

Career Development - Increase the Strength of your Workforce

Australia and New Zealand

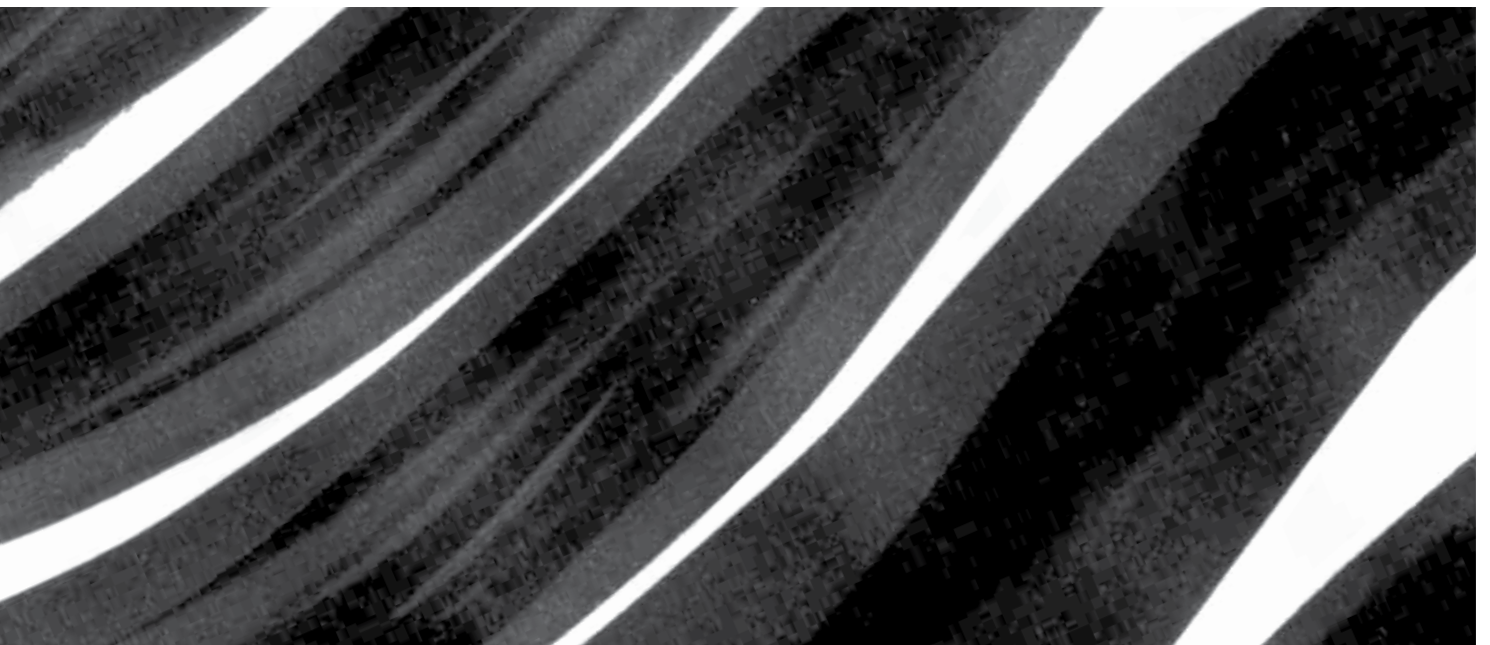


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Executive Summary

To compete and win in today's economy and be ready to outspurt the competition when the green shoots of recovery emerge, the full potential of your employees must be realised. Employees need to willingly develop their careers in such a way that they pursue the capability development that their employer needs to thrive and deliver increased value.

Our global study draws on more than 28,000 responses from 15 countries representing 10 major industry sectors. This study has been supplemented with key findings and insights from further research undertaken in Australia and New Zealand. Thirty six key HR and business decision makers were interviewed from twenty eight organisations. Those represented included two of the big four Australian banks, five multinational organisations, major government departments and several iconic employers.

Our research highlights the value of including career development as a vital part of your organisational strategy. The benefits include the continued development of employees in competencies needed by your organisation to succeed and increased employee engagement which is a key driver of productivity, retention and performance.

