, quizzes, interactions, and functional

navigation to create an engaging course.

*Testing:* Once you've created your content, you need to test it. Things that need to be tested and reviewed include spelling, grammar, learning objectives, navigation, and flow. Testing is typically done during the development process instead of after, so that as testers identify problem areas, the developer can make changes to the final product.

#### 2.2.4. Implement

The program is delivered to the target audience, including pilot programs, revisions to content, participant scheduling, and preparing the learning environment.

Once your course is fully developed and thoroughly tested, you're ready to share it with your learners. Typically, during the Implementation phase, the materials are shared in one of two ways: by uploading it directly to the web or to a Learning Management System (LMS). How do you decide between these two implementation methods? It depends on whether you need to track and report on learner behavior.

*Web:* If you don't need to track learner behavior, you can upload content directly to the web and provide a URL link for your learners to access the training. However, since learner activity isn't tracked, you won't know whether they completed the course, how long it took them to do so, or if they went wrong somewhere.

*LMS:* If you do need to track your learners and their progress, your best bet is to share your content through an LMS. Every LMS offers different features and functionalities, but they share some tracking capabilities, such as whether learners completed a module and how long it took them.

#### 2.2.5. Evaluate

Comparing the program results to the established objectives to determine whether the original needs were met.

When you progress to the evaluation phase, you need to go back to the very first step of the ADDIE process, in which you completed a training needs analysis. During that step, you identified specific performance improvements that your training would address as well as how to measure those improvements.

The evaluation phase is where the rubber meets the road: Did your training result in the real, measurable performance improvements you identified in your needs analysis? While the learner's opinions and feedback about the e-learning matter, it's most critical to ensure that your training achieved the goals you set at the start.

### 2.3. Learning Management System (LMS)

A Learning Management System (sometimes also called "Course Management System", "Pedagogical Platform", "E-Learning Platform") is a software system that delivers courseware plus e-tutoring over the Internet. A learning management system (LMS) allows you to create, distribute and track training anywhere, on any device. Nowadays, powerful software for managing complex databases has been combined with digital frameworks for managing curriculum, training materials, and evaluation tools. The LMS allows anyone to create, track, manage and distribute

learning materials of any kind.

LMS products and software allow any organization to develop electronic coursework, deliver it with unprecedented reach and flexibility, and manage its continued use over time. Many business and organizations use LMS to deliver online training, as well as to track completion of courses, reports, and records.

The LMS has become a powerful tool for consulting companies that specialize in staffing and training, extension schools, and any corporation looking to get a better grasp on the continuing education of its workforce. Its impact has been felt mostly

outside of traditional education institutions, though the same technological and market forces are dramatically changing today's classroom as well.

The traditional application of an LMS is in educational institutions. Learning management systems have been used for several years to deliver courseware in schools and popularize e-learning. In the last few decades, companies have been using learning management systems to deliver training to internal employees and customers. The

technology has become a powerful tool for consulting companies that specialize in staffing and training, extension schools, and any corporation looking to get a better grasp on the continuing education of its workforce. Its impact has been felt mostly

outside of traditional education institutions, though the same technological and market forces are dramatically changing today's classroom as well.

### 2.3.1. Components of an LMS

Some common components or features that can be found in many eLearning platforms include:

*Rosters:* A digital roll call sheet for tracking attendance and for sending invitations to class participants.

*Registration Control:* The ability to monitor and customize the registration processes of e-learning curriculum.

*Document Management:* Upload and management of documents containing curricular content.

*Multiple device access:* Delivery of course content over web-based interfaces such as desktops, phones or tablets.

*Distributed instructor and student base:* Remote participation by the instructor or pupil allows courseware to feature multiple teachers or experts from across the globe.

*Course calendars:* Creation and publication of course schedules, deadlines and tests.

*Student Engagement:* Interaction between and among students, such as instant messaging, email, and discussion forums.

*Assessment and testing:* Creation of varied knowledge retention exercises such as short quizzes and comprehensive exams

*Grading and Scoring:* Advanced tracking and charting of student performance over time.

### 2.3.2. Features of a Corporate LMS

When an LMS is used in corporate training environments, they often have additional features that satisfy goals relating to knowledge management and performance evaluation, such as:

*Automatic enrollment:* Logic within an LMS which registers and reminds employees for mandatory courses.

*Enhanced Security:* Many corporate LMS solutions have single sign in, advanced authentication and firewalls to ensure data security.

*Whitelabeling:* The ability to create online training content that aligns with a company's brand.

*Multi Lingual Support:* In a globally distributed company, many employees or partners need training in their native languages. A corporate LMS allows training in multiple languages.

### 2.3.3. Choose the Right LMS

It's tough to choose the right platform to deliver learning to learners, since different organizations have such different needs. One common approach is to use a learning management system, or LMS, which is a platform to help deliver and track online learning courses.

As with most software, there's no "one size fits all, best" LMS, and it's a good idea to ask yourself these five key questions before you pick one:

*Is it easy to use?* Ease of use is not only important for you, the course creator, but it's also very important for your learners. Is the learner-facing user interface intuitive and at least reasonably easy to use? For you, the manager, is the admin interface reasonably easy to use? Can you easily figure out how to set up the system, or will you need a consultant to help you?

*Does it offer reporting?* Some free LMS platforms only offer a way to publish the course but don't give you a report of learners' results. If reporting is important to you, you'll need to verify that the LMS you're evaluating offers learner tracking tools. Of course, that's only part "A" of the question. Part "B" is: Does it offer the reporting you need?

*How many learners can you invite?* Make sure to find out—up front—if the LMS you're looking at supports the number of users you need to have access to the software for your e-learning course. If it doesn't, you may find yourself with some unexpected costs or needing to switch platforms in the middle of course development.

*Can you create individual learning tracks?* If you're interested in assigning specific sets of courses to different learners, make sure your free LMS supports this feature. Some free platforms only support offering the same courses to a variety of learners, which can turn into a big headache.

*What course and media formats does the LMS support?* If you have a lot of content in hand that you'd like to publish in the LMS, the answer to this question is

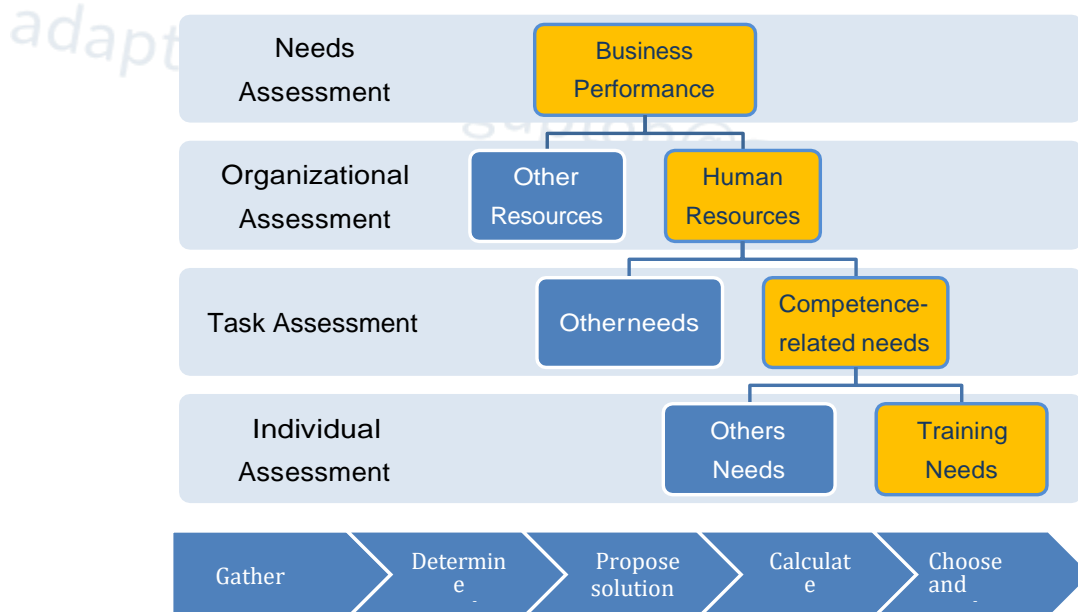
critically

important. You'll want to make sure—in advance—that the LMS can play SCORM, AICC, TinCan, video, or other types of content, so you're not left holding the bag with some important content.

### 3. Training Needs Assessment

Today's work environment requires employees to be skilled in performing complex tasks in an efficient, cost-effective, and safe manner. Training (a performance improvement tool) is needed when employees are not performing up to a certain standard or at an expected level of performance. The difference between actual the actual level of job performance and the expected level of job performance indicates a need for training. The identification of training needs is the first step in a uniform method of instructional design.

A successful training needs analysis will identify those who need training and what kind of training is needed. It is counter-productive to offer training to individuals who do not need it or to offer the wrong kind of training. A Training Needs Analysis helps to put the training resources to good use. There are several steps to complete a comprehensive training needs assessment:



#### 3.1. Assessment Process

##### 3.1.1. Gather data to identify needs.

Job-inventory questionnaires can be administered to a large group of employees in a short amount of time to identify training needs.

##### 3.1.2. Determine needs that can be met by training interventions.

3.1.3. Propose solutions. (Training is not a solution for employee relations problems such as poor morale, lack of motivation, or lack of ability to learn.)

##### 3.1.4. Calculate potential cost of training interventions.

##### 3.1.5. Choose and implement the training.

### 3.2. Organizational Assessment

Identifies the knowledge, skills, and abilities employees will need in the future.

### 3.3. Task Assessment

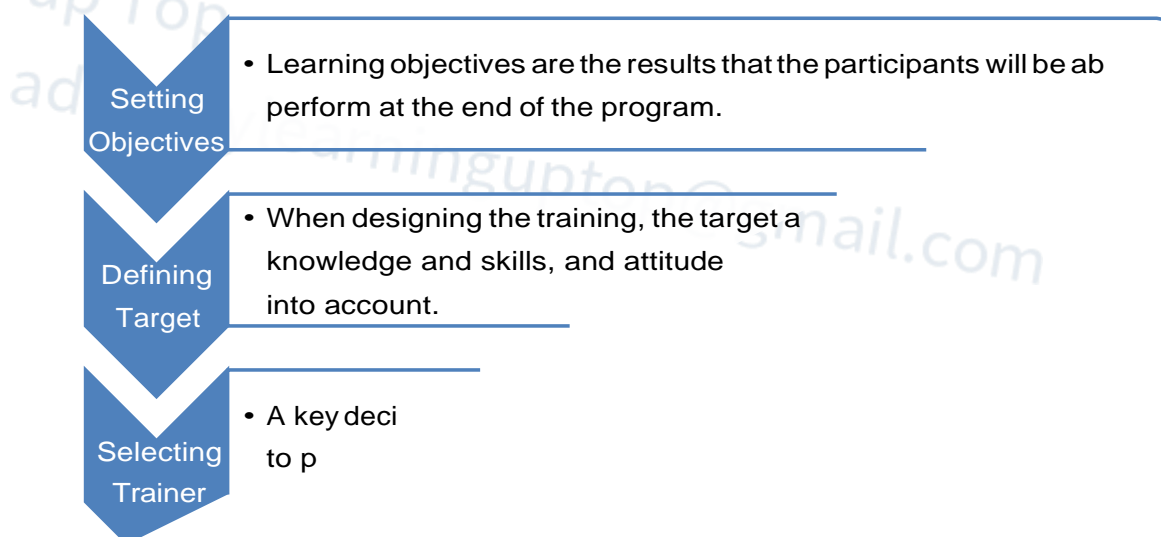
Compares job requirements with employee knowledge and skills to identify areas needing improvement through job analysis.

### 3.4. Individual Assessment

Focuses on individual employees and how they perform their jobs, usually determined through performance appraisal or review.

## 4. Training Design

Training Design includes "Setting Objectives", "Defining Target" and "Selecting Trainer" as below explanation:



#### 4.1. Setting Objectives

Learning objectives are the results that the participants will be able to perform at the end of the program.

