

# Whitepaper

---



Workplace Relationship  
Development Indicator

## Improving the Bottom Line: A Diagnostic Approach to Enhancing Workforce Alignment Through Career Development

By Colin Beames (MBA, BA, BEng, MAPS)  
Corporate Psychologist  
Principal, WRDI Institute Pty. Ltd.

Released March 2003



---

## Introduction

Today's world of work requires that people be constantly growing and increasing their value to the organisation. The development of organisations through development of their employees is an intuitively appealing concept. As individuals are provided with the opportunities to develop their careers (consistent with the needs of the business), their levels of engagement with the organisation and job satisfaction will most likely be enhanced, leading to higher levels of workforce alignment, retention and performance. Career development can therefore constitute the agent of change for creating a development culture, with associated bottom line impacts. It should no longer be seen as a stand alone activity: rather it should support the growth of individuals in ways needed by the organisation.

This white paper presents a case for the organisational and individual benefits accruing from an integrated approach to career development. It outlines a scientific approach to achieving these benefits. Initially, a context for this approach is presented with a background to contemporary career development issues, including the implications for both organisations and their employees. A basis for assessing the status of employees' careers is then discussed, which incorporates a model of the psychological contract. The WRDI™ - an employee career management tool, is then introduced as the "front end" diagnostic underpinning a comprehensive career management / development and workforce alignment program. Some case studies are provided to illustrate the approach.

## Contents of This White Paper

|                                                                                                               | <b>Page</b> |
|---------------------------------------------------------------------------------------------------------------|-------------|
| <b>Introduction</b>                                                                                           | <b>2</b>    |
| <b>Key Assumptions Underlying This Approach</b>                                                               | <b>3</b>    |
| <b>Career Development in the Contemporary Workplace</b>                                                       | <b>4</b>    |
| <b>Assessing the Status of Employees' Careers</b>                                                             | <b>8</b>    |
| <b>The Psychological Contract</b>                                                                             | <b>12</b>   |
| <b>The WRDI™ Survey and the Psychological Contract</b>                                                        | <b>14</b>   |
| <b>The WRDI™ Approach to Career Management / Development and Workforce Alignment</b>                          | <b>17</b>   |
| <b>WRDI™ Case Studies</b>                                                                                     | <b>22</b>   |
| <b>Bottom Line Impacts Revisited, Essential Elements for Program Success, and Summary of Program Benefits</b> | <b>23</b>   |



*“True empowerment comes from taking charge of one’s career.”*

---

## Key Assumptions Underlying This Approach

Key assumptions underlying this approach are:

- the characteristics of organisations and workplaces, and the notions of employment and careers have changed;
- the "old deal" between organisations and workers, based on the straightforward exchange of job security, career development and material rewards for loyalty and service, is dead;
- employees' expectations of what organisations may / should provide to them have changed;
- alignment of the workforce is critical to organisational performance and survival;
- relationships are foundational - productive employment / workplace relationships are created through healthy dialogue which addresses the continually changing needs of both parties;
- development (career) is a shared responsibility; and
- true empowerment comes from taking charge of one's career.

Furthermore, in any typical organisation, it is assumed that there will be significant numbers of employees who:

- are either disengaged and / or dissatisfied (in their job), and therefore likely to require some career management / development assistance;
- are operating under the old career model (i.e., one career with one or two jobs over 40 years of continuous employment), and the more paternalistic "old deal"; and
- are at risk of, or likely to leave, either because of dysfunctional organisational factors or limitations (e.g., perceived lack of opportunity to develop their careers).

Note:

1. *WRDI Institute findings from a number of projects undertaken across a variety of organisations indicate that around 40% of the workforce may be either disengaged, dissatisfied and / or at risk of leaving the organisation (refer page 16 for WRDI™ survey data as presented in the Workforce Retention and Alignment Report).*
2. *Lower levels of engagement and job satisfaction are linked to lower levels of performance (refer page 9).*
3. *People also leave organisations for reasons other than those related to the organisation (e.g., personal, family, new career direction, etc.), and generally this category of turnover is outside the influence or control of the organisation.*



---

## Career Development in the Contemporary Workplace

### Careers are Important

***Career is the evolving sequence of a person's work experience over time.***  
(Arthur, Hall & Lawrence)

*“Under the “new deal” employment relationship, career management has now become much more the employee’s responsibility.”*

Careers are an important part of who we are. An individual's career has a major impact on their life. Under the “old deal” employment relationship between employer and employees (which operated up to the mid to late 1980s), employers virtually guaranteed job security and assumed the major responsibility for an individual's career. In return, the employee provided loyalty and service to the employer. However, the paternalism and dependency which characterised the industrial age is no longer applicable.

Due to the impacts of globalisation, technological change, and pressures to provide adequate returns to shareholders, organisations are much more limited in what they are able to offer their employees by way of long term guarantees. Under the “new deal” employment relationship, which is more “exchange based” (i.e., what's in it for the employee as well as what's in it for the organisation), career management has now become much more the employee's responsibility.

Some critical career management questions include:

- *What does the concept of a career mean in the contemporary workplace, given flatter organisational structures and no long term guarantees?*
- *How much responsibility should the organisation take for the career development of their employees?*
- *What are some of the key career challenges which employees are facing in the contemporary workplace?*

### The Old Career Model

Prior to addressing these critical questions, a summary of key features of the traditional career model has been presented below. The traditional or old career model was characterised by:

- a series of upward moves with steadily increasing power, status and income, where organisations were structured like pyramids;
- employees staying in one career with 40 years uninterrupted work, sometimes with the one organisation (which was typically rewarded with a presentation of a gold watch on retirement);



*“The rungs on the corporate ladder have become broken or obsolete! The career ladder has been replaced by career lattice.”*

- employees moving through one cycle of discrete career stages (e.g., exploration, establishment, maintenance, and decline);
- a continuous and relatively stable process where people had a single career identity; and
- career development being more the responsibility of the organisation.

