



Employee Development

Psychology 450/550

Training & Performance Support

Introduction to Employee Development

- What is development?
- How does it differ from training?

Employee development consists of experiences and training opportunities designed to enhance current employees' knowledge and skills. The key difference between training and development is that training is designed to address current performance problems, whereas development focuses on preparing employees for future assignments.

Employee development tends to focus on managers, but can be used for other employees as well. It is important for companies because it helps retain employees and ensures that the organization has capable employees for filling positions throughout the company. For example, the University of Idaho offers faculty and staff the opportunity to take classes at very reduced rates as a way to develop employees' knowledge and skills.

Many companies will emphasize a "promote from within" philosophy. This practice helps ensure that employees will see a career path at the organization and is important in ensuring that valuable employees are retained. The company also benefits by having a pool of skilled and talented workers to choose from to fill higher positions in the company (as opposed to having to find outside candidates to fill positions, which can be quite costly when considering the costs of recruitment and selection). Thus, in order to successfully utilize a "promote from within" philosophy, companies must demonstrate a strong focus on employee development to ensure that there is a steady supply of talent to fill positions. Of course, one potential drawback of spending time and money on employee development is that employees can choose to leave and utilize those skills working for another company.

Approaches to Employee Development

- (1) Formal education
- (2) Assessment
- (3) Job experiences
- (4) Interpersonal relationships

Organizations may encourage employee development through a number of methods. In the slides that follow, we will discuss four general approaches: formal education, assessment, job experiences, and interpersonal relationships.

Note that I am presenting these approaches as separate, but they frequently would be used in combination. For example, an executive coach (which would fall under the “interpersonal relationships” category) might help improve a manager’s skills by having the manager go through an assessment center (which is an assessment procedure that we will discuss later). These approaches are usually used together to foster an employee’s development.

(1) Formal Education

- “Mini” or short courses
- Executive MBA programs
- Tuition reimbursement



Companies may decide to develop employees through the use of formal education. This typically involves employees taking courses at local universities, but some very large organizations have created their own formal educational facilities to develop employees.

These formal educational offerings may consist of “mini” or short courses that may be custom designed to meet the needs of a particular company. For example, a company experiencing rapid change may contract with a university to develop a course on managing change to deliver to their managers.

In addition, the formal educational offerings may involve degree programs, such as executive MBA programs. Generally, these offerings are designed to be very flexible and may involve self-study and online components to allow employees to continue to work while taking these courses. Executive MBA programs are designed to allow managers earn a degree similar to a standard MBA without requiring managers to leave their jobs for the typical 2 year commitment required of MBA programs. These executive programs are usually offered through Colleges of Business at various universities throughout the country (the University of Idaho has recently added an executive MBA program) and typically involve a combination of on-site and distance education programs.

Another option is tuition reimbursement. Some organizations will reimburse their employees for attending courses or earning a particular degree. This frequently, though not always, involves distance education programs. For example, the psychology department offers a master’s degree in human factors that is offered via distance. Some of the students are able to take these courses because their employer is paying the course fees. In some cases, organizations may want the employee to earn a degree that is relevant to the employee’s work, but in other cases they may leave it up to the employee.

(2) Assessment

- Personality tests (e.g., MBTI, 16PF)
- Assessment centers
- 360-degree feedback systems
 - Upward feedback

Assessment is the process through which we assess an employee's skills and abilities. The organization may use this to identify high potential employees, who then may be guided to other developmental experiences to further develop their skills. This information is often used to provide feedback to managers regarding their strengths and weaknesses so that they can try to make improvements.