#### 4.2. Defining Target

When designing the training, the target audience's aptitude, prior knowledge and skills, and attitudes and perceptions must be taken into account.

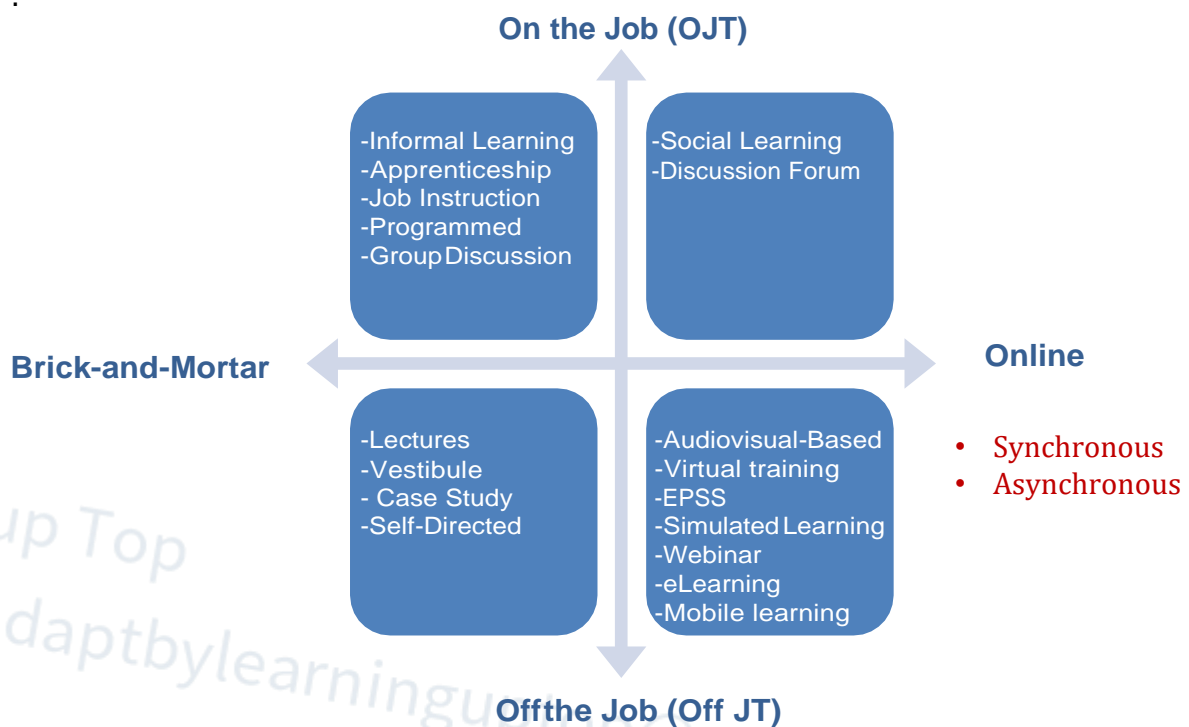
#### 4.3. Selecting Trainer

A key decision is whether to develop a training program "in-house" or to purchase it "off the shelf."

## 5. Training Program Development

We can classify types of training courses by two criteria: 1). On the Job or Off the Job and 2). Online or Brick-and-Mortar. Different types fit different audiences and different

circumstances



### 5.1. On-the-Job Training (OJT)

OJT means having a person learn a job by actually doing it, and involve preparing the learner, presenting the operation, doing a tryout, and follow-up. Its primary advantage is that it can be tailored to the individual employee. The supervisor or manager conducting the training must be able to both teach and show the employees what to do. It is one of the most cost-effective training methods.

However, OJT has some problems. Often, those doing the training may have no experience in training, no time to do it, or no desire to participate in it. Under such conditions, learners essentially are on their own, and training likely will not be

effective. Another problem is that OJT can disrupt regular work. Unfortunately, OJT can amount to no training at all in some circumstances, especially if the trainers simply abandon the trainees to learn the job alone. Also, bad habits or incorrect information from the supervisor or manager can be transferred to the trainees.

### 5.2. Apprenticeship Training

It is a structured process by which people become skilled workers through a combination of classroom instruction and on-the-job training.

### 5.3. Informal Learning

It involves learning through day-to-day unplanned interactions between the new worker and his/her colleagues.

#### 5.4. Job Instruction Training

It refers to teaching a new employee the logical sequence of steps in a job step by step.

#### 5.5. Lectures (Classroom Training)

Just like in school, it is a quick and simple way to provide knowledge to large groups.

#### 5.6. Programmed Learning

It is a step-by-step self-learning method: 1) presenting questions, facts, or problems to the learner; 2) allowing the person to respond; and 3) providing feedback on the accuracy of the answers.

#### 5.7. Audiovisual-Based Training

Tools include films, PowerPoint presentations, video conferencing, audiotapes, and videotapes.

#### 5.8. Simulated Training

It is a method of training to replace or amplify real-world experiences. The purpose of this type of training is to evoke or replicate substantial aspects of a real-world application in a fully interactive fashion.

#### 5.9. Vestibule Training

It is a method in which trainees learn on the actual or simulated equipment they will use on the job, but are trained off the job. It can be considered a combination of on- and off-the-job training.

#### 5.10. Virtual training

A trainer in a central location teaches groups of employees at remote locations via television hookups. Videoconferencing – allows people in one location to communicate live via a combination of audio and visual equipment with people in different locations – another city or country or with groups in several cities.

Trainer may use special collaboration software or cloud platform to enable multiple remote learners to use their PCs or laptops to participate in live discussions.

Considerations to improve e-based learning include allowing trainees to control the pace. The trend is toward blended learning (both virtual and in-person)

#### 5.11. Electronic Performance Support Systems (EPSS)

The systems are sets of computerized tools and displays that effectively automate and integrate training, documentation, and phone support, thus enabling individuals to provide support that's faster, cheaper, and more effective than the traditional methods.

#### 5.12. E-learning

E-learning is the delivery of formal and informal training and educational materials, processes, and programs via the use of electronic media. E-learning includes Web-

based learning, computer-based training (CBT), and virtual classrooms. Delivery might be over the Internet, an organization's intranet/extranet, satellite broadcast or other means. There is a major problem with e-Learning in long-term retention of curriculum content as a result of the speed with which the learner completes the course.

Generally, e-Learning is a cost-effective method that should be used in conjunction with other training methods.

E-learning can be synchronous or asynchronous:

5.12.1. Synchronous learning is when participants interact together in real time.

5.12.2. Asynchronous learning is when participants access information at different times and in different places.

### 5.13. Simulated Learning

It is a variety of different activities including but not limited to virtual reality-type games, step-by-step animated guides, role playing and software training.

### 5.14. Case Study

A case study provides a realistic situation for students to analyze and then use for practice of their new skills or knowledge.

### 5.15. Group Discussion

Group discussions provide a forum for the exchange of this information. They allow participants to learn from one another. Discussions can occur in many sizes (partners, small or large groups) and could be led by the instructor or not.

### 5.16. Self-Directed Learning

Self-directed study allows learners to progress at their own pace through a set of training materials such as workbooks or CD-ROM or Web-based materials, usually without the aid of an instructor.

### 5.17. Blended Learning

It is a planned approach to learning that includes a combination of methods such as classroom, e-learning, self-paced study, and performance support such as job aids or coaching.

### 5.18. Orientation and On-boarding

Employee orientation programs provide new employees with the basic background information required to perform their jobs satisfactorily. Orientation programs today are moving away from routine discussion of company rules to emphasizing the company's mission and the employee's role in that mission, on boarding them early as a key member of the team.

Orientation and on boarding refers to the process of new employee assimilation, which often lasts up to six months or a year. The programs smooth the adjustment phase by introducing new employees to others, lessening feelings of isolation, and

providing a better understanding of the organization, expectations, and future opportunities for personal growth and development.

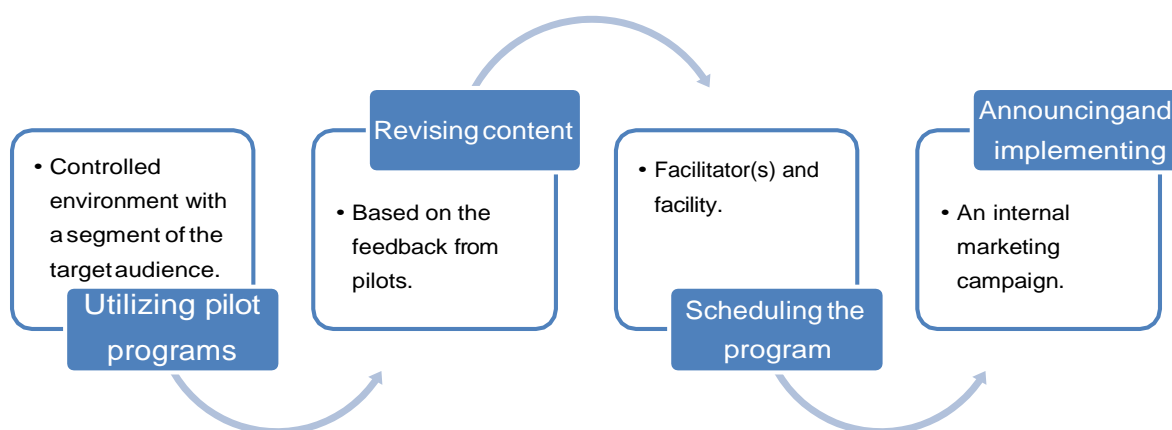
### 5.19. Cross Training

Cross training occurs when people are trained to do more than one job—theirs and someone else's. For the employer, the advantages of cross training are flexibility and development. However, although cross training is attractive to the employer, it is not always appreciated by employees, who often feel that it requires them to do more work for the same pay. To counteract such responses and to make it more appealing to employees, learning “bonuses” can be awarded for successfully completing cross training. In some organizations, the culture may be such that people seek cross training assignments to grow or prepare for a promotion, but that is not the case in all organizations

## 6. Training Implementation

The purpose of the training implementation is to implement the training program that you designed and developed in earlier phases. This is when the learners undertake the activities of learning, produce the various tangible results that can be referenced as means to evaluate learners' progress toward achieving the learning objectives, and evaluation occurs not only of the results produced by learners but also the activities of implementation to ensure those activities themselves are high-quality.

Training implementation includes below steps:



### 6.1. Utilizing pilot programs

A pilot program involves offering the program initially in a controlled environment with a segment of the target audience, and evaluating the sequencing of content.

## 6.2. Revising content

Based on the feedback provided by the pilot audience, now is the time to make adjustments to the program prior to final delivery.

## 6.3. Scheduling the program

Scheduling the program involves paying attention to the target audience, the intended learning outcomes, the deadlines for completion, whether regular work hours or evenings and weekends are required, participation at a distance, etc. Selecting qualified facilitator(s) and selecting a facility are also important factors to consider.

## 6.4. Announcing and implementing the program.

An effective way to increase interest in an upcoming training program is to launch an internal marketing campaign. Giving participants a preview of the topics and agenda creates interest, motivation, increased attendance, and increased preparation and learning.

## 7. Training Evaluation

Donald Kirkpatrick, Professor Emeritus at the University of Wisconsin and past president of the American Society for Training and Development (ASTD), first published his Four-Level Training Evaluation Model in 1959, in the US Training and Development Journal.

The model was then updated in 1975, and again in 1994, when he published his best-known work, "Evaluating Training Programs."

The four levels are:

- ★ Reaction.
- ★ Learning.
- ★ Behavior.
- ★ Results.

Let's look at each level in greater detail.