However, the rungs on the corporate ladder have become broken or obsolete! The career ladder has been replaced by career lattice. Some employees are suffering from "career shock"; the clash of expectations with reality! In today's turbulent workplace, some jobs / occupations have almost disappeared, whilst new ones have emerged. New career possibilities, with seemingly previously unrelated combinations of disciplines, now constitute viable career paths (e.g., law and information technology).

Whilst most employees are being forced to rely more on their own resources, some employees have become more "free agents", whose organisational loyalty and attachment has become tenuous. Thus there are some serious implications for employers with these trends. Whilst many organisations now enjoy more flexible work practices, their ability to compete is predominantly vested in their people. Organisations therefore need to energise and retain their key talent and valued employees, who are critical to the success of the enterprise?

#### **What has Replaced the Old Career Model?**

***The shift from a traditional career model to a new model confronts us with a problem outside our experience! No norms exist to tell us how to evaluate, plan, review, analyse, promote or otherwise live out the new career. The largely static, restrictive assumptions of the old view of careers and organisations needs to be replaced by a more dynamic, knowledge driven model.***

(Arthur)

On average, an individual will have between two to three career changes, and seven to nine jobs, over their working life. Given that the old career model is relatively obsolete, what has replaced it? What is the new career model?

The answer to this question is not a straightforward one. There is no one single new career model, but a number of models, including:

- **the spiral career** - a combination of vertical and lateral career moves and life experiences;
- **the boundaryless or portfolio career** - a series of interwoven projects, patchwork of contracts / activities, where a person's career is not "bounded" by an organisation;
- **the protean career** - the adaptable career (Proteus was a Greek god who could re-invent himself and adapt to any situation);



*“Employees need to take more responsibility for their career, develop new “career mindsets”, and develop more of an inner focus.”*

- **the hyphenated career** - where a person's work life may be interrupted by periods of unemployment or "time out" for family or other personal reasons;
- **the internal career** - a person's perceptions and self-constructing of their career, where the importance of career script and psychological success (pursuing one's own purpose, goals and values and a search for inner meaning and connectedness), is emphasised.

All of the above models involve a more holistic concept of careers, looking at the whole person and their career within their total life: not just in terms of their occupation.

### **Implications of New Career Models for Employees**

The implications of new career models for employees typically include the following:

- assuming greater responsibility for their career management and development (we are all self-employed!);
- coming to terms with issues of self-definition (who am I?), and normlessness (what are the rules?) - particularly for older workers who have grown up under the old career paradigm;
- the need for personal identity development and strengthening (one's identity is no longer so closely tied to the organisation);
- development of career sub-identities (with dual qualifications and / or multiple occupational identities and / or industry associations); and
- the possible need for frequent reinvention.

In short, employees need to take more responsibility for their career, develop new “career mindsets”, and develop more of an inner focus. Career growth is now one of self-actualisation or self-fulfillment, of:

- doing one's own thing and following one's own destiny; or
- developing one's own "personal compass"!

***Your only sustainable competitive advantage is your ability to learn!***  
(Hakim)

Career development now requires a commitment to lifelong learning given the rapid explosion of new knowledge. However, it may be difficult to balance time for learning against the demands of the job and/or the family or other responsibilities.

Careers may need to be built both across and within organisations - staying too long may erode employment value! Career diversity is now much more valued in the contemporary workplace, and "employability" has now become much more important than employment!



*“These changes in meaning and emphasis pose significant personal development challenges and demands for many employees.”*

---

Job security:

- now lies more within the individual;
- is not so dependent upon the organisation;
- is a readiness and willingness to adapt!

Thus these changes in meaning and emphasis to the terms “careers” and “career development”, pose significant personal development challenges and demands for many employees.

However, some employees lack the information, skills and insight to manage their own career effectively. This is especially the case with some older employees who have been brought up under the “old deal”, where the opposite behaviour to what is described above may have brought success. Career development is no longer a “one off” event following completion of secondary education (which involved making a choice and the completion of initial training or education), but rather a life long process. Fundamental to successful embracing of the above concepts, is the mindshift which extends beyond intellectual acceptance to a deeper, emotional level of acceptance.

### **Implications of New Career Models for Organisations**

The role for organisations in the career development of their people has now become one of more support and assistance. This may typically involve:

- providing access to career development knowledge, resources and techniques (including, where appropriate, online services, independent professional career guidance and coaching, etc.);
- training and development on themes such as resilience, transitions, etc.;
- encouraging continual learning in the form of training and development (including a recognition of external studies);
- fostering a career management and development ethos in the organisation (which may involve typical career pathing prospects, regular career development discussions where the continually changing needs of both parties can be reviewed, etc.); and
- the accommodation of a variety of career needs of employees (consistent with the needs of the business).

Against this background, organisations need to develop healthy and productive relationships with their workforce, which include:

- **“deals” which are attractive and externally competitive** (i.e., jobs which include an appropriate mix of both “extrinsic” factors such as pay, as well as “intrinsic” factors such as autonomy, recognition, etc.);
- **the rebuilding of trust** (eroded as a consequence of the continually changing workplace, the failure of many downsizing and restructuring programs to reach their stated goals, and other *ad hoc* or “band aid” approaches aimed at organisational survival); and



*“A manager who is unsure about his or her own career direction, training and development needs, is hardly in a position to assist subordinates.”*

- 
- **favourable work environments and the addressing of dysfunctional organisational factors or limitations** (i.e., managing the “push” effect that may contribute to avoidable turnover).

The outcome of the above support, assistance and relationship building, is a more engaged and satisfied workforce.

### **Implications of New Career Models for Managers**

Most managers have a responsibility to develop their people. Furthermore, career management and development constitutes the central theme of individual development. It therefore follows that basic career dialogue / counselling skills should form an essential or core management competency.

However, for managers to assist and develop their people, they need to be confident about their own career management and development. A manager who is unsure about his or her career direction, training and development needs, challenges, etc., is hardly in a position to assist his or her subordinates. Managers therefore need to have:

- a deeper appreciation / understanding of what constitutes a career in the contemporary workplace, the issues and challenges facing employees, and the attributes required to “survive and thrive”;
- worked through their own career management and development issues;
- demonstrated the personal qualities that contribute to a climate of trust and openness with their subordinates; and
- developed some basic skills towards engaging and assisting others in their careers.

