An Employee and Supervisory Development Program: Bridging Theory and Practice

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Abstract

The purpose of this study is to present a business case for a comprehensive employee and supervisor development program that can be implemented within organizations. Concerns about newly hired employees who may lack the skills required in a changing work environment are addressed. In addition, this study examines the phenomenon in which employees are promoted into supervisory positions based solely on technical ability and not on the supervisory potential and "soft skills" that are necessary for leading teams and supervising employees. Finally, this study addresses issues related to supervising a diverse workforce and transforming an ad-hoc supervisor and manager training program into a formal program. The implications of the study were that business leaders must continue to invest in employee development during financial crisis to maintain competitive advantage. Recommendations for future qualitative research were made as a result of this study.

Key Words: return on investment, succession planning, organizational strategy, employee development, strategic alignment, sustainability

". . . [I]ntensive employee development is a 'huge competitive advantage' in terms of recruitment as well as retention, in addition to building the leadership capacity required to stay competitive in today's business environment" (Society for Human Resource Management [SHRM], 2007, p. 3).

1. Introduction

Continuous change is a new reality for the global business community as the world economy struggles to face a new fiscal reality. As a result of this fiscal reality, we live in a world and economy where change is not only necessary but a standard to sustain economies (Silzer & Dowell, 2010). Organizations around the globe are struggling to remain profitable and competitive in an ailing economy in which the U.S. government bailed out major financial organizations such as banks and securities brokerage firms in an effort to rescue its broken financial industry and economy. As a result, many organizations are scrambling to reorganize in a fight for survival and must develop strategically aligned, comprehensive employee/supervisor development programs.

Thus, businesses have new reasons to improve their supervisor development programs as part of an attempt to build organizational sustainability and overall competitive strategy. This study presents a proposal for a comprehensive training program for both employees and first-line supervisors. In addition, this study proposes a comprehensive employee and supervisor development program that incorporates the components that are necessary for a successful program of this type. More specifically, this study will address the following topics: (a) frequent employee promotions into supervisory positions based on technical ability rather than the potential of employees as supervisors and the "soft skills" required to lead teams, (b) workforce diversity, and (c) the revival of supervisor training (Northcentral University, 2012).

2. The Business Case

"The rate of change is not going to slow down anytime soon. If anything, competition in most industries will probably speed up even more in the next few decades" (SHRM, 2007, p. 3). This quotation addresses factors that drive employee development.

Employee development, in turn, lies at the heart of organizational performance and competitive advantage (Silzer and Dowell, 2010). Across industry sectors, there are many reasons why succession planning and leadership development are important concerns: (a) rapid, radical and discontinuous change, (b) increasingly complex challenges, (c) greater leadership responsibility at lower levels, and (d) recruitment and retention of the best employee talent (SHRM, 2007). There are several factors that make employee development vital to organizational performance (SHRM and Catalyst, 2005; Silzer and Dowell, 2010). The most significant driver of value in organizations today is the perceived shift to a knowledge economy, which makes the knowledge, skills, and competencies of employees a competitive advantage (SHRM and Catalyst, 2005; Silzer and Dowell, 2010).

Although employees directly shoulder certain burdens of the knowledge economy because of their own investment in education, the growth of specialized knowledge indicates that employers must increase their commitment to provide more specialized business or sector-specific training and education. Another factor that will contribute to the relative importance of employee development will be shifts in workforce demographics. Over the last several years, concern has developed about how the world can prepare for a potential labor shortage as the aging workforce of baby boomers begins to retire. A SHRM workforce forecast demonstrates that human resource (HR) practitioner's rate preparing for the next wave of retirements as the third-most important trend in the HR profession. A vast number of these HR practitioners plan to invest more in training and development to increase employee skills and hope to use succession planning to a greater extent. Furthermore, the aging workforce will generate the need to identify new sources of talent to compensate for the knowledge and talent lost through retirement (SHRM and Catalyst, 2005).