## Level Result

- Cost-benefit or return on investment (ROI)
- Objectives accomplishment
- Performance outcomes

## Level Behavior

- Performance behaviors (Critical incidents or 360 degree feedback included)
- Simulations
- Observations

## Level Learning

- Post test
- Pre-Post
- Pre-Post with control group

## Level Reaction

- Perceived training efficiency
- Perceived usefulness of training
- Perceived trainer performance

### 7.1. Level 1: Reaction

Level 1 solicits opinions of the learning experience following a training event or course. Typical questions concern the degree to which the experience was valuable (satisfaction), whether they felt engaged, and whether they felt the training was relevant. Training organizations use that feedback to evaluate the effectiveness of the training, students' perceptions, potential future improvements, and justification for the training expense. A variety of sources estimate that approximately 80 percent of training events include Level 1 evaluation.

Organizations evaluate the reaction level by administering surveys or by conducting interviews with the participants immediately after the conclusion of the program.

Reactions evaluation is useful for several reasons. It can provide useful feedback for the design and improvement of training initiatives, and it helps improve employee relations by showing that the organization pays attention to training. The immediate reaction, however, really measures only how people liked the program and the environment rather than their level of learning.

7.1.1. Perceived training efficiency: refers to perceptions about the organizational aspects of the training initiative in terms of the materials, tools and premises used.

7.1.2. Perceived usefulness of training: relates to each person's perceptions of the utility of the training for his or her present work situation and future development.

7.1.3. Perceived trainer performance: entails the individual perception of the quality of the trainer's performance in terms of content and process.

## 7.2. Level 2: Learning

Level 2 measures the degree to which participants acquired the intended knowledge, skills and attitudes as a result of the training. This level is used by instructors and training executives to determine if training objectives are being met. Only by determining what trainees are learning, and what they are not, can organizations make necessary improvements. Level 2 can be completed as a pre- and post-event evaluation, or only as a post-evaluation.

This level involves measuring how well participants learned facts, ideas, concepts, theories, and attitudes. To measure learning, it's helpful to use tests or experimental methods. Experiments may be set up in several different ways:

7.2.1. Post: measure tests consist of training a group of employees and then assessing what they have learned and how they perform on the job. However, this method cannot determine whether participants' knowledge or skill levels have changed, much less attribute the changes to the program.

7.2.2. Pre-Post: once participants have attended the program, a second measurement of knowledge or skill is obtained, and the two sets of scores are compared for possible improvements. Intervening variables other than the program may still influence the post-test scores.

7.2.3. Pre-Post with control group: involve two groups that have their performance evaluated. Then one group participates in the program while the other group does not. Afterward, the performance of both groups is reevaluated to determine if the group that received the training performs significantly better than the group that did not.

Ethical considerations may be involved in this type of testing. Control group members may feel discriminated against if they are not offered the same opportunity for attendance. Another possible pitfall of this method is that training group members may interact with control group members and "teach" them what they learned.

## 7.3. Level 3: Behavior

Level 3 measures the degree to which participants' behaviors change as a result of the training – basically whether the knowledge and skills from the training are then applied on the job. This measurement can be, but is not necessarily, a reflection of whether participants actually learned the subject material. For example, the failure of behavioral change can be due to other circumstances such as individual's reluctance to change. Level 3 evaluation involves both pre- and post-event measurement of the learner's behavior.

7.3.1. Performance test that contain actual samples of content taught in the program are administered to participants. This type of test measures for behavior changes that transfer to the work environment.

7.3.2. In the critical incidents method, significant positive and negative incidents are recorded and used to measure program outcomes. Ordinarily, an employee's manager would conduct this evaluation.

7.3.3. The 360-degree feedback process evaluates performance using self, peers, direct

reports, management, and other relevant perspectives such as customers and suppliers.

7.3.4. Simulations provide an experiential bridge between the program and its actual real-world context. How well the participant performs the simulation can be a measurement of program effectiveness.

7.3.5. Observations assess complex performance that is difficult to evaluate by means of a questionnaire, interview, or simulation. An observation checklist can be organized to list categories and frequency of behavior to be observed. The checklist becomes the instrument used to help quantify performance.

#### 7.4. Level 4: Result

Level 4 seeks to determine the tangible results of the training such as: reduced cost, improved quality and efficiency, increased productivity, employee retention, increased sales and higher morale. While such benchmarks are not always easy or inexpensive to quantify, doing so is the only way training organizations can determine the critical return on investment (ROI) of their training expenditures. One typical challenge is to identify whether specific outcomes are truly the result of the training. Level 4 requires both pre- and post-event measurement of the training objective.

Results evaluation is the effect on the business or environment by the trainee. Measures are already in place via normal management systems and reporting - the challenge is to relate to the trainee.

7.4.1. Progress toward organizational objectives will tell management whether training programming is working well. These programs should advance the company toward its mission. If the bottom line is improving, management may approve additional funding for training initiatives.

7.4.2. Performance appraisals evaluate how well employees measure up to various performance standards. During a performance appraisal, the supervisor compares the actual performance to the performance standards and judges whether skills taught in training are practiced in the workplace.

7.4.3. The cost-benefit or return on investment (ROI) analysis is to determine results. Because results such as productivity, turnover, quality, time, sales, and costs are more concrete, comparing records before and after training can perform this type of evaluation.

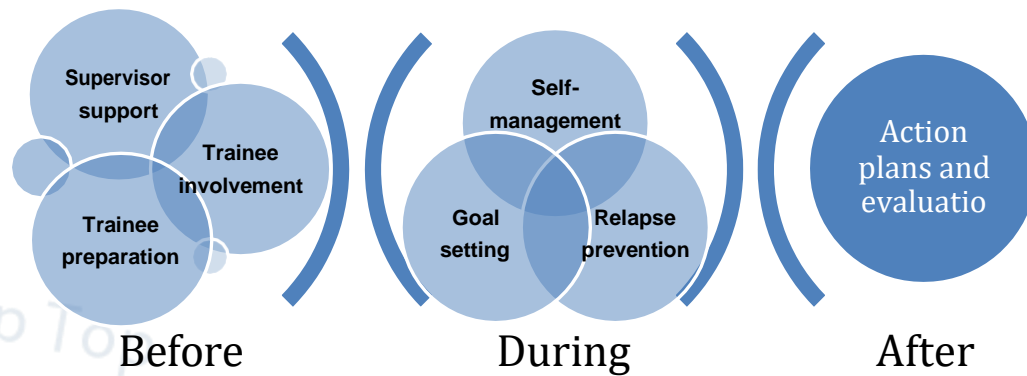
#### 7.5. Others

Training is not always meant to produce output at all levels but rather sometimes aims for specific objectives – such as integrating new employees, retaining knowledge workers and motivating workers through stronger team spirit – that most training evaluation models cannot detect.

### 8. Training Transfer

Ultimately, the goal of implementation is transfer of training, or on-the-job use of knowledge, skills, and behaviors learned in training. Transfer of training requires that

employees actually learn the content of the training program. Training transfer is performing certain activities before, during, and after training sessions that enable employees to more effectively and quickly apply the skills learned in training on the job. Training transfer is the goal when employees are involved in any internal or external training activity, session, seminar, or on-the-job training.



- Non-supportive work environment
- Inappropriate training programs and content
- Discomfort with change and associated efforts

## 8.1. Barriers of Training Transfer

The most significant barrier participants experience is the lack of reinforcement and support when attempting to apply what they have learned to their jobs. The following barriers have been identified:

- 8.1.1. Interference from immediate (work) environment
- 8.1.2. Non-supportive organizational culture
- 8.1.3. Impractical training programs
- 8.1.4. Irrelevant training content
- 8.1.5. Discomfort with change and associated efforts
- 8.1.6. Separation from inspiration or support of the facilitator
- 8.1.7. Poorly defined/delivered training
- 8.1.8. Pressure from peers to resist changes
- 8.1.9. Newly learned behaviors are not valued or modeled by participant's manager(s)

## 8.2. Training Activities Related to Training Transfer

Training activities before, during, and after training were significantly related to the transfer of training:

8.2.1. Pre-training activities in the work environment such as supervisor support, trainee involvement, and trainee preparation will improve the transfer of training.

8.2.2. Interventions can be added on to the training content of a training program for the exclusive purpose of facilitating the transfer of training, such as self-management, relapse prevention, and goal setting.

8.2.3. Meetings with supervisors to discuss the relevance of training and to review goals and action plans also might be useful to signal the importance of transfer to trainees and ensuring that trainees are accountable for their use of training material on the job. In addition, post-training assessments and reports are useful to help facilitate transfer.

## 9. Trends for Employee Training

Many studies identified key trends for employee training. Some of the trends didn't surprise us, as we've had our eye on these for a while. But there were some—dealing with instructional designers--that had us snapping our heads back in a double-take.

### 9.1. MOOCs (Massive Online Open Courses)

Massive Open Online Course, or MOOC, refers to a free online course available to a mass audience. MOOCs are a recent development in distance education. Courses are generally education-based programs stemming from colleges and universities, although they do not provide degrees or credits to students.

MOOCs, which first formally entered the learning sphere in 2008, gained prominence in 2012 when Stanford University offered the first in what became a series of its own. The concept's name plainly conveys its definition: the MOOC is "massive" because it is designed to enroll tens of thousands of learners; it's "open," because, in theory, anyone with an Internet connection can enroll in the free course; it's "online" because much if not all of the interaction takes place online in threaded web discussion groups with cohorts of learners, or on wikis, or via online videos of professors giving lectures and finally, MOOC's are "courses" because they have concrete start and end dates, student assessments, online tests and quizzes, and proctored exams. Upon completion, some may offer a "verified certificate" of completion or college credit. The leading MOOC providers include Coursera, Udacity and edX.

As MOOCs storm the academic world, the public discussion of their impact is ignoring what could become their most valuable application. Far from being limited to higher education reform, the new learning style's most important legacy could be its impact on the world of corporate training.

The following three MOOC elements are particularly well-suited to corporate learning & development:

#### 9.1.1. Semi-synchronicity

Most MOOCs allow students to go through the course as a 'semi-synchronous' cohort of learners. That means each week the group receives the same assignment of video lectures, readings, quizzes and/or threaded discussions, but each member completes

that course work on his or her own time. The design of semi-synchronous cohorts provides learners the opportunity to motivate each other as they go through the program.

### 9.1.2. Course design

“Flipping the classroom,” or swapping classwork with homework, was first made popular by Khan Academy, and is one of the defining features of MOOCs. This way, the most of the learning happens not through a professor lecturing but by giving students access to course materials and having them study and explore them at home. Then in class, they put their new knowledge to work with role-plays, use cases, and exercises.

### 9.1.3. Credentials

Many MOOCs offer college credit or certificates of completion, which help to legitimize and formalize the learning. At leading MOOC provider Coursera, 14 percent of courses offer verified certificates, for which registration costs between \$30 and \$100 depending on the course’s length and content. In the workplace, certificates function as an incentive for employees to complete optional training or skill development courses, because they’ll have something to show for all their work.

## 9.2. Gamification

Gamification is the process of applying gaming designs and concepts to learning or training scenarios in order to make them more engaging and entertaining for the learner. In game-based learning events, learners compete directly against one or more individuals or participate individually in an interactive experience that rewards learning performance in some way.

The fast-growing field of digital gaming is generally divided into two distinct markets: “recreational” gaming for entertainment purposes and “serious” gaming for educational, learning or product promotion scenarios. The focus of this wiki is on serious gaming.

The term “gamification” is still evolving. Many learning professionals define it as utilizing games in instruction; others believe it refers to the “gaming mechanics” that are employed to incentivize individuals to participate in gaming or non-gaming activities. Non-gaming activities may include product support, market research and employee motivation, all of which represent another growing industry segment.

The variety of gaming technologies in use today varies dramatically from inexpensive 2D flash-based tools to elaborate 3D immersive environments designed to replicate actual experiences an individual might encounter. Some examples of simulation and “virtual world” immersive universe scenarios can be considered game-based learning if competition is a principal component.

The increased popularity and usage of gaming techniques can be attributed to the spirit of competition; it not only makes learning more enjoyable, it increases retention and boosts all important time-to-competency measurements. It’s a concept long

employed by sales organizations that is quickly spreading throughout large and small enterprises.