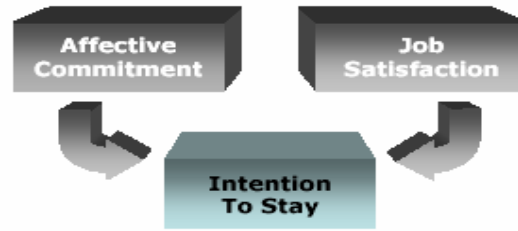
## **Assessing the Status of Employees’ Careers**

### **A Starting Point**

Satisfaction in the job and the level of engagement (or affective commitment / emotional attachment) with the organisation, would seem to be an appropriate starting point to assess the status of an individual’s career management and development.

Job satisfaction may also be viewed as an indication of person – job “fit”, and affective commitment may also be viewed as an indication of person – organisational “fit”. These two measures provide answers to the two vital questions:

- ***Is this individual happy / satisfied in their job?***
- ***Is this individual happy / engaged in working for the organisation?***



### Critical Measures for Assessing an Individual’s Career Status

These two measures thus provide an overall assessment of the individual’s work life quality and status of career management. However, beyond the above two questions, lies a third question:

- **Is this individual intending to stay with the organisation?**

The answer to this third question has obvious implications for both the individual and the organisation (refer next section for a more comprehensive analysis).

Note:

*Job satisfaction and affective commitment are also the two major predictors of intention to stay, which in turn, is the major predictor of retention.*

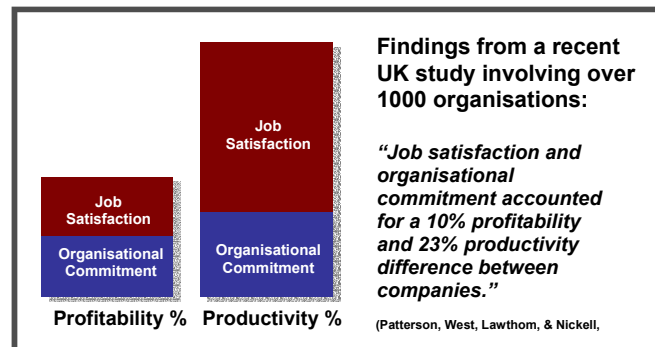
### Career Management Status and its Linkage to Organisational Performance

From an organisational perspective, research has shown that higher levels of job satisfaction and engagement / affective commitment, are linked to:

- higher retention;
- less stress;
- higher levels of performance; and
- higher levels of customer satisfaction.

The findings from a large UK study confirm a direct link between job satisfaction and organisational commitment (i.e., affective commitment or engagement), to the bottom line.

*“The findings from a large UK study confirm a direct link between job satisfaction and organisational commitment to the bottom line”*





---

*Note: In this study, organisational commitment is equivalent to affective commitment.*

Hence there is a benefit for both the organisation and the employee in achieving higher levels of workforce alignment (i.e., higher levels of job satisfaction and affective commitment). However, one of the biggest challenges facing organizations is to engage and energise individuals at all levels, so they commit to where the organisation is going. Research by Murlis and Schubert (2001) from the HayGroup confirms that many companies are not succeeding in engaging the “hearts and minds” of their employees. From a study over four years of about 1 million employees from more than 330 companies, these researchers reported that:

- a huge % of “engine room” employees are disengaged; and
- the amount of value-added discretionary effort that people apply to their jobs varies tremendously.

### **Career Implications: Classifying Employees According to Retention Risk, Satisfaction and Engagement**

The WRDI Institute has developed an innovative typology or classification of employees, according to three critical measures of an employee's:

- intention to stay;
- job satisfaction; and
- affective commitment.

Individuals are identified in the first instance according to their retention risk as:

- **Stayers;**
- **At Risk;** or
- **Leavers.**

Thereafter, a more "fine grained" classification can be applied to each of these three categories. The examples below provide evidence of why these three measures impact significantly on the assessment and associated advice on an individual's career management and development, and the implications for organisations.

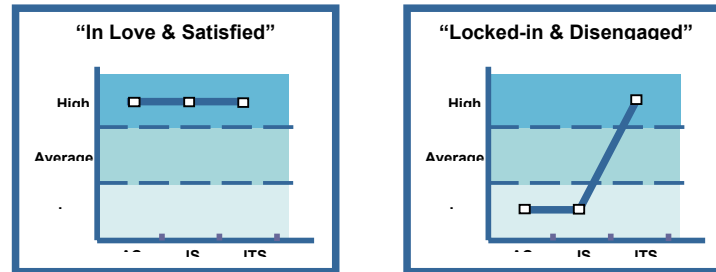
A **Stayer** may be classified as:

- **"in love and satisfied"** (high job satisfaction and affective commitment), and therefore unlikely to leave the organisation, at least in the medium term; or
- **"locked in and disengaged"** (low job satisfaction and affective commitment), possibly:
  - seeing too few opportunities outside the organisation, or
  - feeling that they have too much to lose by leaving, or
  - being unprepared to take risks with their job or career, or
  - otherwise feeling that work is not such an important part of their life.



A "locked in and disengaged" employee, should consider career counselling and advice, as it is likely that the quality of their work life and enjoyment of life in general is being adversely affected. Most likely they need to either:

- re-invent themselves, or
- change their job, or their career, or their employer.