This document outlines how companies can take steps to turn career development into a successful competitive tool. This will allow you to optimise your employees' ability not only to achieve, but to exceed, organisational goals.

Overview

Even in good times, organisations can not afford the costs and missed opportunities created by high turnover or low morale. In today's uncertain economy, companies especially need their employees to perform at full capacity.

Quite simply, the ability to compete - perhaps even to survive - is impossible without an engaged and productive workforce. With many cash-strapped businesses resorting to reductions in force to cut costs, it is more important than ever to focus on remaining employees, ensuring they not only stay with the company but have the necessary skills to help the organisation meet its strategic goals. Organisations need to have the right talent on board, ready to out-sprint the competition when the economy rebounds.

An effective career development process ensures that organisations have the right people with the right skills to get the job done and meet organisational objectives. It means building a talent pool able to meet current and future needs. Fortunately, for most companies, the effort doesn't require starting from scratch. Often, it means taking existing resources and figuring out how best to align them to the organisation's strategy.

Introducing a successful career development program is a multi-step process. It requires identifying the skills needed to achieve organisational goals, identifying the employees best suited to develop those competencies, then helping them in their progression and, finally, finding ways to measure success. A functioning career development system involves employees, managers, and human resources personnel, each dependent on the others for success and each with specific responsibilities.

Research Methodology

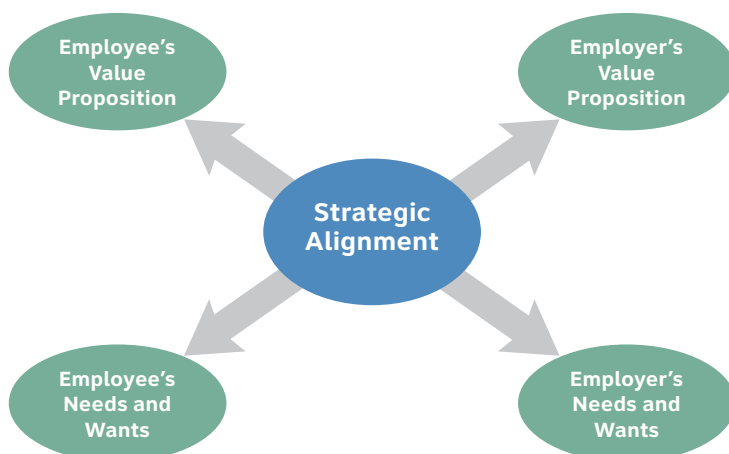
This report presents key findings and insights of a comprehensive study of career management practices at a wide range of companies in Australia and New Zealand. In addition this report draws on global research undertaken by Right Management. More than 28,000 employees representing 10 major industry sectors in 15 countries participated in the study. Respondents were largely from private corporations (91%) employing 50 or more people. The organisations represented in the survey range in revenue from under US\$1 million to well over US\$1 billion.

Research Highlights

CAREER DEVELOPMENT AND PROGRESSION IMPACTS ENGAGEMENT

Employees' career goals need to be aligned to those of the organisation to harness the full potential. This involves a four dimensional process through which employees understand the skills they have to offer and what they need and want - more responsibility, for example, or the opportunity to grow. They also have to see how that is aligned with what the employer has to offer and what it needs from them, which could include anything from higher retention to improved engagement.

Figure 1: Career Management Alignment Model



Our study found that an effective alignment of employee goals to organisational objectives - and a successful career development process facilitates such alignment - has two particularly important results. The first is that employees can continually develop not just any skills but those competencies needed by the organisation to succeed. Second is increased engagement, a key factor in ensuring high levels of productivity, retention and performance.

In our global benchmarking study we found a correlation between employees' perception of being able to progress towards career goals and overall engagement.

