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Secrets and Strategies of Successful Regional Expansion

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Recommended Readings

Best Practices in People Development

Employees play a critical role in order for organisations to succeed in the competitive and increasingly complex global economy. Organisations need to manage and develop their employees as a "critical resource" to achieve the best possible results.

What is People Development?

People development is an integral part of the human resources team. It is one of the biggest factors in creating competitive advantage for organisations in the future. People development equips employees with knowledge, skills and attitude that are needed to perform their job. It allows employees to have the opportunity to develop, learn, and have new experiences. People development must be practiced at all levels of the organisation and involves regular performance appraisals, various training opportunities and development programmes. It also includes individualised development opportunities to allow employees to discover, develop and apply their potential.

Benefits of People Development

People development impacts both profitability and the competitive edge of the organisation. It is a "mission critical process that ensures organisations have the quantity and quality of people in place to meet their current and future business priorities". The process covers all key aspects of an employees life cycle; selection, development, succession and performance management.

Developing and growing employees is one of the best ways to retain valuable people. With the right employee training, development and education, organisations can enjoy big payoffs in increased productivity, knowledge, loyalty and contribution. An effective people development initiative also assists organisations in assessing its recruitment, staff transfer and movement and succession planning needs. It also allows organisations to analyse the skills and qualifications that meet the requirements for today and tomorrow's performance.

Fundamental Elements of People Development

Among the key components of highly effective people development process comprise a clear understanding of the organisation's current and future business strategies, and the identification of key gaps between the talent already in place and the talent required to drive business success. Organisations need to put in place a sound people development plan, which not only designed to close the talent gaps, but also integrated with strategic and business plans. Another important component is the connection of individual and team goals to the organisation's corporate goals.

The success and effectiveness of people development in any organisation comprise of several key elements;

- Strategic corporate goals that support a culture of employee development
- An inventory of talents and competencies to support those goals that provide a framework of talent pools that are needed
- Active dialogue between managers and employees to determine which employees desire to grow, which are happy to be at their current levels and which are at risk of leaving and their reasons
- An employee development plan that recognises the new talents and competencies that are needed for each employee's internal career path to be able to prepare to progress in the organisation
- A measurement system that will allow the organisation to track progress and identify high potential employees in each talent pool, when the need for employee movement arises
- A workflow system to facilitate each of the preceding elements.

People Development Framework



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Source: http://www.squidoo.com/talent_management

Entry

It is necessary for organisations to determine the key leverage skill sets that they need in order for them to move into the future. The organisation's strategic plan should provide the indicators, and what constitutes the core competence that will ensure a future for the organisation. Hence, it will direct the organisation on the kind of talent they should be sourcing.

It is important that organisations source the required people from the appropriate avenues, and to have very detailed job descriptions that include the specific competencies required. They should apply behaviour-based interviewing while selecting the best candidates. Organisations should strive to retain talents, which start from the quality of the first point of contact. Careful consideration should be taken in orientating the new employee into the culture of the organisation, the work area and the specific

job. Assistance should be rendered to new employees during their transition into the organisation.

Retention

Retaining talent in the organisations depends on various factors, and not solely dependant on remuneration. Many exit interviews that were conducted revealed that high performing individuals would leave an organisation for the same, or in some cases even less, remuneration if their other needs are not satisfied.

The culture at the workplace plays a critical role in creating a work environment that will either draw individuals or repel them. Culture in the workplace is created through the systems, processes, technology, structure, leadership and behaviours of people and teams in the organisation. Congruity in values between the organisation and employee is also believed to exert influence on an individual's decision to commit to the organisation.

Often, an individual's relationship with his/her immediate manager in the organisation also plays a big role. It is important for managers to possess the skills to constructively lead their direct reports and teams. Individuals should also be involved in the decision making, especially in their areas of responsibility. High performers should be made involve in cross-functional projects. It is necessary to allow people to feel that they are value adding to the organisation, and making a difference. At times, adjustments, movements and repositioning of employees may also be required to ensure a "person-environment fit".

Development

Development constitutes growing people's potential to meet both their own personal needs and the organisation's. It plays a substantial role in people development. Organisations need to assess every employee's competency profile, which would include establishing if there are any competency deficiencies that are responsible for the gaps that exist between the actual and desired current performance, and the gaps between current competencies and possible future performance needs.

Organisations need to focus on keeping strengths at the cutting edge and create opportunities for development through different methods; training, job shadowing, job rotation, involvement in projects, cross-functional exposure and teamwork. Training should also be provided and should be in line with the strategic needs of the organisations. Mentoring can also play a vital role in developing others, and strengthening relationships.

Organisations should link employee's development into the performance management system.

Performance

Organisations need to put in place a sound performance management practice. Roles throughout the organisation should be clarified and ensured that it aligns with the strategy. Individuals should be involved in their own performance agreements, where it needs to be firm on the objectives need to be met, deliverables to be produced and the quality standards, actions to be taken and deadlines.

Each employee should be accountable and held responsible for what they deliver, but against performance agreements that function as working documents. Feedback, regardless of ongoing, objective and constructive, is critical. Organisations should tap into what would make talented individuals within the organisation feel rewarded, and be known that it is not necessarily always about money or upward mobility.

Pass It On

High performing employees who display characteristics favoured by the organisation should be identified. This pool of talent should be used to help in the transition of new employees into the organisation. This will speed up acculturation, and ensure the entrenching of desired ways of operating. It has been revealed that the better the first experiences of a new employee, the more likely the individual is to be retained by the organisation and the quicker performance results can be achieved.

Organisations can also tap on the talented individuals to serve as mentors, where it can be seen as recognition or a reward to do so. Innovations by talented individuals can be introduced into systems, processes, and approaches in the organisation in the pursuit of continuous improvement, and they should also be recognised for it.

