

Talent Development | Supporting Research & Measuring ROI
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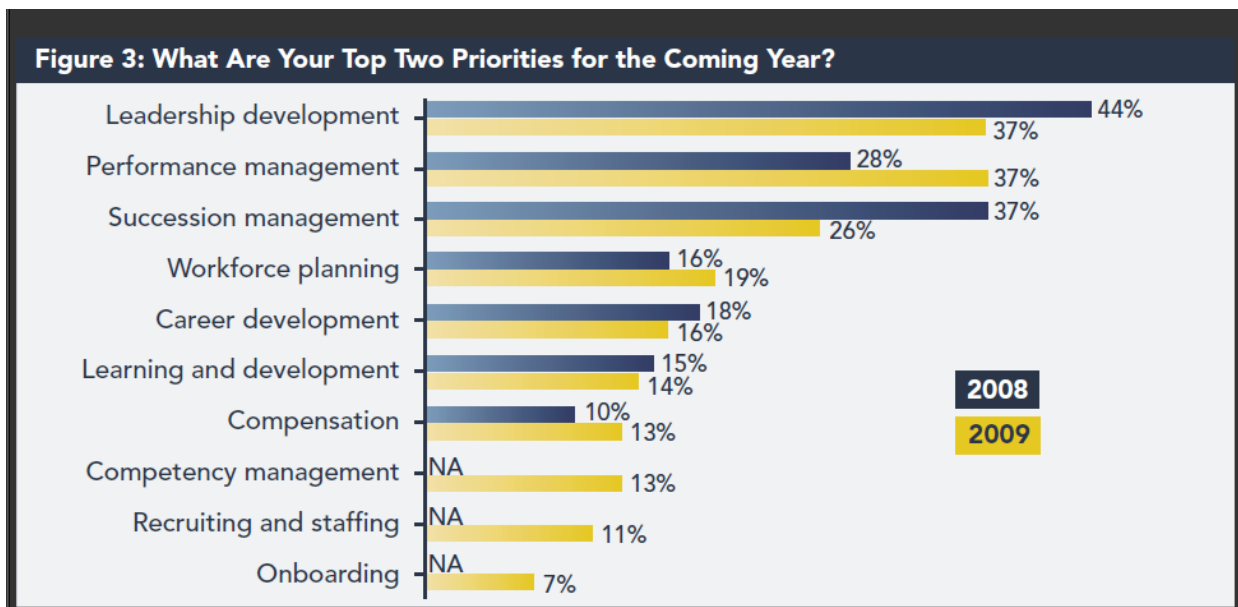
The Employee Perspective:

Global consulting firm Blessing White conducted a surveyed in 2007 with nearly 1,000 executives and professionals worldwide, which concluded that:

- Only one in two respondents overall believed they have decent career opportunities with their current employer.
- Over a third expected their next career move would take them to another employer.
- While most respondents acknowledged that they don't expect their employer to provide a career path, less than half knew what they wanted to do next.

The Employer Perspective:

Leading research and advisory services firm Bersin & Associates found that while career development programs has been a top five initiative for HR organizations it surveyed in the last two years, almost one-half of all organizations have no career planning process in place.



Source: Talent Management – State of the Industry , <http://www.hreonline.com/HRE/printstory.jsp?storyId=215103143>



Why is career development a top five priority?

Critical goals for employers in implementing a career development program are **employee engagement and retention.**

Employee engagement is becoming a critical business issue and refers to the degree of commitment to, and willingness to stay with an employer. Consulting firm, Towers Perrin found a link between employee engagement and business results. According to the Corporate Executive Board, the percentage of employees displaying high levels of discretionary effort dropped sharply between 2005 and the first quarter of 2009.

How to integrate career development into talent management initiatives

According to Bersin & Associates, "Career management is complex. It requires the involvement of the employee, the manager, HR and the company..." "It also necessitates a close alignment with performance management, succession management, and L&D. A solid understanding of an employee's current performance, the availability of developmental opportunities and resources, and an alignment with a company's succession plan are critical. Clearly not a standalone function, career management is effective only to the extent that the talent management programs are integrated."





Source: Bersin & Associates, 2009.

Measuring the ROI?

ROI can be measured in terms of retention metrics. Two separate studies show a correlation between perceived lack of career development opportunities and retention.

As mentioned earlier, Blessing White's 2007 study of nearly 1,000 executives and professionals from 33 countries found that too many employees are at risk of leaving. Only 48% of respondents thought they had decent career opportunities with their current employer, and over a third (39%) expected their next career move would take them elsewhere. A more recent British study (July 2009) by the Chartered Institute of Personnel and Development (CIPD), found that **34% of 3,000 employees surveyed indicated that they would change jobs within the next year in an ideal world.**

To assess the ROI on a career development initiative, Deloitte's experience is noteworthy. In a three-year period after the inception of its "Career Connections" program, Deloitte reported that its career consultants provided one-on-one and team counseling to 4,800 employees, resulting in 650 employees remaining with the organization who would otherwise have left. In the first year of the program alone,



Deloitte estimated a savings of \$12M in turnover costs. (Turnover cost calculation was assumed to be 1.5 times an average annual salary of \$74,000 for employees between the levels of Paraprofessional and Senior Manager).

Organizations can identify the ROI aligned with the movement, or lack thereof, amongst high-potential managers and high performers through GM and EVP levels targeted to utilize this career development benefit.

IMPACT Group Talent Development program supports employees with the ability to self-manage their own careers more effectively, thereby reducing organizations time and cost as it relates to attraction and retention of key performers and high potentials.

Providing the right platform will help answer some of the following questions.

- How does one move through the organization effectively?
- How do I develop the skills required to move to the next step of management? What are the expectations at specific job levels?
- Where are the additional opportunities within the organization (and how can I get there)?

These are some of the many questions organizations want to address with the implementation of a Talent Development program.