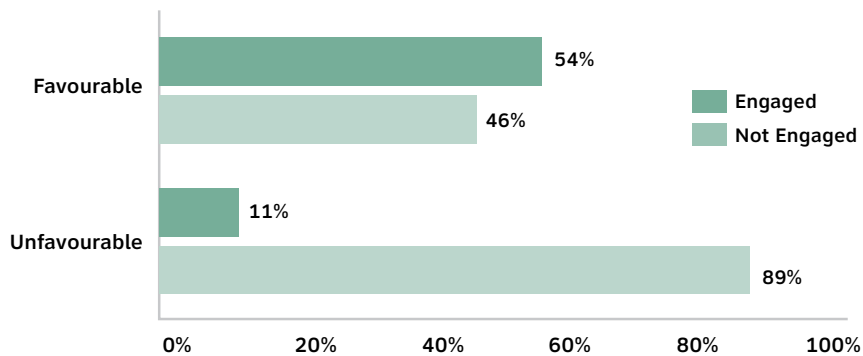
Figure 2: I know how to progress in my organisation



Global Benchmarking Study December 2008 base:28,810.

Conversely employees who felt that they did not know how to progress in their organisation felt substantially disengaged.

Figure 3: Impact on Employee Engagement



Of particular importance in these challenging times, career development can also help employees adapt to changing environments. When employees have a viable career development plan they are more likely to find and select new roles most appropriate to their skills and talents and to re-adjust quickly after significant organisational change.

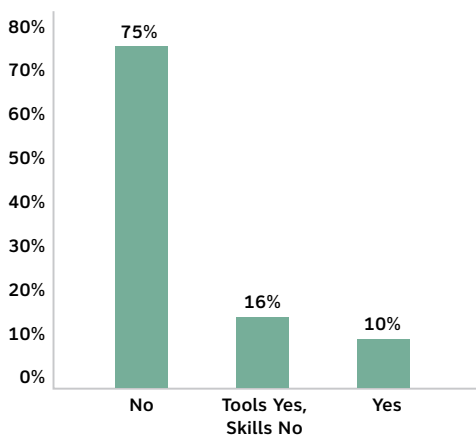
The lesson is clear. For organisations struggling to remain competitive in today's economy, career development is not a luxury. It's an essential tool in their efforts to survive - and thrive - in today's world.

WORKFORCE PRODUCTIVITY AT RISK

Although career development is of vital importance to productivity, our results revealed that most companies neither offer a career development process that provides adequate developmental opportunities for employees, nor offer one that is linked to strategic goals.

We found that managers often have little or no ability to discuss career development issues with their employees. In addition, they fail to model appropriate behaviour by managing their own careers effectively.

Figure 4: Do your people leaders (line managers) have the tools and skills to support Career Development?



Leaders lack the skills needed to provide effective career development guidance.

There are eight key people management processes for supporting the career growth of employees.

Employers pay too little attention to important career development “enablers.”

Figure 5: Career Development Enablers

KEY EMPLOYER ENABLERS
1. Talent Management
2. Succession Planning
3. Structured Career Management
4. Leadership Development
5. Manager One Removed Conversations
6. Online Learning
7. Career Mapping
8. Self Assessment

Significantly, fewer than 10% of surveyed clients had any self-assessment resources despite the fact that self-assessment is an essential underpinning of the other seven enablers.

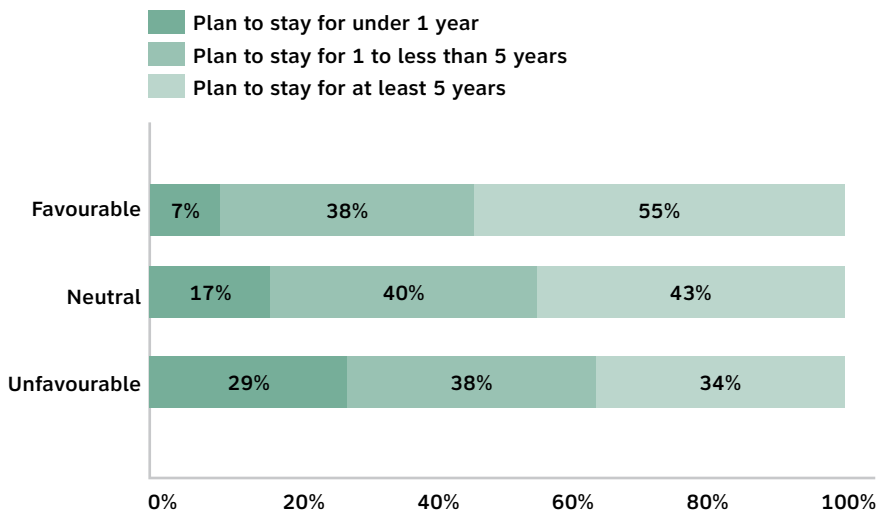
Self-assessment provides employees with crucial information about both what they can offer the company and the skills, experience and knowledge they need to develop. Self-assessment is also a prerequisite for the successful functioning of the other seven enablers.