3. Considerations Related to Employee and Supervisor Development Programs

The design of a supervisor-employee development program must be grounded in succession planning, anchored in the company's strategy, and feasible given the size and resources of the organization. Moreover, the purpose of supervisor-employee development is not to create programs but to design and implement practices and processes within developmental systems that capitalize on work-related experiences to achieve organizational strategy. Furthermore, regardless of the organization's business sector, there are many interrelated reasons why succession planning and supervisor-employee development are important (SHRM, 2007). Recent reorganizations have created new duties and responsibilities that vary in complexity, and some employees have had little training with respect to these new duties and responsibilities. As a result, new hires may lack the critical skills that are required in a changing work environment (Northcentral University, 2012).

In addition, there are concerns that organizations do not have integrated employee and supervisor development programs that facilitate preparing and training employees for new and expanded roles. More specifically, it has been revealed that employees are frequently promoted into supervisory positions based mainly on their technical abilities instead of their leadership potential and the "soft skills" that are required to lead teams and supervise employees. In addition, organizations frequently have a diverse workforce that includes young and old workers, experienced and new employees, and highly productive and less-than-average individuals. As a result, supervisors must have the ability to lead a diverse workforce. Furthermore, formal supervisory training has been dormant during the last five years (Northcentral University, 2012). Finally, there is an expected return on leadership development investment (Avolio and Quisenberry, 2010).

4. Recommendations

"Every managerial employee should have an individual development plan and be held accountable for making progress on it every year" (SHRM, 2007, p. 4). This quotation indicates what every organization should be doing; however, the reality is that several organizations have yet to implement formal processes to accomplish this objective. SHRM (2007) emphasizes the following primary reasons why succession planning and supervisor-employee development are critical: (a) the speed of change is increasing, and the type of change that organizations experience is likely to be more radical, (b) the complexity of the challenges that organizations face globally is rapidly increasing, (c) there is greater leadership responsibility at lower levels, and (d) recruitment and retention of the best talent are paramount. Therefore, an effective succession planning and leadership development system is required.As discussed above, the design of a supervisor-employee development program must be grounded in succession planning, anchored in the company's strategy, and feasible given the size and resources of the organization. In designing an effective succession-management system, one must include the following types of key elements: (a) formal, (b) systemic, (c) systematic, (d) tailored, and (e) experientially based (SHRM, 2007).

4.1. Formal

A formal process features important components that are standardized throughout an organization. An informal process is unplanned and ad-hoc, and there is a risk with informal and ad-hoc development approaches that the entire burden of development will fall on the individual employee. Although employees must accept responsibility for their development as leaders, a formal process links experiences with expected developmental outcomes to provide oversight of the development process. In addition, informal succession planning processes risk wasting time and money by developing the wrong traits in the wrong employees (SHRM, 2007). Informal training is reactive and opportunistic, whereas a formal system requires organizational discipline to design, implement, and sustain it. An integrated formal system may be a source of competitive advantage (Dai et al, 2011; Lollis, 2008; SHRM, 2007; Silzer and Dowell, 2010).

4.2. Systemic

An overall system-wide perspective on supervisor-employee development helps to build broader organizational capacity and deeper bench strength in leaders (Silzer and Dowell, 2010). The focus is on management at every level of the organization, including senior management, which helps to maximize the return on investment from developmental efforts. However, the unintended consequence is that focusing on top leadership may allow a significant part of the organization to atrophy (SHRM, 2007).

4.3. Systematic

The most effective succession planning and supervisor-employee development programs are linked across levels throughout the entire organization within a coherent whole (Silzer and Dowell, 2010). The logic of a roadmap for development is that the skills, competencies, attitudes, and perspectives that are developed at one level are built upon at higher levels. When it is systematic, a development effort builds integrated linkages across leadership levels. Succession planning also uses diagnostic tools and methods to assess the developmental readiness of employees for certain experiences (SHRM, 2007).

4.4. Tailored

Generic supervisor-employee development efforts may lose sight of the importance of individual differences with regard to developmental readiness. Employees vary in their capacity to complete the developmental stretch assignments that are at the core of many of the most effective supervisor-employee development efforts. At a minimum, each employee should have an individual development plan and be held accountable for making annual progress (SHRM, 2007).

4.5. Experientially Based

Supervisor-employee development is a significant component of ongoing work-related experiences. Research shows that senior leaders find learning from work-related experience to be a more powerful force in their development than classroom-based learning. State-of-the-art development helps leaders to learn and develop based on their work experiences rather than removing them from work so that they can develop (SHRM, 2007).