AC = Affective Commitment JS = Job Satisfaction ITS = Intention to Stay

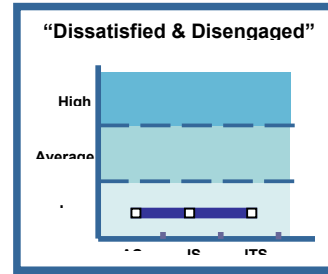
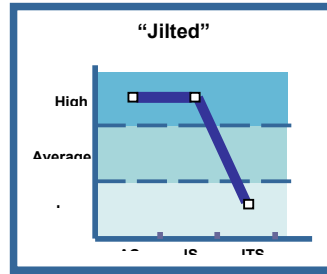
### Stayers

A **Leaver** may be classified as:

- **"jilted"** (high to moderate levels of job satisfaction and affective commitment), possibly:
  - seeing insufficient career opportunities compared with those outside, or
  - performing poorly, or
  - may be leaving for personal reasons unrelated to the organisation; or
- **"dissatisfied and disengaged"** (low to moderate levels of job satisfaction and affective commitment), being disenchanted with work life in general, possibly:
  - seeking a career change, or
  - seeking employment opportunities with another organisation in a different job.

A high performing "jilted employee", may be open to offers concerning their career development within the organisation, rather than going elsewhere.

However, a "dissatisfied and disengaged" employee is unlikely to reconsider their intention to leave, nor would it probably be in the best interests of either party for them to stay.



AC = Affective Commitment JS = Job Satisfaction ITS = Intention to Stay

### Leavers

Note:

Refer aggregated findings of affective commitment (engagement), satisfaction and intention to stay in the WRDI™ Workforce Retention and Alignment Report on page 15.

## The Psychological Contract

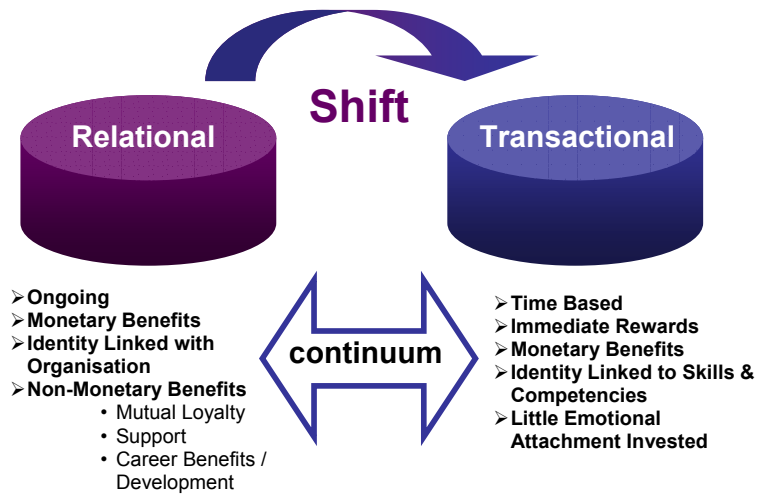
### Diagnosing What Lies Behind the Three Critical Measures of Engagement, Satisfaction and Intention to Stay

Whilst the above typology is useful in providing an overall understanding of an individual's work life and career status, what are the key drivers lying behind employees' satisfaction and engagement? It is here that the concept of the psychological contract is useful in unlocking the mystery surrounding the explanation of employees' satisfaction and engagement.

The psychological contract represents the "essence" of the employment relationship. Relationships are important, be they in the personal domain or work related. The nature and quality of any relationship impacts on the commitment and satisfaction of the parties (to that relationship), and their intention to stay.

### Shift in the Psychological Contract

Psychological contracts vary in a continuum from "relational" to "transactional", with a shift having occurred towards the latter in more recent times. Of course the significance of this shift is intuitively obvious against the background of the old deal and changing career models.



### The Psychological Contract Shift

*Survey results from a recent major U.K. study have confirmed that the psychological contract is a key explanatory variable in contemporary employment relations with the state of the psychological contract influencing behavioural outcomes such as motivation at work, organisational citizenship behaviour and intention to leave the organisation.*

(Guest & Conway, 1997)

### A Model of the Psychological Contract

The psychological contract is defined as *the stated and implied set of expectations, obligations, and understandings, operating between employees and their employer*. It is not a legal document, but it is nevertheless "real" in the minds of both employees and employers.

The psychological contract comprises both:

- **tangibles** (e.g., pay); and
- **intangibles** (e.g., support, training, advancement).

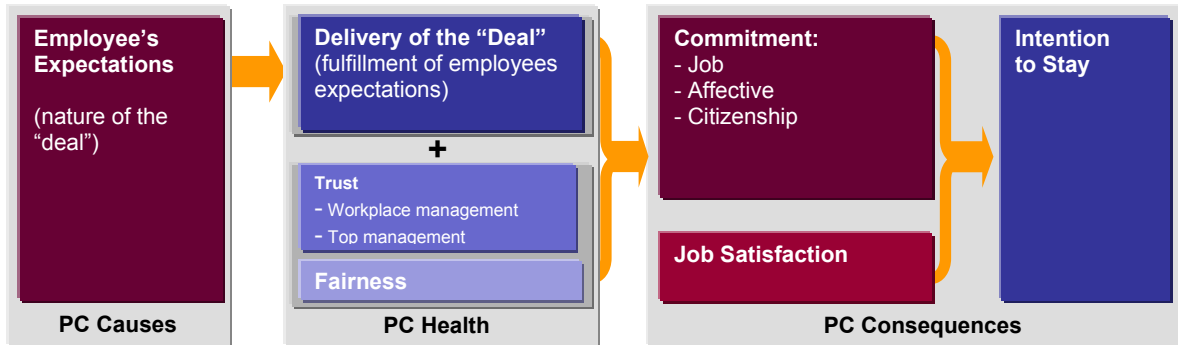
It is a broader concept than an employment agreement or contract, and includes what has been:

- written;
- said; and
- observed.

The state or health and consequences of the psychological contract (PC) has been represented in the model below. This diagnostic model addresses:



- **employees’ expectations or the “deal”** (measured across 16 items grouped into the 4 categories of: rewards/recognition, safety / security, career growth, and social / support);
- **the delivery of the “deal”;**
- **levels of perceived trust and fairness;**
- **levels of commitment** (of which affective commitment is the most critical);
- **levels of job satisfaction;** and
- **intention to stay** (retention).



**A Model of the Psychological Contract (PC): Causes, “Health” and Consequences**

The creation of healthy psychological contracts will result in a more committed and satisfied workforce, leading to reduced turnover or higher retention.