INCREASED EMPLOYEE RETENTION AND ENGAGEMENT ARE DIRECTLY LINKED TO CAREER DEVELOPMENT.

During difficult economic conditions, the last thing companies want is to lose their best people. This will, in turn, result in the loss of intellectual capital, decreased productivity and increased cost of hiring and training. Of significance is the negative impact on client relationships and customer service experienced when key people leave. Our research found that when employees experienced a favourable climate for career growth it had a significant impact on retention.

A favourable climate for career growth aids retention

Figure 6: Impact of Favourable Career Climate on Intention to stay



RETENTION: THE MOST SOUGHT AFTER OUTCOME

Of the top eight employer “needs and wants”, the survey found retention was the most sought after result followed by higher engagement scores and ability to deliver on strategy.

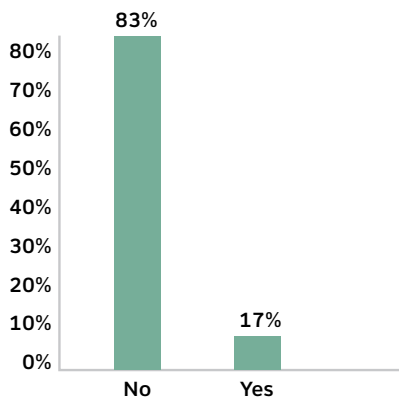
Employee retention tops the list of desired outcomes for career development programs among employers

Figure 7: Top 8 Employer Career Development Needs/Wants



THERE IS LITTLE EFFORT MADE TO MEASURE ROI

Figure 8: Have you ever measured the return on investment (ROI) of career development within your organisation?



Those organisations that do measure ROI tend to employ metrics aimed at specific targets, such as:

- Minimising attrition of high potentials
- Decreased recruitment costs from internal transfers
- Earlier identification of candidates for new roles
- Using career development as part of broader strategies to increase employee engagement

Implications for Organisations

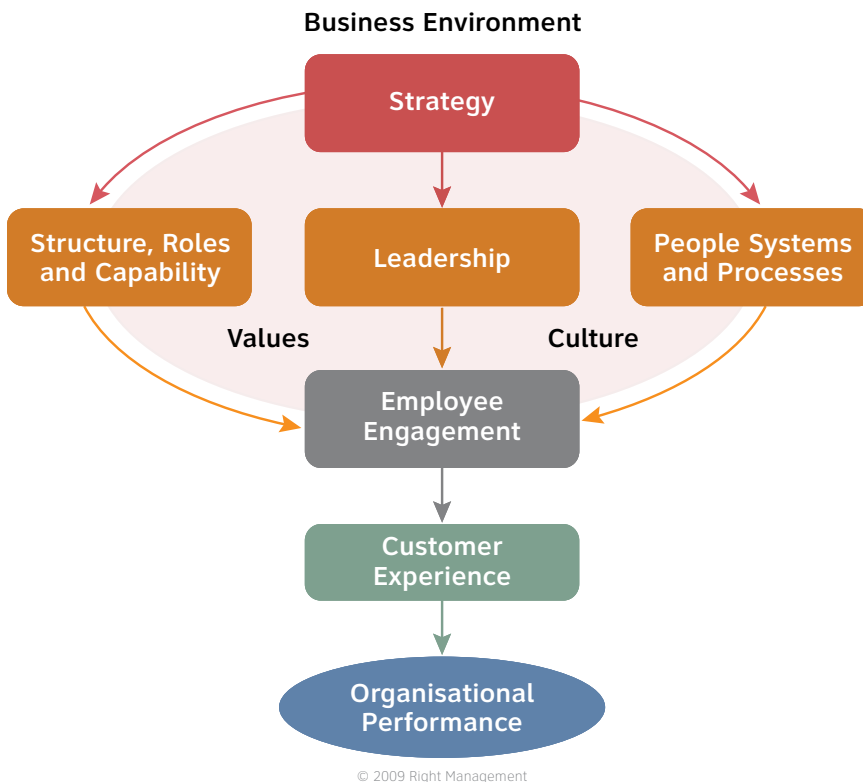
The broader context for effective career development is best explained by reference to Right Management’s Organisational Effectiveness Framework (OEF). This clearly outlines the reality that any people management system must be interconnected with and supported by, the right strategy, leadership, structures, roles, capability and attitudes for it to thrive.