Competitive computer-based games serve both employer and employee by improving productivity and positively impacting business results. Games incentivize employees to learn and accomplish more skills, which raises competency levels throughout an organization. Gaming is also applied to boost knowledge and loyalty among customers, channel partners and other stakeholders.

Gamification's appeal to computer savvy members of the millennial generation – and the desire of employers to capitalize on that – is also fueling the trend. This generation of employees and customers has literally grown up playing computer and video games; they gravitate towards experiences with game-like elements. Training & Development departments are seeking new ways to add entertainment components to learning activities.

Game-based learning reflects another significant training trend – the increased role of learners in controlling their own learning experiences. Learning organizations are becoming more astute about leveraging technologies and providing training at point of need. They are becoming more process oriented, with greater emphasis on results.

### 9.3. Minimum Viable Courses (MVC)

In the modern workplace employees often do not have time to complete a full online course, and so companies that produce training modules are rolling out shorter content and modules on an as-needed basis that is consistent with the minimum viable product model. This has the benefit of maximizing validated learning and only producing content in response to the user's needs. The MVC is becoming a standard feature in a product launch toolkit. Instead of waiting for all the product information and the beautifully architected learning tracks, we can develop content based on what's needed right now, so get direct and indirect sales reps up-to-speed and talking about the product knowledgeably rather than being left in the dark and feeling like they are the last to know. In today's fast-moving IT industry, MVCs are a must.

### 9.4. Mobile Learning

Mobile learning involves the use of mobile technology, either alone or in combination with other information and communication technology (ICT), to enable learning anytime and anywhere. Learning can unfold in a variety of ways: people can use mobile devices to access educational resources, connect with others, or create content, both inside and outside classrooms. Mobile learning also encompasses efforts to support broad educational goals such as the effective administration of school systems and improved communication between schools and families.

Using portable computing devices (such as iPads, laptops, tablet PCs, PDAs, and smart phones) with wireless networks enables mobility and mobile learning, allowing teaching and learning to extend to spaces beyond the traditional classroom. Within the classroom, mobile learning gives instructors and learners increased flexibility and new

opportunities for interaction.

## 9.5. Adaptive Learning

Adaptive learning is a methodology that breaks traditional models and allows employees to learn at their own pace. It has gained popularity with educational

institutions, referred to as “adaptive teaching,” where a teacher will gather information on individual students to learn what they need to do to improve their learning. In the workforce, adaptive learning is conducted similarly. Employees can be monitored

individually and in real time to determine what learning approach will best suit their needs. It has advantages for younger generations entering the workforce that have expectations around flexibility and interaction. Adaptive learning can be effective at improving efficiency, as well as employee engagement and retention since it allows

employees to build confidence and overall expertise. Companies may want to consider breaking traditional learning methods by introducing aspects of adaptive learning.

## 9.6. Collaborative Learning

Collaboration has numerous potential benefits for learning. It enables group members to help and learn from one another; it helps to promote students’ social relationships; it may also develop students’ communication and critical thinking skills. By using a social media platform such as Facebook or LinkedIn Group, certain evidence can be automatically recorded and this evidence enables the teacher to monitor students’ progress and their individual contributions. Also, the recorded evidence may allow the teacher to fairly assess students’ contributions. Companies are quickly embracing social media tools, as well as investing in social collaboration tools to better engage employees and foster a learning culture.

## 9.7. SCORM Standards

SCORM stands for “Sharable Content Object Reference Model”. SCORM allows content authors to distribute their content to a variety of Learning Management Systems (LMS) with the smallest headache possible.

SCORM is widely adopted by some huge organizations. The Sharable Content Object Reference Model (SCORM) was first developed by the U.S. Department of Defense (DOD) to address training development and delivery inefficiencies across its service branches. E-learning content was being developed on different platforms, using different standards and specifications, and delivered on different, incompatible systems. To address these costly inefficiencies, the DOD knit together the best emerging e-learning specifications with those developed in the prior decade by the Aviation Industry CBT Committee (AICC).

Industry is following suit, and the standard appears in a vast majority of RFPs to procure both training content and Learning Management Systems. SCORM is made up of three sub-specifications:

### 9.7.1. Content packaging

Content should be packaged in a self-contained directory or ZIP file. Known as a Package Interchange File (PIF), it must contain an XML “manifest file” that contains all information needed by the LMS to deliver content. The manifest divides courses into one or more sharable content objects (SCOs).

### 9.7.2. Run-time

This section standardizes the launching of content and communication with the LMS. It

states that the LMS should launch content in a web browser, and may only launch one SCO at a time.

### 9.7.3. Sequencing

This section specifies how learners can navigate between SCOs, and how progress data can be rolled up to the course level. Sequencing rules enable content authors to accomplish many important tasks such as specifying the completion of prerequisite courses and providing question weighting.

## 9.8. Outsourced Training

Designing and conducting in-house training can impose significant costs. Training often requires specialized knowledge that must be regularly updated. In addition, the limited number of in-house trainers may not reach all necessary personnel in a timely manner.

For these reasons, outsourcing training is a popular option for employers looking to reduce operating costs while increasing workplace expertise. When deciding whether outsourcing is the best option, consider the following:

### 9.8.1. Analyze the organization and its industry

Employers who require specialization — for example, pharmaceuticals and technological manufacturing entities—are prime candidates. For businesses requiring employees to stay up-to-date with regulatory compliance issues, new technologies, equipment and techniques, outsourced training can provide new information on a consistent and efficient basis while allowing the company to focus on competitive services and products. Employers operating globally or in numerous locations may also find outsourcing viable because training can be online or through comprehensive seminars in a cost-effective, timely fashion.

### 9.8.2. Find a specialized training partner that “fits” the organization

A training partner should mirror the organization’s culture and goals. Employers should also partner with training firms with an established specialization. This maximizes efficiency and leverages what could be a significant cost.

### 9.8.3. Consider how the training should be delivered

External training can be computer-based online training, in-person or on-the-job training, all of which can vary significantly in length. Employers should balance a variety of factors to determine which meets their needs: the type of jobs employees are engaged in; time constraints of the audience; the location and number of employees to be trained; accessibility to technology; and the sensitivity of the training material.

### 9.8.4. Execute a thoughtful contract

After choosing the right trainer, enter into a written agreement that may include ownership of written materials and standards for conducting training. If the training firm has access to sensitive company information, address confidentiality. In addition, the parties should be clear on who is responsible for the accuracy and content of the

training. If the trainer is guaranteeing “up-to-date” information or compliance with governing laws, the company should document that warranty, and request indemnification by the trainer for claims relating to negligent training.

9.8.5. Consider the positive effect of outsourced training, beyond saving money.

It might appear that outsourcing training will cause the employer’s in-house trainers to lose their job, but training is often peripheral to the core business.

Trainers may be

shifted into other positions within the company, pivoting their talents to train customers or outside sales people. Outsourced training allows greater flexibility by offering training precisely when and where it’s needed and providing technological or product updates. In addition, trainers are experts in a particular field, and may open the doors to additional resources and business opportunities.

Employers should coordinate with management to ensure outsourcing is the best avenue to meet their training needs, and with counsel on contractual issues.

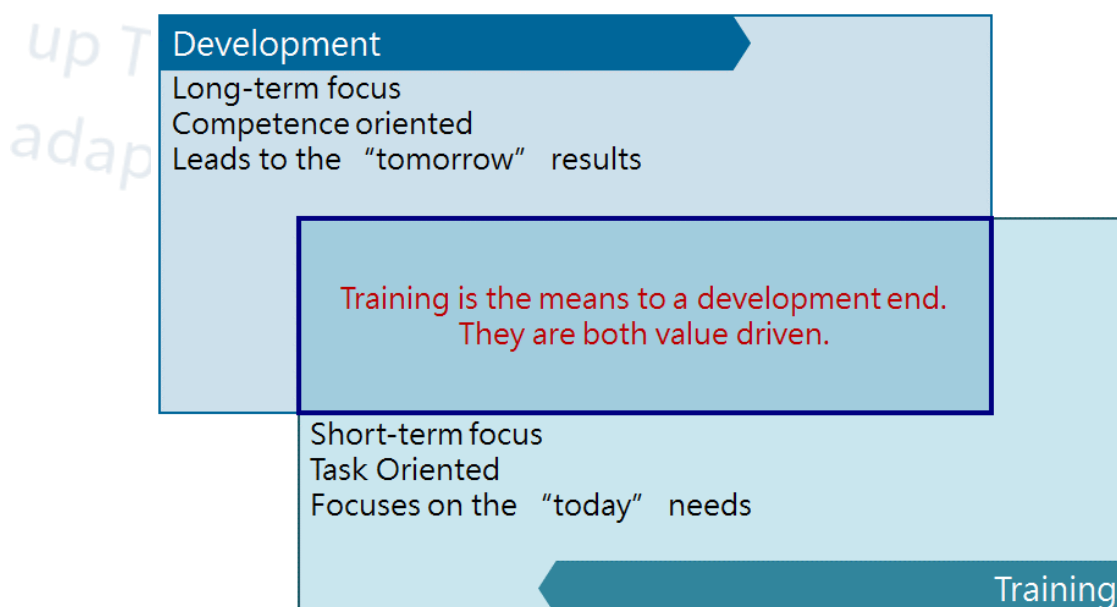
up Top

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## Part Three: Employee Development

### 1. Differences Between Employee Training and Development

Employee development is a joint, on-going effort on the part of an employee and the organization for which he or she works to upgrade the planned growth and expansion of knowledge and expertise beyond the present job requirements. This is accomplished through systematic training, learning experiences, work assignments, and assessment efforts. Training is the acquisition of knowledge, skills and competencies as a result of teaching. Development teaches how to become more productive and effective at work and at the company. In other words, training provides the skill and development maximizes it.



Employee development depends upon the individual employee whether employee is willing to participate or not. Employee development also depends upon the organization culture, attitude of top management, and limited opportunities of promotion.

Development is education that focuses on the future. An employee's developmental plan focuses on what he doesn't know that he will need to know for a future promotion.

Development helps round out an employee's skills in his current job -- perhaps through cross training -- and prepares him for a different job in the future. It can include classes in management, working with a mentor in another department or another form of preparation for a new position.

HR professionals need to look at training and development together versus pulling them apart. There are facets of both training efforts and development efforts that have value. With a strong, constructed strategy and vision, incorporating these two things is actually very natural. Training and development are a partnership; they're a process, not an event. They are both value driven.

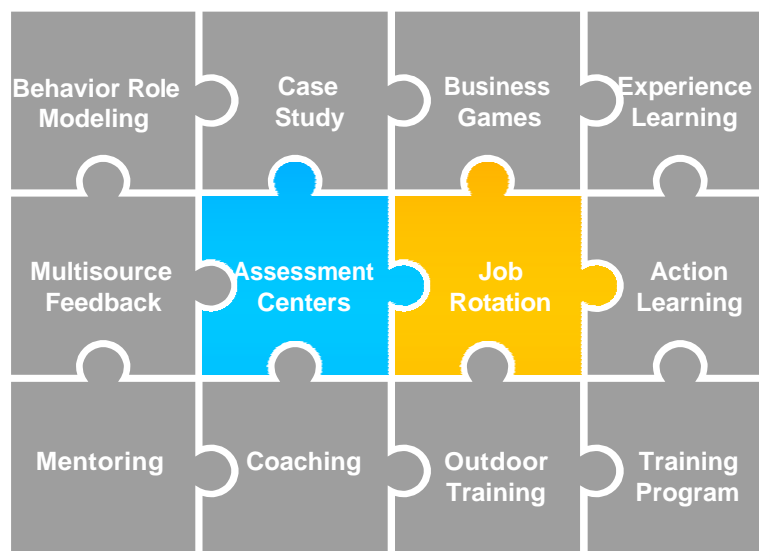
## 2. Employee Development Techniques

There are two distinct processes of employee development: Informal and formal processes. Informal processes usually occur during the course of managers' everyday work. Thus, these are by-products of daily work activities, such as task accomplishment, trial and error experimentation, or interpersonal interactions, and managers may not set out intentionally and explicitly to learn something through pre-planned means. Formal processes, on the other hand, include institutionally sponsored, planned and deliberate processes. These are often monitored and controlled by people other than the individual managers involved, such as job rotation, coaching and project assignments.