5. Proposed Employee and Supervisor Development Program

"Effective succession planning involves more than just a replacement planning process. It also includes a comprehensive employee development system" (SHRM, 2007, p. x). This quotation highlights the importance of a comprehensive supervisor-employee development program. More specifically, practitioners in the field of leadership development estimate that approximately 80 percent of the learning and development of employees who eventually move into senior management originates from experience, that approximately 10 percent of this learning and development originates from classroom education and training, and that approximately 10 percent is developed through coaching and mentoring. These percentages indicate the need to provide meaningful developmental experiences to develop leaders. Overall, the prevailing method involves developing supervisors and employees in the context of their ongoing work experience rather than taking supervisors and employees away from their work environment so that they can develop. Thus, this study proposes employee and supervisor development programs that involve education, assessment, coaching, and experiential learning (SHRM, 2007).

5.1. Education: Classroom Programs

Classroom education continues to be the bedrock of leadership development efforts. These types of formal classroom programs generally occur at an off-site location. The particular strength of classroom programs is the standardization of content; however, a limitation of such programs is the uncertainty of learning transfer from an off-site classroom to the student's job. Finally, classroom programs foster episodic or event-based thinking about development (SHRM, 2007).

5.2. Education: Corporate Universities

At the other end of the education spectrum are corporate universities. Often described as combining centralized in-house training and education facilities that properly align training and development with business strategy, corporate universities often offer open enrollment and custom development. Although they may be expensive, corporate universities are the fastest-growing segment of the adult education market. One reason for this growth is the shorter shelf life of knowledge, which requires continuous employee learning. For instance, General Electric's Welch Leadership Center offers a full complement of courses that are aligned to the firm's organizational needs. These courses cover subjects such as succession management and leadership development. In addition, current and former managers are part of the faculty, which increases the credibility of their staff (SHRM, 2007).

5.3. Assessment: Personality Inventories

Personality inventories may be effective tools for building individual self-awareness, providing employees with insight into their personal tendencies and values. In addition, personality inventories are easy to use and can help participants to appreciate individual differences in others and to understand why others behave as they do. Personality inventories also tend to be popular because people generally enjoy learning about themselves (SHRM, 2007).

5.4. Assessment: Multi-Source Ratings/360-Degree Feedback

Another popular development practice, multi-source ratings, involves the systematic measurement of an individual's leadership performance as perceived by an entire circle of individuals, including the employee himself/herself, his/her subordinates, his/her peers and supervisors, and even external stakeholders such as customers and suppliers (Streim, 2001). This type of comprehensive assessment by various stakeholders provides an accurate picture of the impact of a leader's behavior on others. The gap between self-ratings and stakeholder ratings has been shown to be positively related to managerial performance. However, one potential weakness of multi-source ratings is that they may lead to confusion if they do not converge across rating sources. In essence, multi-source ratings are most effective when linked with executive coaching (SHRM, 2007).

5.5. Assessment Centers

Another comprehensive method of assessing an employee's leadership potential is the use of assessment centers (Patton and Pratt, 2002). Traditionally, assessment centers were used to select managers for mid-level and upper-level jobs by assessing their skills through various assessment exercises that measure performance across a number of dimensions. Developmental assessment centers are utilized for employee development and emphasize assessment with feedback. These centers offer a collection of workplace simulation exercises that provide individuals with practice, feedback and coaching on a set of behavioral dimensions that can be developed and that are considered to be vital to professional success (SHRM, 2007).

5.6. Coaching: Executive Coaching

Executive coaching is coveted because it helps leaders to translate and assemble their assessment data into an actionable development plan, assists them in implementing the plan, and facilitates support and follow-up assessments of behavioral change. The Individual Coaching for Effectiveness model for middle- and higher-level leaders consists of three phases: (a) diagnosis, (b) coaching, and (c) maintenance/support. The diagnosis consists of one or two days of assessment and feedback. The coaching occurs on one day per month for six consecutive months. The maintenance/support component includes periodic contact and review sessions that assist the individual in maintaining personal changes.