Career development sits within a cluster of essential systems such as:

- Reward and recognition
- Learning and development
- Performance management
- Recruitment and induction

These cannot function without being connected to each other yet together they will improve productivity, retention and performance.

Figure 9: Organisational Effectiveness Framework



Advice for Organisations

Career development is not as simple as merely providing career resources and then asking employees to make choices about what they want.

For greatest success, companies need to institute a comprehensive effort involving both employer and employee. This requires developing a system linking the interests of the organisation and the individual, creating mutual goals able to help drive the company forward and then jointly implementing these.

However, perhaps the most significant role is that of leadership. Without appropriate guidance from leaders, neither employees nor organisations will derive sustained benefit from any career development program.

We recommend the following practical steps are implemented to make career development part of an organisation's fabric and thereby improve engagement and retention.

1. Senior Leaders have to make career development a priority.

Career development requires a methodical, comprehensive system in which organisations identify their long-term goals and the competencies needed to meet those objectives, and then help employees to develop the skills required to achieve these goals through such activities as coaching, career development, mentoring, internal training, shadowing and project work.

2. Line managers need better training and the tools and skills for supporting career development.

Through coaching, for example, managers can develop competency in having crucial career conversations with employees rather than the performance-related discussions that are more standard. Creating an environment in which employees feel it is safe to have these discussions is vital. If they fear their manager will interpret such conversations as a sign of disloyalty, employees will not participate. To that end, organisations need to help managers understand the importance of career development to the achievement of overall goals.

3. Better self-assessment is of crucial importance.

The first step in any career development program is for employees to understand the skills they have or need to develop and how that fits with organisational goals. They can then use the information to determine appropriate roles to target and the requirements to develop those responsibilities. With effective self-assessment, employees

- Will understand what roles will better leverage their unique talents
- Be more likely to stay with the company because they'll be able to make informed decisions about the positions best suited to their talents and
- Adapt more easily to change initiatives

4. For high potentials, the best approach combines individualised coaching and group sessions.

Consider the experience of a global organisation interested in providing career planning for a diverse group of high potentials. Some felt stuck in their careers, while others were unsure of their next step or needed further validation of their plans. Organisational survey data showed that employees felt inadequately supported in their career decisions. Also, because of the organisation's size, the very variety of career choices caused confusion for many employees. To address the problem, Right Management provided participants with an individualised career map illustrating their value proposition and requirements for future roles and helped employees learn such skills as networking and interviewing to help them in navigating the internal selection process. Following this, consultants conducted one-on-one coaching sessions to discuss career options and develop strategies.

5. Companies can do more to measure return on investment.

Employers can't determine whether their career development efforts are successful without effective measurement of ROI. They include such measurements as:

- Decreased recruitment and on-boarding costs
- Productivity increases
- Reduced mobilisation time for projects
- Earlier identification of candidates for key roles
- Improved quality of career development plans
- Increase in internally filled roles
- Higher engagement levels
- Decreased absenteeism

Conclusion

To emerge as market leaders, organisations need to optimise the performance of their people. An effective workforce strategy that includes a career development process will ensure organisations have the people they need with the skills necessary for meeting strategic organisational goals.