Below are Conditions for Successful employee development:

- ★ Clear learn objectives
- ★ Clear, meaningful content
- ★ Appropriate sequencing of content
- ★ Appropriate mix of training methods
- ★ Relevant, timely feedback
- ★ Trainee self-confidence
- ★ Appropriate follow-up activities

As the demonstration of below figure, there are several useful employee development techniques:



### 2.1. Behavior Role Modeling

The method uses a combination of demonstration (or videotape) and role playing to enhance interpersonal skills. Small group so of trainees observe someone demonstrate how to handle a particular type of interpersonal problem, then they

practice the behavior in a role play and get nonthreatening feedback.

## 2.2. Case Study

Cases are descriptions of events in an organization and used in a variety of ways in courses to develop management skills, such as practice analytical and decision making skills. The benefits of using case study are to increase understanding about situations managers encounter and effective managerial behavior.

## 2.3. Business Games and Simulations

Simulations require trainees to analyze complex problems and make decisions. After decisions are made, trainees usually receive feedback about what happened as a result of their decision. Business games can be used also to assess training needs, the success of prior training, or the validity of a manager's mental model for a particular decision situation.

## 2.4. Learning from Experience

Much of the management skill essential for effective leadership is learned from experience rather than from formal learning programs. Appropriate values and behaviors can be learned from competent superiors who provide positive role models to emulate.

Experiencing failure may not result in beneficial learning and change unless a person accepts some responsibility for it, acknowledges personal limitations, and finds way to overcome them.

Also, growth and learning are greater when job experiences are diverse as well as challenging. It is beneficial for managers to have early experience with a wide variety of problems that require different leadership behavior and skills.

The obstacles to learning from experience are greatest at higher level of management. Hard-driving, achievement-oriented managers are more likely to be successful early in their careers, but these traits may also interfere with their capacity to changing situations.

## 2.5. Multisource Feedback

This approach is called by various names, including 360-degree feedback and multi-rater feedback. This approach can be used for variety of purposes, but the primary use is to assess the strengths and developmental needs for individual managers.

## 2.6. Assessment Centers (AC)

These methods may include interviews, aptitude tests, personality inventories, a short autobiographical essay, a speaking exercise, and a writing exercise. AC can enhance self-awareness, help to identify training needs, and facilitate subsequent development of interpersonal and leadership skills, while managers who serve on the staff of these centers may also experience an increase in their managerial skills.

In-basket exercises are frequently used in AC. "Incoming mail" is given to trainees

who must decide what if any action is to be taken. These exercises focus on problem-solving and decision making skills.

The main drawback of AC is cost. The assessment center will take at several days for each assessor and developing assessment inventories. On the other hand, the cost of this time may be balanced by the reduction in the risk of hiring the wrong person.

## 2.7. Special Assignment

Some example of these assignments include managing a new project or start-up operation, serving as the department representative on a cross-functional team, chairing a special task force to plan a major change or deal with serious operational problem, developing and conducting a training program for the organizational unit, and assuming responsibility for some administrative activities previously handled by the boss. Research show that diverse, challenging assignments early in one's career facilitated career advancement.

## 2.8. Job Rotation

Managers who are assigned to work in a variety of different functional subunits of the organization for periods of time can learn about the unique problems and processes in different subunits and the interdependencies among different parts of the organization. Also, it provides managers the opportunity to develop a large network of contact.

## 2.9. Action Learning

The emphasis is on developing cognitive and interpersonal skills rather than technical knowledge. The managers meet periodically with a skilled facilitator to discuss, analyze, and learn from their experiences.

## 2.10. Mentoring

Mentoring is a relationship in which a more experienced manager helps a less experienced protégé; the mentor is usually at a higher managerial level and is not the protégé's immediate supervisor. Mentors can facilitate adjustment, learning, and stress reduction during difficult job transitions, while mentees may also benefit from the experience, because it is likely to increase their job satisfaction and help them develop their own leadership skills. Within any mentoring program, successfully matching and pairing mentors and mentees is critical. The business objective will determine the matching criteria that are most important for a given program. In truth, there is no one universal set of matching criteria that will generate ideal pairs for any program. With mentoring, one size doesn't fit all, and each objective will warrant a unique set of criteria. Successful mentoring programs match mentors and mentees based on their competencies with defined personality traits, characteristics, and knowledge.

## 2.11. Executive Coaching

Having a coach provides the unusual opportunity to discuss issues and try out ideas with someone who can understand them and provide helpful, objective feedback

and suggestions, while maintaining strict confidentiality. Executive coaching is especially useful in conjunction with techniques that provide information about developmental needs but do not directly improve skills. The person who provides the coaching may be external or internal consultant.

#### 2.12. Outdoor Challenge Program

The methods, often called outdoor training, involve physical activities performed by a group of people in an outdoor setting. An experienced facilitator conducts the activities, provides coaching and encouragement, and helps participants understand the link between their experiences in an activity and organization life. The perceptions of teamwork and individual problem solving increased for participants, especially when intact groups were used.

#### 2.13. Personal Growth Programs

These programs usually involve strong emotional experiences and are more likely than most training programs to have a lasting effect on participants, which are designed to improve self-awareness and overcome inner barriers to psychological growth and development of leadership competencies. The net effect of personal growth programs that encourage people to find a better balance between their work and personal life may be to reduce commitment to the organization.

#### 2.14. Succession Planning

It is a dynamic, ongoing process of systematically identifying, assessing, and developing leadership talent pool to contribute to the achievement of future strategic goals.

Succession planning is a strategy that targets long-range needs and focuses on the cultivation of talent to satisfy those needs, such as changes in strategy, market environment and retirement. Succession planning is proactive and attempts to ensure the continuity of leadership by cultivating talent from within the organization through planned development activities

Replacement planning concentrates on immediate needs and provides a brief assessment of the availability of qualified replacements for individuals in key positions. Therefore, replacement planning is a form of risk management. The chief aim of replacement planning is to limit the chance of catastrophe due to the immediate and unplanned loss of essential personnel.

#### 2.15. Off-site training

It is often selected for multiday programs; a hotel or conference center could be used. The novelty of a new environment can help make participants more alert and involved.

#### 2.16. Tuition reimbursement programs

These are sometimes offered by organizations to support employees' education and development. Most companies require that the program attended by the

employee directly pertain to their job responsibilities.

### 3. Career Development

Careers have been described as a sequence of positions held within an occupation. A career has also been described in the context of mobility within an organization. Finally, a career has been described a characteristic of the employee whose career consists of different jobs, positions, and experiences. As a result, career could be considered as the pattern of work-life experiences.

**Protean Career** refers a career that is frequently changing based on both changes in the person's interests, abilities, and values and changes in the work environment. Compared to the traditional career, employees take major responsibility for managing their careers.

**Plateaued careers** are situations in which the employee, due to anyone of many different factors, is unable to advance further within the organization or, possibly, within the selected industry. An individual's career may reach a plateau for a wide variety of reasons.

**Career development** is the process by which employees progress through a series of stages, each characterized by a different set of developmental tasks, activities, and relationships. Career development consists of two processes-career planning and career management.

**Career planning** are actions and activities that individuals perform to give direction to their work life.

**Career Management** is the process through which employees become aware of their own interests, values, strengths, and weaknesses; obtain information about job opportunities within the company; identify career goal; establish action plans to achieve career goals.

**Career Path** is the line of job progression along which an employee typically moves during his or her tenure with a company.

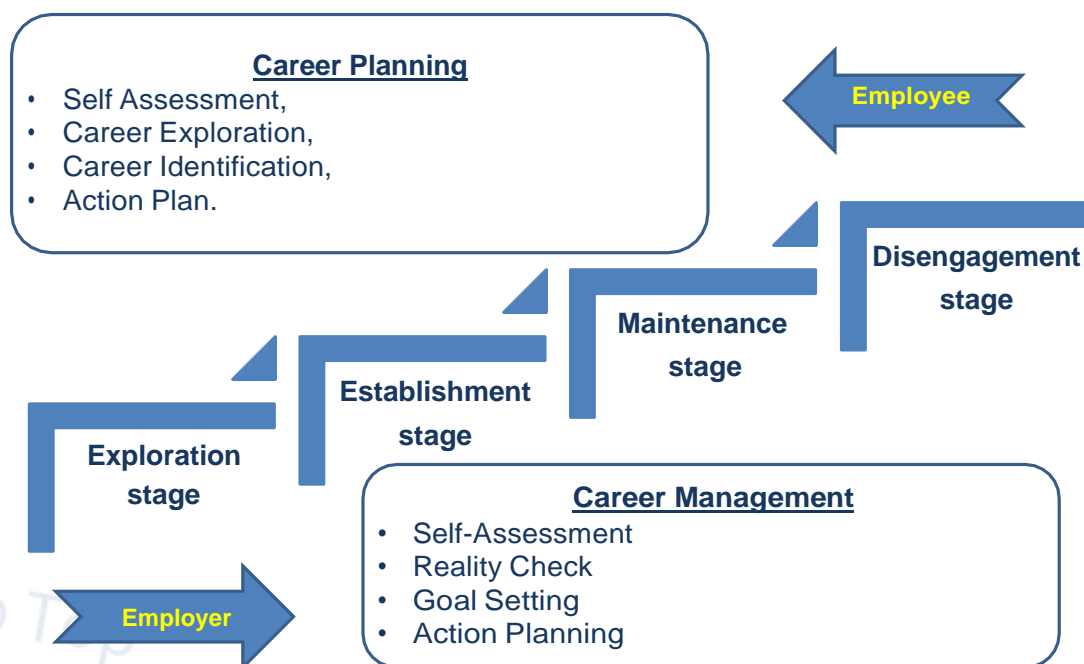
**Career without boundaries** views a manager as having many possible trajectories for a career, and many are across organizational boundaries.

**Portfolio career** are built around a collection of skills and interests and are self-managed. Portfolio careers are usually built around a collection of skills and interests, though the only consistent theme is one of career self-management. With a portfolio career you no longer have one job, one employer, but multiple jobs and employers within one or more professions.

**Authentic career** refers to people achieve a high level of personal insight and use this to follow a "true-to-self" career. The Authentic Career is about finding and living the authentic self. It brings us back to the things we might have once been told by a well-meaning friend or a self-help lecture. It makes real and fleshes out exactly what we need to do to work through core issues of our identity and find our "true bliss" in the workplace.

#### 3.1. Stages in career development

As the below figure, there are four stages in career development:



### 3.1.1 Exploration Stage

In this stage, individual attempt to identify the type of work that interests them. They consider their interests, values, and work preferences, and they seek information about jobs, careers, and occupations form co-worker, friends, and family members. Therefore they can begin pursuing the needed education or training. From the company's perspective, orientation activities are necessary to help new employees get as comfortable as possible with their new jobs and co-workers.

### 3.1.2. Establishment Stage

In this stage, individuals find their place in the company, make an independent contribution, achieve more responsibility and financial success, and establish a desirable life-style. Employee need to become more actively involved in career planning activities, while the company needs to develop policies that help balance work and non-work roles.

### 3.1.3. Maintenance Stage

In this stage, the individual is concerned with keeping skills up to date and being perceived by others as someone who is still contributing to the company. A major issue for company is how to keep employees in the maintenance stage from plateauing and ensure that employees' skills do not become obsolete.

### 3.1.4. Disengagement Stage

In this stage, individuals prepare for a change in the balance between work and non-work activities, while maintain self-esteem. Some may be forced to leave due to downsizing or merger; others may leave because of their interest, values, or abilities, and then back to the exploration stage. For the company's perspective, the major

career management activities in this stage are retirement planning and outplacement.

### 3.2. Career Management System

Individuals are actively involved in career management activities, but the emphasis is on the organization providing development programs and opportunities that align with its interests, such as staffing and succession planning.