Ability and personality tests are often used in the assessment process. As one would guess by the title of these tests, cognitive ability tests are used to assess one's intelligence and personality tests are designed to measure one's personality. These tests are usually used more for identifying high potential employees rather than for delivering feedback regarding strengths and weaknesses. The reason is that these tests are designed to measure stable attributes of individuals; that is, characteristics that we would not expect to change much. In some cases, however, these tests may be given to employees to give them greater awareness of their abilities. For example, the Myers-Briggs Type Indicator is a personality test that is frequently used to give people insight into their personalities. Note that while this test is frequently used in organizational settings, most psychologists question the validity of the test. However, it may be useful simply as a tool to get people started discussing issues regarding working and communicating with others. A more psychometrically sound test, such as the 16 PF or the NEO-PI, would be more likely to be recommended by psychologists for use in assessing one's personality.

Assessment centers are another method used to assess employees. Assessment centers consists of a series of exercises, such as role plays, in-basket exercises, and leaderless group discussions. They are usually designed to assess various skills and abilities relating to managerial performance. Research has demonstrated that assessment center ratings are positively related to job performance and career advancement. The drawback is that the construct validity of the ratings are problematic. In other words, the assessment center ratings predict important outcomes but we are not really sure what is being measured by the assessment center. For example, leadership ability is frequently assessed through multiple exercises in an assessment center and so each candidate would receive a rating regarding his/her leadership ability for each exercise. We would expect that a candidate with leadership ability would receive similar ratings of their leadership ability across exercises. However, research tends to find that the ratings tend not to converge; a candidate might be rated as high on leadership in a leaderless group discussion, but wouldn't necessarily receive a high rating for leadership in a role play. Research continues to explore this problem.

Finally, many organizations have implemented 360-degree feedback systems to help assess an employee's strengths and weaknesses. A 360-degree feedback system involves gathering feedback from everybody around the employees. Thus, information would be gathered from the employee's supervisor, the employee's peers, and the employee's direct reports. An upward feedback system is one that only involves an employee's direct reports (i.e., subordinates). Research has demonstrated that feedback from multiple sources usually leads to performance improvement, although the effects are usually quite small (Smither, London, & Reilly, 2005).

(3) Job experiences

- Job enlargement
- Job rotation
- Transfers and promotions
- Temporary assignments/projects

Employee development also occurs through job experiences. These are probably the most common ways of fostering employee development.

Companies may enlarge the employee's job. This entails giving the employee most responsibilities and/or more tasks. Job rotation may also be used, which involved rotating the employee through different functional areas of the company. Job rotation appears to be particularly common to prepare managers for high-level positions within the company. For example, you might spend time in marketing and then be transferred to do a stint in finance. The idea is that an executive will be more effective if he or she has a good understanding of all the different parts of the business.

Transfers may also be used to enhance an employee's development. These usually involve moving employees to another location to perform a similar job. For example, an employee working in domestic sales may be transferred to perform a similar job in another country.

A promotion would involve taking on a different job that involves more responsibility and challenge.

Finally, organizations may utilize temporary assignments or projects to help expand an employee's skills.

(4) Interpersonal relationships

- Mentoring
 - Formal or informal
- Coaching

The last approach to employee development focused on interpersonal relationships. Mentoring involves having a more experienced employee provide guidance and advice to a less experienced employee. Mentoring can be formally mandated by the company, where the company assigns mentors, or it can occur informally. Because of the potential of Informal mentoring to leave out underrepresented groups, many companies have adopted formal mentoring programs.

Although we tend to think of mentoring programs are being primarily a benefit to the less experienced employee, the more experienced employee can receive many benefits as well. They may improve their skills in mentoring and developing employees, which will likely be very helpful to them as they move up the corporate ladder. Also, it may help the mentor learn about new and innovative developments.

Another interpersonal relationship involves having a personal coach. This may be another employee within the company or could be an outside consultant. The role of the coach is to help you improve your performance. If the coach is an outside consultant, they will probably assess the employee's current skills and then work with the employee to develop a plan to improve the employee's skills. The advantage of hiring an outside consultant to serve as a coach is that the employee may be more willing to honestly explore his or her weaknesses. On the other hand, a coach who is also an employee of the same company may have a better understanding of what it takes to be successful at the company and may have a strong relationship with the employee that is based on working closely with this person for a number of years.