



October, 2012

Vital Business Solutions Newsletter

Employee Development: Why It's Needed

Human Resources Development (HRD) or **Employee Development** is important in meeting current and future job demands. Helping employees acquire the relevant skills and knowledge to be successful, in turn, brings success to your organization. HRD helps ensure that employees understand the company's mission and strategy and provides them with confidence and a sense of ownership to perform effectively for the business. HRD must directly link to the business needs and planned with the employees and specific outcomes in mind. Below are a few areas that can be enhanced and managed with HRD:

Retention

Employee retention helps reduce productivity and quality gaps in your business. How you acquire and manage the talent for your business is critical to the level of retention achieved. In addition, good business leadership lends itself to retaining high performers. High performing employees are interested in the **direction of the company** and the **meaningful work they can do** to spur the company's growth. When employees are not clear about expectations and direction and do not trust the leadership, they cannot contribute in a manner that is beneficial to the business and to their personal and professional development. Therefore, there is a higher risk that they will take their talent to your competitors, if those companies offer **more employee engagement**. As part of employee development, employers should share the business goals in order for employees to support the mission and feel engaged enough to work toward those goals.

Increased Job Knowledge

Having the skills and knowledge required for the job and knowing how to operate in a specific work environment or industry are important to employees. These are considerations from both the employer and employee perspectives during the talent acquisition process. However, as employees perform their jobs, there should be opportunities for them to gain additional job knowledge. It could be new knowledge to meet changing market conditions or to meet new regulatory requirements in the industry in which you operate. Among the HRD activities that can help increase job knowledge are sharing company and industry information, sponsoring conference participation, and challenging employees to stretch their goals to include higher-level projects.

Empowerment

Information is key to employee empowerment. Do your employees feel they have enough of the right information to make business decisions? How many of your employees can articulate the reason your business exists? How many know when and how business decisions are made? How many know the final outcome of their

contribution to the business? Knowing the answers to these questions will empower the employee to make sound decisions on behalf of the company, which will keep business processes moving along. In addition, getting information quickly and accurately is as important as getting the information itself. Knowledge workers not only need the information; they also need the technology to receive the information quickly while they are on the go. The workforce has changed in a manner that employees are often not frozen behind a desk at the office. Increasingly, businesses are seeking to fill seller/producer positions with employees that can do the technical work as well as bring business to the company. Having the right type of information will allow them to be more effective in both aspects. Line workers also benefit from receiving information to make good decisions. In addition to providing information, listen to your employees, coach them, and provide timely and appropriate feedback.

Motivation

How successful will your business be with a pool of talented people that have little or no motivation?

Further, are your leaders motivated enough to inspire their staff?

From posting a position, recruiters begin to look for candidates that display some type of self-motivation.

However, employers need to realize that the things that motivate one employee may not motivate another.

Motivating your team members individually or as a group takes some thought and should be seen as an ongoing process. Leaders should find out what motivates them and what motivates their employees, as well as ensure

that employees' goals align with the business' goals. From here, develop a motivational plan that include systems, policies, and procedures that will inspire employees and support the business simultaneously.

The motivational process should be an ongoing process.

Morale

Employees have separated from companies due to low morale within the company. How do you prevent this from happening to you? Part of employee development is to help employees uncover and promote the high points of their personal and professional lives. Some of the activities you can do to help boost morale are to listen to employees - an open-door policy helps; use their suggestions in developing policies and procedures; reduce bureaucracy and give access to management; strive for a family-oriented environment; make sure employees understand they are an important part of your business; build solid teams; and reward employees for their hard work.

Cross Training

Do business processes come to a halt when an employee is terminated, is on extended leave, or even out of the office for only one day? Cross training is an important HRD activity that benefits the employee and the employer: the employee gains new skills and experience; and the employer experiences less interruption in productivity and quality. Cross training can take place in many different forms from job shadowing, to formal in-house training, to working on cross-functional projects. It can also be done for all position levels, for an example, an HR or Administrative Assistant can be trained on receptionist duties and vice versa; a Division Manager that is responsible for revenue stream into the business from a particular service or product can be trained on generating revenue from a different type of service or product.

What Happens When You Don't Provide Employee Development

Businesses that do not provide employee development tend to lose their top talent and become less competitive as markets change.

Higher Turnover

Employee turnover in a company is inevitable and the acceptable rate differs by industry. However, when the turnover ratio exceeds the "normal", it becomes a concern for the employer. High employee turnover can disrupt the flow of business and

negatively impact profit. It also impacts the company's reputation, resulting in difficulty to attract high performers to the company.

HRD can reduce the turnover rate by helping employees develop their individual career plan and provide the resources and mentors

to help them meet their career goals. If an employee is not happy at work, turnover usually occurs within the first two years. Therefore, it is important to begin HRD

activities as soon as a new employee starts and continue through the end of their career with the company.

If turnover is not addressed through employee development, then it can lead to even higher turnover as employees are recruited by their former co-workers or they are simply no longer motivated due to the low morale that accompanies a high turnover. In addition, there is significant cost associated with replacing employees.

Skills Gaps

Without development to close the skills gap, your business could suffer due to work not done when one is out of the office or leaves the company. To reduce or eliminate skills gaps, employers should involve employees in the full life cycle of business processes. All employees do not have to be responsible for all of the steps within a process as their core function; assigning duties depends primarily on the current and future needs of the business and the employees' capabilities. However, it is helpful that employees understand the big picture of their team requirements, as well as the end-to-end processes for completing the various tasks, so they can perform efficiently in a different capacity when needed. Otherwise, underdeveloped staff could eventually become unskilled and unable to contribute to company growth.

Lower Morale

Low morale could get even lower when employers do not exhibit loyalty and enough care toward employees to develop them. If employees are not treated as part of the business family, they will not feel a sense of belonging, which could result in less commitment to the team and to the business in general.

The HRD functions of providing development activities, aligning training with business strategies, and managing knowledge are very crucial to the success of the business and its employees. Contact Vital Business Solutions if you need an HRD system that will help your business promote learning as a solution to fulfill business objectives and help you adapt to a change in your environment.

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Is your Employee Handbook updated for 2013?

We can help you with your Policies & Procedures Manuals!

VBS can update your Employee Handbook and HR forms. An Employee Handbook identifies management's objectives, outlines company rules and regulations, and identifies the company's expectations.

Let us know if you need the following documents:

- Employee Handbook
- Policies & Procedures Manual
- Human Resources Forms
- Job Descriptions
- HR Audit/Assessment

Get everyone on the same page!