Career management focuses on the organization and concerns itself with identifying future staffing needs, matching organizational needs with individual abilities, and designing appropriate career development programs and paths.

#### 3.2.1. Self-Assessment

Self-assessment refers to the use of information by employees to determine their career interests, values, aptitudes, and behavioral tendencies.

#### 3.2.2. Reality Check

Reality check refers to the information employees receive about how the company evaluates their skills and knowledge and where they fit into the company's staffing plan.

#### 3.2.3. Goal Setting

Goal setting refers to the process of employees developing short- and long-term career objectives. These goals usually relate to desired positions, level of skill application, work setting, or skill acquisition. These goals are usually discussed with the manager and written into an individual development plan (IDP). An individual development plan (IDP) is a tool to assist employees in career and personal development. Its primary purpose is to help employees reach short and long-term career goals, as well as improve current job performance. An IDP is not a performance evaluation tool or a one-time activity. It should be looked at like a partnership between the employee and the supervisor. It involves preparation and continuous feedback. Many agencies require IDPs for new and current employees. It is encouraged throughout many organizations.

#### 3.2.4. Action Planning

Action planning involves employees determining how they will achieve their short- and long-term career goals. Action plans may involve enrolling in training courses and seminars, conducting informational interview, or applying for job openings with the company.

### 3.3. Career Planning Points

Career planning focuses on the individual, who assesses personal abilities and interests, evaluates career paths, and plans personal career goals. Choosing a career is unquestionably one of the most important decisions you'll ever make. It impacts just about every facet of your life. It determines how much money you'll make, how much you'll work each week, where you'll live, when you can retire, and quite

possibly whether or not you pursue a family. On average, we're at work over 70% of each year, which equates to nearly 35 years over an average life time. Making a good career choice can be the difference between a life filled with satisfaction or a life filled with dissatisfaction and disappointment. While you don't need to stress over choosing a career, it isn't a decision to be taken lightly either.

There are those individuals that know from a young age what they wanted to be when they grow up, but they are the exception. Most of us don't know what we want to be when we grow up, even after we've grown up. It's not uncommon for people to choose a career simply because they have too. They put very little effort into choosing an occupation or they choose an occupation for the wrong reason.

High pay, prestige, recommendation by a friend, and security are just few wrong reasons people choose careers. Then they end up feeling stuck and unhappy. Proper and thorough career planning is the key to choosing an occupation that will lead to many years of fulfillment and satisfaction.

The career planning process has four components: (1) Self Assessment, (2) Career Exploration, (3) Career Identification, and (4) Action Plan. If you're driven, you can

easily go through these steps on your own. You also have the option of working with a career development counselor who will help facilitate the career planning process. Whether you go at it on your own or work with a career development professional, the thought and energy you put into the process will determine how successful you are.

### 3.3.1. Self Assessment

Trying to find a career without being self aware is like trying to run a race not knowing where the finish line is. How can you know which career path is going to be most satisfying, if you don't even know what you're all about? You can't. That's why self assessment (sometimes referred to as a career assessment) is such an important part of the career planning process. During the self assessment process you'll use tools designed to help you learn more about your interests, values, personality, aptitudes, skill sets, developmental needs, and preferred work environments, so you can make an informed career decision. By the end of the self assessment process you'll have identified various occupations that are good fit for you.

### 3.3.2. Career Exploration

Based on the results of your self assessment, you should now have a list of occupations that appear to be a good match with your values, interests and skill set. Next, you'll want to narrow this list down to about ten occupations. Go through the list and eliminate those careers that you know you're not interested in. For example, even though you'd make a great police officer, and the career is a good match with your values, interests, and skill set, you know you don't want to work in a job that

requires you to carry and shoot a gun. In addition to researching individual occupations, you'll also want to research industries that you'd like to work in. Other very effective ways to explore careers (and which we highly recommend) include

conducting informational interviews with industry professionals, job shadowing, job temping, internships, and volunteering.

### 3.3.3. Career Identification

As its name suggests, the career identification component of the career planning process is when you select just one occupation, among the many you've considered. During this step you'll identify the occupation that you're most interested in, as well as a few alternatives to fall back on if your first choice doesn't pan out. Now that you know which occupation you're going to pursue, you'll want to prepare to enter your chosen field. Identify all the requirements (e.g. education, costs, etc.) for entering your chosen career field.

### 3.3.4. Create an Action Plan

The final step in the career planning process is to create an action plan. The action plan is designed to help you reach your goals. It's like a road map that takes you from choosing a career to finding your first job all the way to achieving your long-term career goals. In your action plan you should identify your short-term and long-term goals, identify education and training requirements for your career, develop a job search strategy, identify potential employers, create a resume, compose cover letters, and prepare for job interviews.

## 3.4. Career Transitions

Career transitions can be stressful for individuals who change employers and jobs. Three career transitions are of special interest to HR: organizational entry and socialization, job loss, and retirement.

### 3.4.1. Entry Career

Starting as a new employee can be overwhelming. 'Entry shock' is especially difficult for younger new hires who find the work world very different from school. Entry shock includes the following concerns:

*Supervisors:* The boss-employee relationship is different from the student-teacher relationship.

*Feedback:* In school, feedback is frequent and measurable, but that is not true of most jobs.

*Time:* School has short (quarter/semester) time cycles, whereas time horizons are longer at work.

*The work:* Problems are more tightly defined at school; at work, the logistical and political aspects of solving problems are less certain.

### 3.4.2. Job Loss

Job loss as a career transition has been most associated with downsizing, mergers, and acquisitions. Losing a job is a stressful event in one's career, frequently causing depression, anxiety, and nervousness. The financial implications and the effects on family can be extreme as well. Yet the potential for job loss continues to increase for many individuals, and effectively addressing their concerns should be considered in career transition decision making.

### 3.4.3. Retirement Issues

Whether retirement comes at age 50 or age 70, it can require a major adjustment for many people. Some areas of adjustment faced by many retirees include self-direction, a need to belong, sources of achievement, personal space, and goals. To help address concerns over these issues, as well as anxieties about finances, some employers offer preretirement planning seminars for employees.

Career development for people toward the ends of their careers may be managed in a number of ways. Phased-in retirement, consulting arrangements, and callback of some retirees as needed all act as means for gradual disengagement between the organization and the individual. However, phased-in retirement (which is widely seen as a good situation for all involved) faces major obstacles in current pension laws.

Under many pension plans, employees who are working may not receive pension benefits until they reach a normal retirement age.

Early retirement often occurs as a result of downsizings and organizational restructurings. These events have required thousands of individuals, including many managers and professionals, to determine what is important to them while still active and healthy. As a result, some of these people begin second careers rather than focusing primarily on leisure activities or travel. To be successful with early retirement, management must avoid several legal issues, such as forced early retirement and pressuring older workers to resign.

## **Part Four: Talent Management**

### **1. Talent Management Process**

Talent management as activities and processes that involve the systematic identification of key positions which differentially contribute to the organization's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles, and the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organization.

Today organizations are starting to buy, build, and stitch together performance management systems, succession planning systems, and competency management systems. The HR function is becoming integrated with the business in a real-time fashion.

Strategic human resource management scholars have developed a framework or approach labeled Workforce "Differentiation" or "Segmentation" that is specific to talent management and focuses on individuals with high levels of human capital.

This perspective has roots in the classic General Electric Company's model of categorizing employees into A, B, and C players. The main assumption of Workforce Differentiation is that employees that add more value to the organization should be treated differently.

Furthermore, the most talented employees (e.g., 'A' players) should be placed in the most critical jobs or positions (e.g., 'A' positions) that have the most significant impact on the organization's business. Organizations should invest more of their resources to "A" players in "A" positions.

As an organization strives to meet its business goals, it must make sure that it has a continuous and integrated process for recruiting, training, managing, supporting, and compensating these talents. The following chart shows the complete process:

#### **1.1. Workforce Planning**

Integrated with the business plan, this process establishes workforce plans, hiring plans, compensation budgets, and hiring targets for the year.

#### **1.2. Recruiting**

Through an integrated process of recruiting, assessment, evaluation, and hiring the business brings people into the organization.

#### **1.3. Onboarding:**

The organization must train and enable employees to become productive and integrated into the company more quickly.

#### **1.4. Performance Management:**

Performance management by using the business plan, the organization establishes processes to measure and manage employees. This is a complex process in itself, which we describe in detail in our new research High Impact Performance Management.



Source: Josh Bersin (2017). Talent Management Changes HR. Available from [joshbersin.com](http://joshbersin.com)

#### 1.5. Training and Performance Support

This is a critically important function. Here we provide learning and development programs to all levels of the organization. As we describe in the Death of the Corporate University, this function itself is evolving into a continuous support function.

#### 1.6. Succession Planning

Succession planning as the organization evolves and changes, there is a continuous need to move people into new positions. Succession planning, a very important function, enables managers and individuals to identify the right candidates for a position. This function also must be aligned with the business plan to understand and meet requirements for key positions 3-5 years out. While this is often a process reserved for managers and executives, it is more commonly applied across the organization.

#### 1.7. Compensation and Benefits:

Clearly this is an integral part of people management. Here organizations try to tie the compensation plan directly to performance management so that compensation, incentives, and benefits align with business goals and business execution.\

#### 1.8. Critical Skills Gap Analysis

This is a process we identify as an important, often overlooked function in many

industries and organizations. While often done on a project basis, it can be “business-critical.” For example, today industries like the Federal Government, Utilities, Telecommunications, and Energy are facing large populations which are retiring. How do you identify the roles, individuals, and competencies which are leaving? What should you do to fill these gaps? We call this “critical talent management” and many organizations are going through this now.

In the center of this process are important definitions and data: job roles, job descriptions, competency models, and learning content. Talent Management is a “forward-looking” function. Not only should talent management improve your organization’s flexibility and performance, it should give you the information and tools to plan for growth, change, acquisitions, and critical new product and service initiatives.

## 2. Replacement Planning vs. Succession Planning vs. Talent Management

### 2.1. Replacement planning

Replacement planning is the process of identifying short-term and long-term emergency backups to fill critical positions or to take the place of critical people. Short-term replacement planning focuses on finding backups while a critical person is out for a short time, such as on vacation or out sick. Long-term replacement planning focuses on finding backups to fill critical positions or to fill in for critical people when they become absent for long periods, or perhaps even forever, as a direct result of a death, disability, sudden resignation, or other sudden loss (such as being held hostage).

Replacements should not necessarily mean people who will take a job forever; rather, they can meet the requirements of a job or jobholder in an acting capacity long enough for the organization to do a proper search. Even those from outside the organization – such as “temp” workers – may meet the requirement.

It is important to emphasize that replacement planning is no panacea. Its focus is on meeting the demands of emergencies. It can avoid long delays in having important decisions made when the people who make them are gone. Although some senior leaders may question the value of any HR-related effort, most of them can immediately recognize the value of having key backups identified in case of short-term or long-term emergencies. That is, in fact, a key selling point for replacement planning: its introduction usually leads to little opposition, and often much support, from otherwise skeptical senior leaders. Replacement planning usually focuses on finding backups inside the organization. It thus works well in corporate cultures characterized by strong ‘silos’ (divisions or specialty areas).

### 2.2. Succession planning

Succession planning is different from replacement planning. It does not focus on finding internal backups from within departments; rather, it examines the needs by level (such as the move from middle to senior manager). All talent at each level

is "pooled". Talent pools are thus defined as all people who are considered promotable to the next level up on the organization chart regardless of department. When need is great – such as may occur when all members of a group (like senior executives) are at

or near retirement age – then a special focus may be placed on accelerating the development of the talent pool. Such a group, targeted for faster development, is called an acceleration pool.

The organization commits to develop all who express interest in promotion – and that is by no means everyone. But organizational leaders manage expectations by indicating that when a vacancy occurs, the best applicant to meet the organization’s needs will be chosen – and that may mean someone from outside the organization.