An examination of an individual’s psychological contract addresses the key questions of:

- **Whether the individual is satisfied / happy in their job?**
- **Whether the individual is engaged / attached to the organisation?**
- **If not why not?**
- **Is it because of an “unhealthy” psychological contract (e.g., the “deal” not being met, lower levels of trust and / or fairness)?**
- **Or is it because of poor “fit” to either the job and / or the organisation?**

Note:

*In the case of the latter, this poses some career implications for the individual concerned (i.e., possible career or job change).*

Such an examination therefore addresses some key factors which influence an employee’s level of job satisfaction and commitment / engagement. It also addresses the expectations of employees, providing a basis for changing these, where appropriate, to support new organisational realities.



---

## The WRDI™ Survey and the Psychological Contract

### The Workplace Relationship Development Indicator (WRDI™)

The WRDI Institute has developed a diagnostic survey tool based on a model of the psychological contract called the WRDI™ – which stands for Workplace Relationship development Indicator. The WRDI™ survey and associated individual report, evaluates the "health" and consequences of an individual's psychological contract.

The individual report which is generated following their completion of the WRDI™ survey, provides employees with a new framework to think about their:

- job;
- career; and
- relationship with their employer.

The individual report addresses a number of factors which influence employees' levels of job satisfaction and commitment (be they related specifically to the job or to the organisation in general).

### WRDI™ Individual Report Outputs: A Basis for Career Management / Development

Individual WRDI™ reports may help to:

- validate why individuals feel good about their job;
- validate why individuals feel good about their organisation; or
- identify areas of concern.

Some people may feel a general malaise about their work life, but are unable to determine the specific reasons or causes of their unhappiness. Individual WRDI™ report findings may therefore "surface" issues, providing employees with new insights and "food for thought".

These issues may include:

- areas that they may need to address, concerning either their personal development, their "fit" to the job, or their career;
- concerns within their workplace or organisation;
- concerns or possibilities that they may wish to raise with management;
- their "fit" to the organisation (i.e., level of affective commitment), given that just as organisations are different in their culture, so to are people in their personality characteristics and interests; and
- new possibilities for exploration within the organisation, other than resigning or feeling "stuck" in their job.

*“Some people may feel a general malaise about their work life, but are unable to determine the specific reasons or causes of their unhappiness.”*



Whatever the case, the individual WRDI™ report may:

- serve as a powerful catalyst for regenerating and empowering employees concerning their work life and career development; and
- assist employees to focus directly on any sources of frustration and decide on strategies and interventions to deal with them accordingly .

The individual WRDI™ report findings may open up new possibilities for constructive dialogue between employees and employer about important job and career related matters.

*Note: Refer WRDI web site for a sample WRDI™ individual report and associated profiles. This report is called the Relationship and Career Development (RCD) Report.*

**WRDI™ Aggregated Report Outputs: A Basis for Investment Decisions**

In addition to generating Individual Reports, an aggregated WRDI™ Report output - the Workforce Retention and Alignment Report – is provided as part of the WRDI™ Workforce Alignment and Development Program (see next section). More specifically, this Report (which is generated off approximately 20 items of the WRDI™ questionnaire – see WRDI™ model), predicts::

- how many employees are likely to be “at risk” of leaving, or likely to leave the target organisation; and
- how many employees are misaligned (i.e., have poor “fit”), with either the organisation and / or their job.

**WRDI™ Workforce Retention and Alignment Report  
Executive Summary**

| <b>Retention Risk</b> | <b>Management</b> | <b>Sales</b> | <b>Operations</b> | <b>Technical</b> |
|-----------------------|-------------------|--------------|-------------------|------------------|
| <b>Stayers</b>        | 77                | 73           | 111               | 37               |
| <b>At Risk</b>        | 18                | 27           | 41                | 11               |
| <b>Leavers</b>        | 7                 | 15           | 27                | 2                |

| <b>Alignment</b>                     | <b>Management</b> | <b>Sales</b> | <b>Operations</b> | <b>Technical</b> |
|--------------------------------------|-------------------|--------------|-------------------|------------------|
| <b>Engaged &amp; Satisfied</b>       | 71                | 59           | 80                | 35               |
| <b>Engaged but Dissatisfied</b>      | 14                | 25           | 39                | 12               |
| <b>Disengaged but Satisfied</b>      | 11                | 14           | 29                | 3                |
| <b>Disengaged &amp; Dissatisfied</b> | 6                 | 17           | 31                | 0                |



*“The WRDI™ has proven diagnostic or predictive capabilities, based on statistical modeling and analysis.”*

---

The above Workforce Alignment and Retention Report data thus provides a penetrating insight into likely HR and career management development resources required by the organisation (e.g., recruitment, redeployment, outplacement, etc.). It provides a basis for investment in career management / development decisions, and otherwise provides the link between individual needs and organisational imperatives.

Furthermore, the option of a subsequent WRDI™ Psychological Contract Profile Report (based on the all WRDI™ items and scales – see WRDI™ model), provides the diagnosis lying behind the Workforce Retention and Alignment Report findings. Comprehensive targeted interventions can then be implemented, at an individual, workplace and organisational level, to address deficits. Thus, the WRDI™ approach to career management / development assists in the development of both organisations and individuals.

### **Research Validation of the WRDI™**

The WRDI™ has been developed, based on a research validated model, and incorporates rigorous psychometric properties. It has been tested and verified across the public and private sectors, in a variety of occupational groupings.

The WRDI™ has proven diagnostic or predictive capabilities, based on sophisticated statistical modeling and analysis.

The WRDI™ offers a scientific approach to career management, and the enhancement of workforce alignment and retention risk management. The WRDI™ diagnostic data:

- sweeps aside the mystery surrounding the commitment, satisfaction and retention of employees;
- provides critical human capital measures that link productivity and profitability;
- validates people management practices, quantifies retention risk, and determines whether an organisation is retaining the “right” people (i.e., selective retention);
- identifies causes of disaffection; and
- enables decision-making on targeted interventions that deliver predictable outcomes, on both an individual and organizational wide basis.