Best Practices in People Development

Apart from hiring, developing and retaining talented people, it is also crucial for organisations to manage people as a critical resource. Here are some best practices that should serve as the foundation to people development strategy.

Best Practice 1: Start with the end in mind

The people development strategy must be tightly aligned with the organisation's business strategy. It requires business goals and strategies to drive the quality and quantity of the talent the organisation needs. A research done by Aberdeen Group revealed "best-in-class organisations are 34 per cent more likely to connect succession management strategies with organisational strategies".

Below are statements made by organisations whose specific business goals and strategies drive their talent needs;

- "We acquired one of our largest competitors and have redundant talent. How will we ensure we retain the best? Who will oversee the integration? What is the right management team for our new company? Who will help us focus on quality and cost containment, while pursuing new markets? And which employees will best fit the new culture?"
- "We are a global automobile manufacturer that has steadily lost market share. What sort of talent are we going to need to shake up the status quo, rejuvenate our brand, and give us the action-orientation required to turn things around?"
- "We are introducing a 'blockbuster' drug that requires us to double our sales force in the next eight months. In addition to sheer numbers, we also need to add the right kind of talent – sales reps who take a consultative approach with physicians."

(Wellins, R. S., Smith, A. B., & Erker, S., 2009)

The scenarios above demonstrate "clear-cut examples of why matching talent to business needs" is critical. They organisations above hold a common belief that "business success hinges on having the right talent in place – at the right time", and each of them are proactively addressing their talent needs.

Best Practice 2: Knowing what you are looking for

Many studies revealed that organisations with better financial performance are more likely to use competencies as the basis for succession management, external hiring, and inside promotions.

Research highlights include:

- The Aberdeen Group found 53 percent of best-in-class companies have clearly defined competency models, compared to just 31 percent of other organizations (which post less impressive performance).
- Aberdeen research also shows that best-inclass organisations are 45 percent more likely to have models for key positions¹⁶ and 64 percent more likely to have models for all levels of their organisations than other organisations.
- Research from the Hewitt Group illustrates that top global companies consistently apply their competency models across the organisation, and their competencies are significantly more aligned with overall business strategies. Eighty-four percent of top global companies demonstrated alignment, compared to just 53 percent of other organisations.

(Wellins, R. S., Smith, A. B., & Erker, S., 2009)

Best Practice 3: People development is not a democracy

It is important for organisations to know that people development must encompass “a far broader portion of the employee population”, and not focus solely on succession management. Value creation does not come from senior leadership alone, and the ability of an organisation to compete depends upon the performance of all its key talent, and its ability to develop and promote that talent.

Best Practice 4: Potential, performance and readiness are not the same thing

Organisations need to consider the differences between potential, performance, and readiness. An analogy that can be considered when examining the differences between the three is the early career of an athlete.

An athlete who can be regarded a star in his field of sports are always ready to compete and equipped to win. However, their

success is achieved through many years of practice, with attention from their coaches or trainers. It involves many hours of preparation and practice. “One can assume they’ve had excellent performance at each level of competition – however good performance on a high school team may fall woefully short at the college level and good performance at one level of competition is no promise that the athlete can keep up at the next level. Early on in that athlete’s career, it’s likely that someone somewhere likely recognised his or her potential. The young athlete may still be learning the correct way to hold a bat or throw a ball, but coaches can see innate talent that signals a star athlete – with years of practice and coaching, of course.”

Hence, to groom a leader from potential to readiness takes an equally long process. On average, it takes at least ten years for a “high-potential leader to advance into a senior position”. The individual also needs mentoring, personalised development plans, etc., to build their key skills. Thus, it is necessary to identify high potentials, which is often overlooked by many organisations. Organisations need to scout and groom their talent to prepare individuals for top performance and have a winning team in the future.

Best Practice 5: People development is all about putting the right people in the right jobs

Organisations should place a higher priority on their selection and hiring process, rather than development. They need to be aware that “not everything can be developed”. “Training people to improve their judgement, learning agility, adaptability – all core requirements for most of the talent hired today – is difficult, if not impossible”. Lack of employee’s motivation for a specific role or a poor fit between employee’s values and those of the organisation may lead to poor performance. The fundamental mismatch is difficult to be rectified and changed. However, a well-designed hiring or promotion process may solve the issue. Hence, hiring an individual for the right skills is more efficient than developing those skills.

Best Practice 6: People development is more about the “hows” than the “whats”

The “whats” promise nothing on their own. Instead guarantees come from the “hows”. Here are five realisation factors for sound execution of people development.

Communication

Links the people development initiative to the business drivers, puts forward a vision the organisation can rally around, and sets expectations for what will happen in the organisation.

Accountability

Role clarity so that each individual in the people development initiative knows what is expected of them.

Skill

Developing the right skills and providing coaches and mentors for support.

Alignment

Must align people development initiatives to the business drivers but also need the right kinds of systems to identify high potentials, to diagnose for development, to link to performance management, and to do development that really changes behaviour.

Measurement

You can't manage what you don't measure. It creates the tension, and objectives become clearer to help execute a talent strategy. The most effective measurements go beyond mere statistics to quantify what's working in talent management, why those initiatives are effective, and what impact they have on the organisation.

Best Practice 7: Software does not equals to people development

A piece of software cannot provide full talent management system, but a valuable tool in supporting a good plan. Choosing the right tools clear the path for smoother execution and may improve the end products, but it means nothing without the right expertise and the right components.

The recipe for people development includes “a potent blend of content, expertise, and technology”. It takes best-in-class content to drive the assessment and development of people, and a system constructed by knowledgeable experts who have seen a range of implementations – they should know what works, and what does not. Software should support the process, but it can't stand alone.”

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Books are available at the Lee Kong Chian Reference Library.

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