### 2.3. Talent management

Talent management moves beyond succession planning. Although a term that has been variously defined, talent management is often defined as a process of “attracting the best people, developing the best people, and retaining the best people”. It is that threefold, integrated focus that distinguishes talent management from succession planning.

	Replacement Planning	Succession Planning	Talent Management
Identification of Successors	Yes	Yes	Yes
Development of Successors	Little or none	Yes	Yes (often Talent Pools)
Managerial Levels	Top two or three	Top two or three	All, including any key positions

Source: Rothwell, W.J. (2011). Replacement planning: a starting point for succession planning and talent management. *International Journal of Training and Development*, 15(1), 87-99.

In sum, **Replacement Planning** is a process of identifying short-term or long-term backups so that organizations have people who can assume responsibility for critical positions during emergencies. Individuals identified as ‘replacements’ are not promised promotions; rather, they are prepared to the point where they can assume a critical position long enough for the organization’s leaders to do a proper internal and external search for a permanent replacement. It should not be confused with **Succession Planning**, which focuses on developing a pool of people to consider for promotion, or **Talent Management**, which focuses on attracting, developing, deploying and retaining the best people. Using a case study approach, this article describes how one organization used replacement planning as a means to raise and consider important issues as a starting point for the eventual implementation of succession planning.

### 3. A Positions and A Players

A great workforce is made up of great people. What could be more intuitively obvious? Is it

any wonder, then, that so many companies have devoted so much energy in recent years to identifying, developing, and retaining what have come to be known as “A players”?”?

Firms like GE, IBM, and Microsoft all have well-developed systems for managing and motivating their high-performance and high-potential employees—and for getting rid of their mediocre ones. Management thinkers have widely endorsed this approach.

Researchers call this sort of differentiation among employees “the mother’s milk of building a performance culture.”

But focusing exclusively on A players puts, well, the horse before the cart. High performers aren’t going to add much value to an organization if they’re smoothly and rapidly pulling carts that aren’t going to market. They’re going to be effective only when they’re

harnessed to the right cart—that is, engaged in work that’s essential to company strategy. This, too, may seem obvious. But it’s surprising how few companies systematically identify their strategically important A positions—and then focus on the A players who should fill

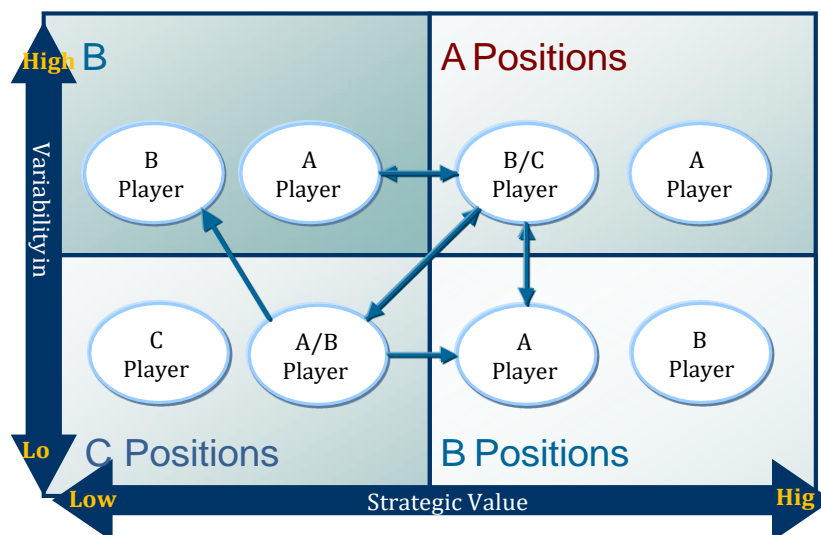
them. Even fewer companies manage their A positions in such a way that the A players are able to deliver the A performance needed in these crucial roles.

While conventional wisdom might argue that the firms with the most talent win, Mark A. Huselid, Richard W. Beatty, and Brian E. Becker publish a paper on Harvard Business

Review. They argued that, given the financial and managerial resources needed to attract, select, develop, and retain high performers; companies simply can’t afford to have A

players in all positions. Rather, they argued that the firms with the right talent win. Businesses need to adopt a portfolio approach to workforce management, placing the very best employees in strategic positions, good performers in support positions, and eliminating nonperforming employees and jobs that don’t add value.

One thing to keep in mind: Effective management of your A positions requires intelligent management of your B and C positions, as well.



Source: Huselid, M.A., Becker, B.E., & Beatty, R.W. (2005). *The Workforce Scorecard: Managing Human Capital To Execute Strategy*. Boston, MA: Harvard Business Review Press.

### 3.1. Identifying Your A Positions

People traditionally have assessed the relative value of jobs in an organization in one of two ways. Human resource professionals typically focus on the level of skill, effort, and responsibility a job entails, together with working conditions. From this point of view, the most important positions are those held by the most highly skilled, hardest-working employees, exercising the most responsibility and operating in the most challenging environments.

Economists, by contrast, generally believe that people's wages reflect the value they create for the company and the relative scarcity of their skills in the labor market. Thus, the most important jobs are those held by the most highly paid employees. The trouble with both of these approaches is that they merely identify which jobs the company is currently treating as most important, not the ones that actually are. To do that, one must not work backward from organization charts or compensation systems but forward from strategy.

That's why the authors argued the two defining characteristics of an A position are first, as you might expect, its disproportionate importance to a company's ability to execute some part of its strategy and second—and this is not nearly as obvious—the wide variability in the quality of the work displayed among the employees in the position.

Plainly, then, to determine a position's strategic significance, you must be clear about your company's strategy: Do you compete on the basis of price? On quality? Through mass customization? Then you need to identify your strategic capabilities—the technologies, information, and skills required to create the intended competitive advantage. Wal-Mart's low-cost strategy, for instance, requires state-of-the-art logistics, information systems, and a relentless managerial focus on efficiency and cost reduction.

Finally, you must ask: What jobs are critical to employing those capabilities in the execution of the strategy?

Such positions are as variable as the strategies they promote. Consider the retailers Nordstrom and Costco. Both rely on customer satisfaction to drive growth and shareholder value, but what different forms that satisfaction takes: At Nordstrom it involves personalized service and advice, whereas at Costco low prices and product availability are key. So the jobs critical to creating strategic advantage at the two companies will be different. Frontline sales associates are vital to Nordstrom but hardly to be found at Costco, where purchasing managers are absolutely central to success.

The point is, there are no inherently strategic positions. Furthermore, they're relatively rare—less than 20% of the workforce—and are likely to be scattered around the organization. They could include the biochemist in R&D or the field sales representative in marketing.

So far, the authors' argument is straightforward. But why would variability in the performance of the people currently in a job be so important? Because, as in other portfolios, variation in job performance represents upside potential—raising the average performance of individuals in these critical roles will pay huge dividends in

corporate value. Furthermore, if that variance exists across companies, it may also be a source of competitive advantage for a particular firm, making the position strategically

important.

Sales positions, fundamental to the success of many a company's strategy, are a good case in point: A salesperson whose performance is in the 85th percentile of a company's sales staff frequently generates five to ten times the revenue of someone in the 50th percentile. But they are not just talking about greater or lesser value

creation—they are also talking about the potential for value creation versus value destruction. The Gallup organization, for instance, surveyed 45,000 customers of a company known for customer service to evaluate its 4,600 customer service representatives. The reps' performance ranged widely: The top quartile of workers had a positive effect on 61% of the customers they talked to, the second quartile had a positive effect on only 40%, the third quartile had a positive effect on just 27%—and the bottom quartile actually had, as a group, a negative effect on customers. These

people—at the not insignificant cost to the company of roughly \$40 million a year (assuming average total compensation of \$35,000 per person)—were collectively

destroying value by alienating customers and, presumably, driving many of them away.

Although the \$40 million in wasted resources is jaw-dropping, the real significance of this situation is the huge difference that replacing or improving the performance of the subpar reps would make. If managers focused disproportionately on this position, whether through intensive training or more careful screening of the people hired for it, company performance would improve tremendously.

The strategic job that doesn't display a great deal of variability in performance is relatively rare, even for those considered entry-level. That's because performance in these jobs involves more than proficiency in carrying out a task. Consider the job of cashier. The generic mechanics aren't difficult. But if the position is part of a retail strategy emphasizing the customers' buying experience, the job will certainly involve more than scanning products and collecting money with a friendly smile. Cashiers

might, for example, be required to take a look at what a customer is buying and then suggest other products that the person might want to consider on a return visit. In such cases, there is likely to be a wide range in people's performance.

Some jobs may exhibit high levels of variability (the sales staff on the floor at a big-box store like Costco, for example) but have little strategic impact (because, as we have noted, Costco's strategy does not depend on sales staff to ensure customer satisfaction). Neither dramatically improving the overall level of performance in these jobs nor narrowing the variance would present an opportunity for improving competitive advantage.

Alternatively, some jobs may be potentially important strategically but currently represent little opportunity for competitive advantage since everyone's performance is already at a high level. That may either be because of the standardized nature of the job or because a company or industry has, through training or careful hiring, reduced the variability and increased the mean performance of workers to a point where further investment isn't merited. A pilot, for example, is a key contributor to most airlines' strategic goal of safety, but owing to regular training throughout pilots' careers and government regulations, most pilots perform well. Although there definitely is a strategic downside if the performance of some pilots were to fall into the unsafe

category, improving pilot performance in the area of safety is unlikely and, even if marginal gains are possible, unlikely to provide an opportunity for competitive advantage.

So a job must meet the dual criteria of strategic impact and performance variability if it is to qualify as an A position. From these two defining characteristics flow a number of others—for example, a position’s potential to substantially increase revenue or reduce costs—that mark an A position and distinguish it from B and C positions. B positions are those that are either indirectly strategic through their support of A positions or are potentially strategic but currently exhibit little performance variability and therefore offer little opportunity for competitive advantage. Although B positions are unlikely to create value, they are often important in maintaining it. C positions are those that play no role in furthering a company’s strategy, have little effect on the creation or maintenance of value—and may, in fact, not be needed at all.

It’s important to emphasize that A positions have nothing to do with a firm’s hierarchy—which is the criterion executive teams so often use to identify their organizations’ critical and opportunity-rich roles. As natural as it may be for you, as a senior executive, to view your own job as among a select group of vital positions in the company, resist this temptation. As we saw in the case of the cashier, A positions can be found throughout an organization and may be relatively simple jobs that nonetheless need to be performed creatively and in ways that fit and further a company’s unique strategy.

A big pharmaceutical firm, for instance, trying to pinpoint the jobs that have a high impact on the company’s success, identifies several A positions. Because its ability to test the safety and efficacy of its products is a required strategic capability, the head of clinical trials, as well as a number of positions in the regulatory affairs office, are deemed critical. But some top jobs in the company hierarchy, including the director of manufacturing and the corporate treasurer, are not. Although people in these jobs are highly compensated, make important decisions, and play key roles in maintaining the company’s value, they don’t create value through the firm’s business model.

Consequently, the company chooses not to make the substantial investments (in, say, succession planning) in these positions that it does for more strategic jobs.

A positions also aren’t defined by how hard they are to fill, even though many managers mistakenly equate workforce scarcity with workforce value. A tough job to fill may not have that high potential to increase a firm’s value. At a high-tech manufacturing company, for example, a quality assurance manager plays a crucial role in making certain that the products meet customers’ expectations. The job requires skills that may be difficult to find. But, like the airline pilots, the position’s impact on company success is asymmetrical. The downside may indeed be substantial: Quality that falls below Six Sigma levels will certainly destroy value for the company. But the upside is limited: A manager able to achieve a Nine Sigma defect rate won’t add much value because the difference between Six Sigma and Nine Sigma won’t be great enough to translate into any major value creation opportunity (although the difference between Two- and Three-Sigma defect rates may well be). Thus, while such a position could be hard to fill, it doesn’t fit the definition of an A position.