A vital factor to consider is the training and experience of the particular coach because no licensing requirements have been established for coaches (Kissack and Callahan, 2010; SHRM, 2007).

5.7. Coaching: Mentoring

Mentoring can be a formal or informal process. In mentoring, someone more senior takes a vested interest in the personal and professional development of a more junior person, usually a professional colleague. The literature on mentoring is vast; however, informal mentoring programs are considered to be more effective and tend to receive more favorable responses than formal programs. One weakness of mentoring is that few leaders receive any training on how to be effective mentors when a formal mentoring program is implemented. In addition, mentoring is time consuming, and there may be insufficient numbers of qualified mentors within an organization (Leonard and Hilgert, 2007). As a result, organizations sometimes use mentoring only in targeted situations that involve high-potential employees. In larger organizations, mentoring networks are built in which employees are assisted in identifying existing relationships and trained in using these relationships for their development (SHRM, 2007).

5.8. Experiential Learning: Job Assignments

Long favored as a leadership development tool, job assignments that stretch thinking and other capabilities are particularly coveted by organizations. It is widely believed that leaders consider their most robust developmental activities to be experiential activities that occur on the job. However, it is important not to give leaders tasks that are too overwhelming. There are two vital questions that a firm must consider in using job assignments, First, how prepared must someone be for a stretch assignment? Second, what is the right assignment for this leader at this time? Answering these questions require knowledge of the career goals, career paths, and developmental readiness of the individuals whose skills are being developed (SHRM, 2007).

5.9. Experiential Learning: Action-Learning Projects

An approach that is based on assumptions from adult learning theory, the theory of action learning suggests that learning is effective when people work on organizational problems in real time. In addition, action learning occurs on project teams that are composed of employees from diverse locations who play different roles within the firm and have the opportunity to work together for approximately six to twelve months on a strategically important issue (Leonard and Hilgert, 2007; Streim, 2001). External coaches are often used to help facilitate team self-reflection and enhance learning and development (SHRM, 2007).

6. Implications

As cited above, "The rate of change is not going to slow down anytime soon. If anything, competition in most industries will probably speed up even more in the next few decades" (SHRM, 2007, p. 3). This observation drives employee development, which is the essence of organizational performance and competitive advantage (Silzer and Dowell, 2010). Working from a practitioner perspective, the researcher in this study would advise business leaders to continue investing in employee and supervisor development in spite of the current financial crisis in our country. The reason for this continued investment is simple: competitive advantage. Employee performance affects organizational performance, which influences financial outcomes and competitive advantage (SHRM and Catalyst, 2005; Silzer and Dowell, 2010).

7. Recommendations for Future Research

Competitive advantage is of interest to global business leaders and human resource management practitioners and scholars (SHRM and Catalyst, 2005; Silzer and Dowell, 2010). There is growing interest in qualitative research on the appropriateness of further developing strategic human resource management (Ridder and Hoon, 2009). The qualitative case study approach can be used to gather and study the detailed data required to improve our understanding of complex phenomena in this field (Trochim and Donnelly, 2008; Yin, 2009). This researcher recommends further research on how to bridge theory and practice in this area. More specifically, a qualitative single- or multiple-case study conducted with an organization in the business community might generate further information regarding business leaders' and human resource management practitioners' perceptions of human capital investments and of the reasons that business leaders choose not to invest in the development of human capital during an economic downturn. The information generated by such a study might be used to reveal areas for improvement in strategic human resource management and strategic human capital management.

8. Discussion

In summary, the researcher in this study reflects on the thesis of his research: many organizations are scrambling to reorganize in a fight for their survival and must develop strategically aligned, comprehensive employee/supervisor development programs. As discussed above, it is estimated from practitioners who have worked in the field of leadership development that approximately 80 percent of the learning and development of employees who eventually move into senior management originates from experience, approximately 10 percent of this learning and development is generated in classroom education and training, and approximately 10 percent is developed through coaching and mentoring. These percentages reinforce the practice of providing meaningful developmental experiences to develop leaders. However, regardless of the percentages, the state of the practice is to emphasize developing supervisors/ employees in the context of the ongoing work experience instead of taking supervisors/ employees away from their work environment to develop (SHRM, 2007).

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