## **The WRDI™ Approach to Career Management / Development and Workforce Alignment**

The WRDI™ can be positioned as the lead diagnostic tool for organisations seeking to implement a workforce alignment and development program, using career management / development as the agent of change (called the WRDI™ Workforce Alignment and Development Program). It offers a powerful dual approach, working



---

at a systemic or organisational level (i.e., top down), as well as at an individual level (i.e., bottom up). There are three stages to this Program as set out below.

### **Stage 1: Pre Work**

As a precursor to this Program, up front management commitment is essential. Thereafter, policy which specifies the rules and boundaries for the Program must then be established and implemented. The associated education of managers and employees alike in this policy, is fundamental to the success of the Program. Both parties must be aware of their respective options, and that resources must be directed towards areas of identified need and benefit (to both parties).

The more, for this approach to succeed, managers must have a grasp of contemporary career challenges and issues, and be able to participate in and facilitate mature career dialogue with their subordinates. Given that the development of people is a core management responsibility, and that a person's career goes hand in hand with their development, it follows that managers should be on top of these issues. Of course the development of skills required to facilitate constructive career dialogue, are the same skills required for conducting effective performance appraisals. Hence the training and development of managers in these skills has benefits beyond career management and development.

#### *Note:*

*As part of the education and training of managers, the WRDI Institute has developed a Career Dialogue Workshop, which forms part of the Program (see model on next page under Education and Training of Managers). This Workshop includes a conceptual understanding of contemporary career issues, the WRDI™ and its interpretation, and the verbal skills required to conduct constructive career dialogue (including interaction and practice).*

### **Stage 2: Measurement, Diagnosis and Clarification**

At an organisational level, following the completion of the WRDI™ survey and generation of the Workforce Retention and Alignment Report, diagnosis options of what lies behind this data include the generation of WRDI™ Psychological Profiles (refer WRDI™ Model), by workforce segment (e.g., senior managers, middle managers and professionals, general and front line employees, including a dissection of this information by business unit).

At an individual level, WRDI™ Reports are simultaneously generated with online survey completion, followed by initial debriefing by the WRDI™ Consultant. Further debriefing options are then available, depending upon initial report diagnosis.

### **Stage 3: Interventions**

At an organisational level, decisions on interventions, if any, would typically be considered by the senior management group overseeing the project, in consultation with line management. Examples of intervention options include a review of existing selection and recruitment practices, job redesign / restructuring, salary remuneration review, assessment of training needs, team building, rebuilding of trust, etc.



---

At an individual level, decisions on interventions, if appropriate, would typically commence with a discussion between the employee and management and / or HR. Thereafter, intervention options may include anything from strengthening and consolidation of existing career direction, to job redesign, to training and development activities, to coaching, to re-deployment, to career transition / outplacement, etc.

### **Underlying Paradigm**

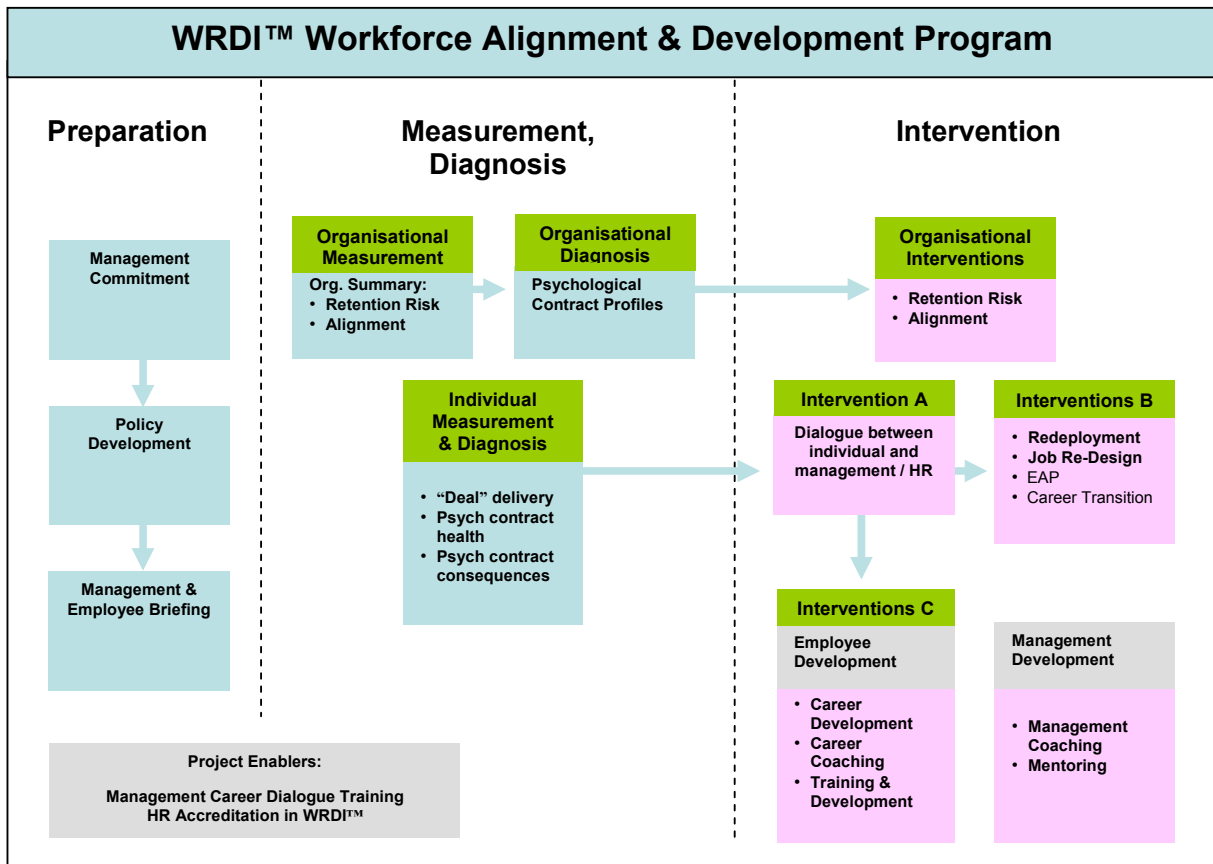
The paradigm underlying the WRDI™ is a relational one, where the fostering of “new deal” workplace relationships is encouraged. The “new deal” incorporates clarified mutual expectations, responsibilities, understandings and commitments between organisations and their employees. Key elements of the “new deal” employment relationship include:

- adult-adult attitudes and responsibilities (i.e., less paternalistic);
- a more mature form of commitment (i.e., to the vision, values and goals of the organisation, as opposed to "blind loyalty");
- openness and trust;
- flexibility, including a tolerance for role ambiguity and change;
- autonomy;
- mobility (of shorter term duration);
- a greater employee involvement and "voice" in what is going on;
- the fostering of career development, where "employability" is emphasised rather than job security;
- an emphasis on quality working relationships (e.g., teams, customers, suppliers, alliances), and
- a recognition and deeper understanding of the continually changing needs of both parties.

*Note:*

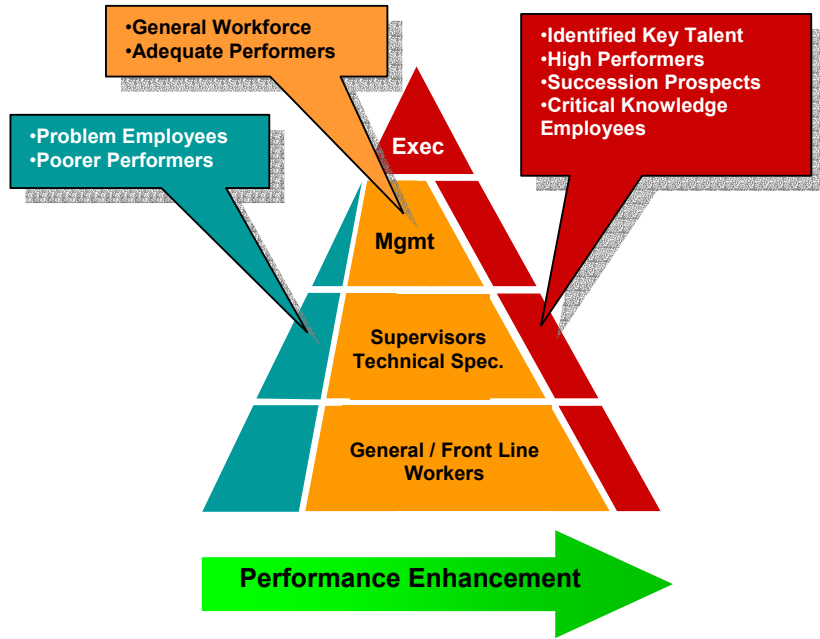
*For further information on the above, refer WRDI Institute's white paper on Creating "New Deal" Employment Relationships.*

Therefore, the facilitation of healthy dialogue between managers / HR and employees, using the WRDI™ Individual Report findings (where appropriate), constitutes a vital individual and organisational development activity.



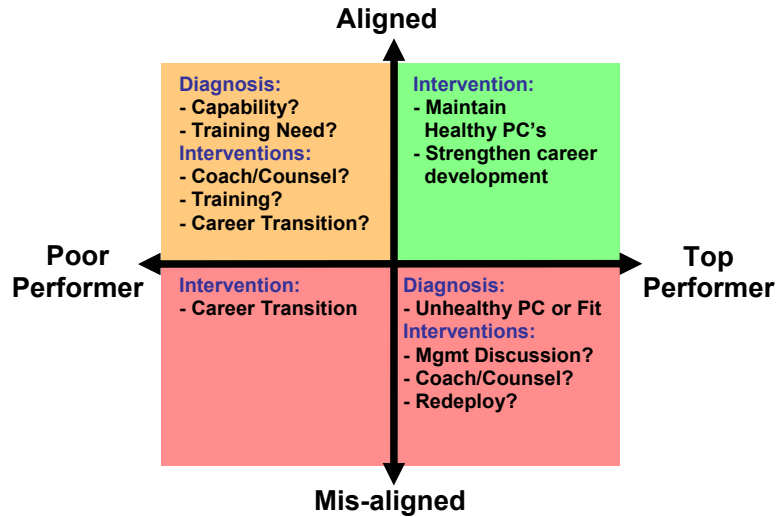
### Workforce Remodeling, Career Development and Performance Enhancement

Where an organisation has an effective performance management system in place, a more “fine grained” approach can be adopted towards career management / development, workforce alignment, performance enhancement, and associated interventions. Career development should link to performance management systems, since opportunities on the job or in the organisations are based on strong present performance. Ultimately, the aim should be to enhance alignment and performance of various workforce segments or layers of the organisation.



### Diagnosis and Individual Interventions

Diagnosis and interventions can be applied as follows depending upon alignment and performance or role importance.



*Please Note:*

*Alignment in the above diagram is the combination of affective commitment and job satisfaction.*

WRDI™ findings thus provide the insight and a basis for prioritising, designing and implementing effective human capital interventions. The vision of bridging widely acknowledged gaps between human capital measures and organisational performance becomes a practical possibility with the WRDI™.



*“The CEO and executive team were presented with data indicating up to 40% of the top talent in this organisation were at risk of leaving.”*

---

## WRDI™ Case Studies

### Large Domestic and Global Agricultural Distributor (Individual and Systemic Interventions)

A recent WRDI™ workforce audit of a high profile corporate uncovered some startling information about the “health” of the relationship with its workforce. This large domestic and global distributor of agricultural products was on an expansion trail, and the retention of key talent was critical to the company’s success. The WRDI™ was chosen because of its unique ability to diagnose and manage retention risk of top talent.