However, there is another potential benefit to these efforts. Thanks to many years of de-layering the traditional organisational pyramid, the career ladder needed to climb it has been superseded by a new structure. It's one that supports multiple career choices, all of equal importance to the organisation. It appeals to a multi-cultural, multi-generational workforce with diverse needs. These career pathways range from growing in place and lateral shifts for technical or specialist roles to more-traditional leadership development, flexi-time, job-sharing, and other employee-defined arrangements.

In the end, career development is about improving productivity, retention and performance. By taking steps to align employee and organisational goals, companies can ensure they'll be in top competitive form, able to meet – and exceed – the demands of today's difficult marketplace.

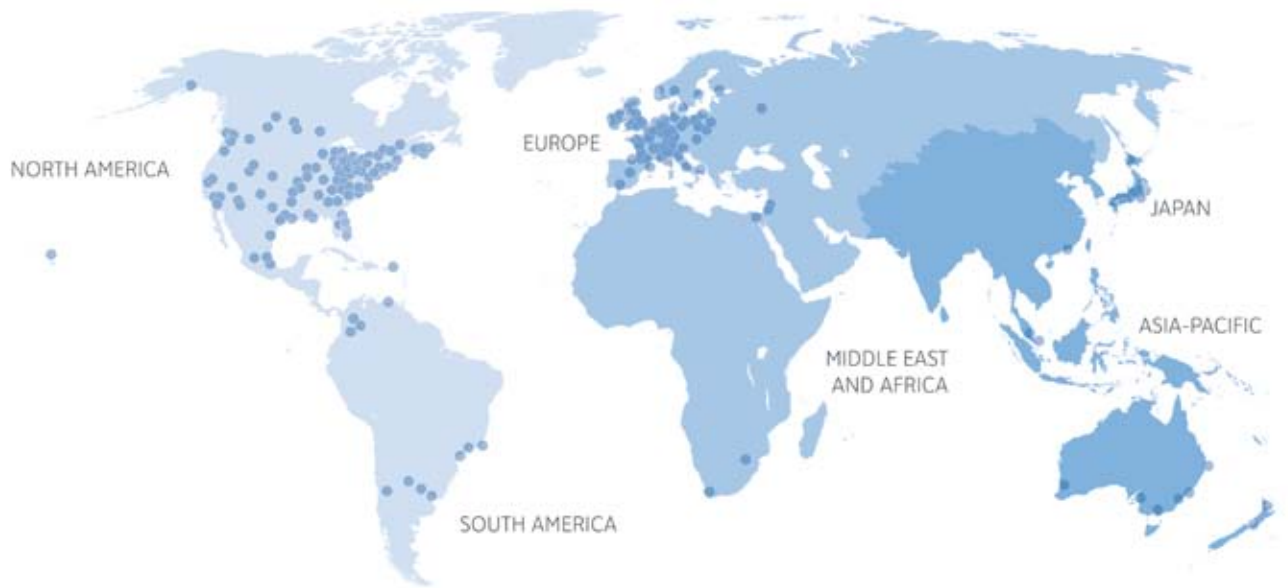
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Right Management Around the World

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Brazil	Canada	Chile	China
Colombia	Costa Rica	Czech Republic	Denmark
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Greece	Hong Kong	Hungary	India
Ireland	Israel	Italy	Japan
Luxembourg	Malaysia	Mexico	Morocco
The Netherlands	New Zealand	Norway	Peru
Philippines	Poland	Portugal	Puerto Rico
Romania	Russia	Singapore	South Africa
South Korea	Spain	Sweden	Switzerland
Taiwan	Thailand	Turkey	Ukraine
United Kingdom	United Arab Emirates	United States	Venezuela

About Right Management

Right Management (www.right.com) is the talent and career management expert within Manpower, the global leader in employment services. Right Management helps clients win in the changing world of work by designing and executing workforce solutions that align talent strategy with business strategy. Our expertise spans Talent Assessment, Leader Development, Organisational Effectiveness, Employee Engagement, and Workforce Transition and Outplacement. With offices in over 50 countries, Right Management partners with companies of all sizes. More than 80% of Fortune 500 companies are currently working with us to help them grow talent, reduce costs and accelerate performance.

Right Management is a wholly owned subsidiary of Manpower Inc., leader in the employment services industry, creating and delivering services that enable its clients to win in the changing world of work.

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