## 3.2. Managing Your A Positions

Having identified your A positions, you'll need to manage them—both individually and as part of a portfolio of A, B, and C positions—so that they and the people in them in fact further your organization's strategic objectives.

A first and crucial step is to explain to your workforce clearly and explicitly the reasons that different jobs and people need to be treated differently. Pharmaceutical company GlaxoSmithKline is identifying those positions, at both the corporate and business-unit levels, that are critical to the company's success in a rapidly changing competitive environment. As part of that initiative, the company developed a statement of its workforce philosophy and management guidelines. One of these explicitly addresses "workforce differentiation" and reads, in part: "It is essential that we have key talent in critical positions and that the careers of these individuals are managed centrally."

But communication is just the beginning. A positions also require a disproportionate level of investment. The performance of people in these roles needs to be evaluated in detail, these individuals must be actively developed, and they need to be generously compensated. Also, a pipeline must be created to ensure that their successors are among the best people available. IBM is a company making aggressive investments on each of these four fronts.

In recent years, IBM has worked to develop what it calls an "on-demand workforce," made up of people who can quickly put together or become part of a package of hardware, software, and consulting services that will meet the specific needs of an individual customer. As part of this effort, IBM has sought to attract and retain certain individuals with what it terms the "hot skills" customers want in such bundled offerings.

In the past year or so, the company has also focused on identifying its A positions. The roster of such positions clearly will change as IBM's business does. But some, such as the country general manager, are likely to retain their disproportionate value. Other strategic roles include midlevel manager positions, dubbed "deal makers," responsible for the central strategic task of pulling together, from both inside and outside the company, the diverse set of products, software, and expertise that a particular client will find attractive.

### 3.2.1. Evaluation.

Because of their importance, IBM's key positions are filled with top-notch people: Obviously, putting A players in these A positions helps to ensure A performance. But

IBM goes further, taking steps to hold its A players to high standards through an explicit process—determining the factors that differentiate high and low performance in each position and then measuring people against those criteria. The company last year

developed a series of ten leadership attributes—such as the abilities to form partnerships with clients and to take strategic risks—each of which is measured on a four-point scale delineated with clear behavioral benchmarks. Individuals assess

themselves on these attributes and are also assessed by others, using 360-degree feedback.

### 3.2.2. Development.

Such detailed evaluation isn't very valuable unless it's backed up by a robust professional development system. Drawing on the strengths and weaknesses revealed in their evaluations and with the help of tools available on the company's intranet, people in IBM's A positions are required to put together a development program for themselves in each of the ten leadership areas.

This is only one of numerous development opportunities offered to people in A positions. In fact, more than \$450 million of the \$750 million that IBM spends annually on employee development is targeted at either fostering hot skills (both today's and those expected to be tomorrow's) or the development of people in key positions. A senior-level executive devotes all of his time to programs designed to develop the executive capabilities of people in these jobs.

### 3.2.3. Compensation.

IBM supports this disproportionate investment in development with an even more disproportionate compensation system. Traditionally at IBM, even employees with low performance ratings had received regular salary increases and bonuses.

Today, annual salary increases go to only about half the workforce, and the best-performing employees get raises roughly three times as high as those received by the simply strong performers.

### 3.2.4. Succession.

Perhaps most important, IBM has worked to formalize succession planning and to build bench strength for each of its key positions, in part by investing heavily in feeder jobs for those roles. People in these feeder positions are regularly assessed to determine if they are "ready now," "one job away," or "two jobs away" from promotion into the strategically important roles. "Pass-through" jobs, in which people can develop needed skills, are identified and filled with candidates for the key strategic positions. For example, the position of regional sales manager is an important pass-through job on the way to becoming a country general manager. In this way, IBM ensures that its A people will in fact be ready to fill its top positions.

## 3.3. Managing Your Portfolio of Positions

Intelligently managing your A positions can't be done in isolation. You also need strategies for managing your B and C positions and an understanding of how all three strategies work together. The authors find it ironic that managers who embrace a portfolio approach in other areas of the business can be slow to apply this type of thinking to their workforce. All too frequently, for example, companies invest in their best and worst employees in equal measure. The unhappy result is often the departure of A players, discouraged by their treatment, and the retention of C players.

To say that you need to disproportionately invest in your A positions and players doesn't mean that you ignore the rest of your workforce. B positions are important either as support for A positions (as IBM's feeder positions are) or because of any potentially large downside implications of their roles (as with the airline pilots). Put another way, although you aren't likely to win with your B positions, you can

certainly lose with them.

As for those nonstrategic C positions, you may conclude after careful analysis that, just as you need to weed out C players over time, you may need to weed out your C positions, by outsourcing or even eliminating the work.

Roche is one firm that is placing more emphasis on the strategic value of positions themselves. Over the past few years, the pharmaceutical company has been looking at different positions to determine which are necessary for maintaining competitive advantage. Regardless of how well a person performs in a role, if that position is no longer of strategic value, the job is eliminated. For example, Roche looked at the strategic value provided by data services in a recent project and as a result decided which positions need to be added, which needed to change (or be moved)—and which, such as data center services (DCS) engineer, needed to be eliminated. In a similar manner, another pharmaceutical firm, Wyeth Consumer Healthcare, following a strategic decision to focus on large customers, eliminated what had been a strategic position for the company—middle-market account manager—as well as staff that supported the people in this position.

The ultimate aim is to manage your portfolio of positions so that the right people are in the right jobs, paying particular attention to your A positions. First, using performance criteria developed for determining who your A, B, and C players are, calculate the percentage of each currently in A positions. Then act quickly to get C players out of A positions, replace them with A players, and work to help B players in A positions become A players. GlaxoSmithKline currently is engaged in an initiative to push both line managers and HR staff to ensure that only top-tier employees (as determined by their performance evaluations) are in the company's identified key positions.

### 3.4. Making Tough Choices

Despite the obvious importance of developing high-performing employees and supporting the jobs that contribute most to company success, firms that routinely make difficult decisions about R&D, advertising, and manufacturing strategies rarely show the same discipline when it comes to their most valuable asset: the workforce. In fact, in our long experience, the authors have found that firms with the most highly differentiated R&D, product, and marketing strategies often have the most generic or undifferentiated workforce strategies. When a manager at one of these companies does make a tough choice in this area, the decision often relates to the costs rather than the value of the workforce.

It would be nice to live in a world where we didn't have to make hard decisions about the workforce, but we don't. Strategy is about making choices, and correctly assessing employees and roles are two of the most important. For us, the essence of the issue is the distinction between equality and equity. Over the years, HR practices have evolved in a way that increasingly favors equal treatment of most employees within a given job. But today's competitive environment requires a shift from treating everyone the same to treating everyone according to his or her contribution.

This approach may not be for everyone, that increasing distinctions between employees and among jobs runs counter to some companies' cultures. There

is, however, a psychological as well as a strategic benefit to an approach that initially

focuses on A positions: Managers who are uncomfortable with the harsh A and C player distinction—especially those in HR, many of whom got into the business because they care about people—may find the idea of first differentiating between A and C positions more palatable. But shying away from making the more personal distinctions is also unwise. We all know that effective business strategy requires differentiating a firm's products and services in ways that create value for customers. Accomplishing this requires a differentiated workforce strategy, as well.

#### 4. Managing High Performers and High Potentials

Mistaking a high-performing employee for a high-potential employee can be costly. If an organization is not able to distinguish between performance and potential, it will have difficulty identifying talent. This happens all the time. A top-performing sales rep is promoted to sales manager, and struggles to transition from killing his sales goals to helping a team of junior reps kill theirs. Meanwhile, the junior rep whose hard work has facilitated the success of sales teams for years feels undervalued, and decides it's time to start looking for growth opportunities elsewhere. Both scenarios hurt morale and drive turnover.

Performance and potential are not mutually exclusive. People always possess a combination of both. But a manager who understands the difference will be more effective in engaging and retaining employees who exemplify aptitude in one or both.

##### 4.1. Identifying High Performers and High Potentials

###### 4.1.1. High Performers

High performers stand out in any organization. High-performers give immediate return on investment, with estimates averaging from more than 50% additional value, to as much as a 100% increase in productivity over average performers. They consistently exceed expectations, and are management's go-to people for difficult projects because they have a track record of getting the job done. They're great at their job and take pride in their accomplishments, but may not have the potential (or the desire) to succeed in a higher-level role or to tackle more advanced work.

###### 4.1.2. High Potentials (HiPo)

High-potentials are typically defined as those demonstrating high-level contributions, organizational values, potential to move up to an identified position within a given timeframe, and potential to assume greater responsibility. High potentials can be difficult to identify, for two reasons. First, high performance is so blindingly easy to observe that it drowns out the less obvious attributes and behaviors that characterize high potentials—like change management or learning capabilities. Second, few organizations codify the attributes and competencies they value in their ideal employees—which means that managers don't know precisely what to look for to assess potential. As a result, most managers focus exclusively on performance, and that can be a problem.

##### 4.2. Assessing Performance vs. Potential

Because employees possess varying degrees performance and potential, you should

assess your employees across both dimensions. The following Table provides a framework for identifying where an employee falls in the spectrum.

**Typical attributes of performance vs. potential**

	Low Potential	High Potential
<b>High Performer</b>	Regularly exceeds expectations Lacks skills for success at higher level	Sets standard of excellence in role Model leadership
<b>Low Performer</b>	Little-to-no aptitude Weak, unsatisfactory performance	candidate Above-average aptitude Inconsistent performance

After you’ve determined which quadrant an employee falls under, you can develop a plan for employee development. Each of these categories requires a specific approach when it comes to discussing development opportunities.

4.3. Development Strategies for High Performers and High Potentials

In an ideal world, every employee in your organization would be a high performer with high potential—but that’s obviously not realistic. The appropriate question is how to move employees toward the upper-right quadrant, or at least to the high-performance tier.

It’s not always possible, nor always the desired goal (you might want to keep your high performers right where they are, for instance). There’s no one-size-fits-all strategy, but the following table provides a general framework.

**Development strategies to consider**

	Low Potential	High Potential
<b>High Performer</b>	Keep them where they are, or promote Constant encouragement Challenging assignments	Keep them where they are, or promote Provide autonomy
<b>Low Performer</b>	Soft skill development Performance plan Termination	Pair with a High Performer New role better aligned with skills Training Test with more responsibilities

#### 4.3.1. High Performers with High Potential

Employees who are high performers with high potential need to be rewarded and retained! They are your A-Team – especially the top performing/top-potential

employees. Efforts should be made and strategies devised to hold onto those employees for as long as possible. Ensure that managers are aware of who these individuals are, how to make sure that they are properly engaged and satisfied in their roles, and what positions they are primed to grow into.

#### 4.3.2. High Performers without Potential or High Potentials without Performance

Employees in these categories are special cases. They are either all performance or all potential. One-on-one meetings with the employee should be conducted to assess their level of engagement and historical data should be revisited to locate possible trends or recent dips in performance or potential. Efforts should be made to answer. What is going on with this employee, can it be remedied, and how? Is the employee not given enough performance feedback? Have they been given the opportunity to show potential? Are they engaged in their current role? We suggest that pairing high-potential employees with established high performers who can serve as mentors. They need to know that while they are high potential, they need seasoning

#### 4.3.3. Poor Performers without Potential

Lastly, people in this category can be problematic. Are the low performing / low potential employees at the right place? What is preventing them from performing, why do they have such a low potential? Is this a problem of motivation? How long have they been working there? Are they just waiting for a better opportunity? How driven were they in the past? Many things should be considered and acted upon – quickly.

#### 4.3.4. Mediocre Performers and Potentials

What if employees who have fair performance with mediocre talent or potentials? They should be strategically developed and monitored in an effort to push them into the next level. Managers should be prepared to assess what is preventing better performance or how to handle high-performers with low potential.

Managers play a bigger role in building a pipeline of thriving talent than they may realize, and it's increasingly important that you empower them to do this successfully. While employee development is no cakewalk, failure to assess performance versus potential is a very real business problem.

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