The CEO and executive team were presented with data indicating up to 40% of the top talent in this organisation were at risk of leaving. In addition to this raw statistic, they were provided with a diagnosis of the specific causes contributing to that risk. *Being presented with “in your face” diagnostic data is one thing, but having a prescription to fix any problems is even more important*, commented one senior executive. He went on to say that the WRDI™ information was invaluable for the career development of our people and our long term planning and capability. *We knew that some of our key people might have been targeted by the opposition, and now we know what we have to do internally, to ensure we keep these people on board and happy.*

A range of individual and systemic career management / development initiatives were implemented in this organisation, consistent with the WRDI™ model on page 14.

### Multi National Recruitment Firm (Systemic Interventions)

In another project with a multi national recruitment firm, the WRDI™ data was analysed for various workforce segments. Senior management was more than “happy with their lot” whereas a significant retention risk was identified with the administration and support staff. The segmentation approach adopted avoided the assumption or over simplification of “one size fitting all” regarding diagnosis and interventions. Two simple systemic interventions were adopted, at no cost to the recruitment company, viz:

- changing recruitment practices for administrators (the company had been recruiting graduates for roles in which they could never satisfy their expectations regarding career opportunities);
- restructuring such that a new intermediate position between administrator and consultant (called an associate), was created as a “stepping stone” or articulation career path for those graduates who aspired to consultant status (the previous step from administrator to consultant was too big a jump).



*“The WRDI™ offers a scientifically based and differentiated approach made available on the basis of both individual and organisational need.”*

---

## Bottom Line Impacts Revisited

Evidence has been presented earlier in this white paper linking employee job satisfaction and commitment / engagement (i.e., alignment), to the bottom line. Furthermore, the typical cost of voluntary turnover ranges from 0.5 to 2.5 times the annual salary of the job in question. The costs of turnover and loss of key talent in particular, can thus have a significant adverse impact on the bottom line.

Employee career management / development represents a key organisational development and performance enhancement strategy. The WRDI™ offers a scientifically based and differentiated approach (as opposed to a “one size fits all”), where career management / development resources can be made available on the basis both individual and organisational need. It provides the means to realise enhanced workforce alignment, retention and performance.

## Essential Elements for Program Success

### Essential Elements for Success in the WRDI™ Workforce Alignment and Development Program:

- Embedded within a vision and philosophy which recognises sound people management and HR practices as a key point of leverage to enhanced organisational performance;
- Driven by business needs (e.g., refer summary of benefits to both parties below), rather than be viewed as something which is “nice to have”;
- Has senior management commitment and support;
- Underpinned by a clear policy framework, supported by appropriate HR initiatives and career development resources;
- Includes an education and training component for both managers and employees;
- Includes an emphasis on employees’ ownership and responsibility for their career management and development; and
- Includes the provision of career development resources.

## Summary of Program Benefits

### Benefits for the Organisation in the WRDI™ Workforce Alignment and Development Program:

- Key HR metrics on the state of key aspects of human capital (i.e., alignment and retention risk);
- Assessment of human capital resourcing needs, including career development resources, recruitment, redeployment, outplacement, etc.;



*“The consequences of an organisation not investing in the career development of its people and alignment of its workforce are a loss of productivity and profitability”*

- 
- A scientific approach to allocating resources to address those human capital needs (i.e., maximization of human capital investments);
  - Progressive remodelling of the workforce to enhance overall alignment and performance, and reduction of dysfunctional turnover;
  - Development of a more independently minded work force;
  - The building of relationship capital across the workforce, including enhanced management communication skills.

The consequences of an organisation not investing in the career development of its people and alignment of its workforce are loss of productivity and profitability!

#### **Benefits for Employees in the WRDI™ Workforce Alignment and Development Program:**

- A framework of understanding and assessment of overall work life quality and career management / development issues;
- A clear direction forward to addressing any work life quality and career development needs, with the opportunity to address those needs;
- An enhanced understanding of contemporary career models and options;
- An enhanced recognition of the need for life long learning and “employability”;
- An enhanced awareness of the attributes to “survive and thrive” in the contemporary workplace, including the development of a more resilient and pro active workforce.

## **Acknowledgements**

WRDI Institute Pty. Ltd. wishes to acknowledge the following researchers and writers, some of whose ideas have been drawn upon in the preparation of this white paper: Michael Arthur; David Guest; Cliff Hakim; Douglas T. Hall & Associates; David Limerick; Bert Cunnington & Frank Crowther, Ed Schein; Denise Rousseau; Peggy Simonsen; and Paul Stevens.



---

## Contact

### **WRDI Institute Pty. Ltd.**

*Headquarters:*  
Suite 502  
89 High Street, Kew  
VIC 3101, Australia

*Postal Address:*  
PO Box 389  
Kew East,  
Melbourne VIC, 3102,  
Australia

Tel: + 61 3 9854 6166  
Fax: + 61 3 9854 6168

Email: [info@wrdi-institute.com](mailto:info@wrdi-institute.com)  
Web: [www.wrdi-institute.com](http://www.wrdi-institute.com)

The WRDI Institute is one of the world's leading authorities on human capital, workforce alignment and retention. The WRDI Institute provides HR measurement and solutions in the following areas:

- Human Capital Assessment;
- Retention (including key talent retention risk assessment);
- Talent Management;
- Career Development;
- Organisational Development, including Workforce Alignment and Performance Enhancement;
- Industrial / Employee Relations (EBAs); and
- Post Recruitment Assessment.

The WRDI Institute has developed a suite of white papers on the following contemporary workplace themes:

- Creating "New Deal" Employment Relationships;
- Managing Your Human Capital: The Ultimate Determinant of Organisational Performance?
- Improving the Bottom Line: A Diagnostic Approach to Enhancing Workforce Alignment Through Career Development;
- About Turnover and Retention;
- Retention Intervention: A Strategic Approach;
- The Psychology of Mergers / Acquisitions;
- Employer of Choice: Putting Substance to the Rhetoric!
- The Balanced Scorecard and the WRDI™;
- Managing Expectations: Strengthening Recruitment Practices and Enhancing Retention.

Copyright © 2003 WRDI Institute Pty. Ltd.