

ORGANIZATIONAL DEVELOPMENT AND EMPLOYEES PERSPECTIVES IN FINANCIAL ADMINISTRATION CAREER PATHWAY

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INTRODUCTION

Every year, organizations spend a lot of money on recruitment and staff turnover. The loss of talented employees significantly damages the organization. In addition, they often do not put sufficient effort to retain their employees. Turnover is often perceived by the organizations as the common phenomenon and they think they cannot do anything to prevent it. However, there are studies that have demonstrated a clear link between internal staff development and increased return on sales, property and shares. According to this, organizations need to identify properly the potential of their employees in these areas to apply appropriate methods for their development. Such an approach should help in staff turnover decrease and also well-educated and trained employees go towards the organization development.

This article looks at organizations that focus their workforce and education programmes on career pathways and it tries to implement this model on the financial administration conditions. It describes how these approaches are related to economic development strategies and can benefit employers and individuals in the labour market. Naturally, this system change requires investment, leadership, best practice models and motivation to meet the objectives.

As economies continue to become more global, the highly educated and skilled workers are still more coveted and the importance of human capital role is likely to increase. This paper points to the conclusion that the future organizations' competitive advantage (including the Financial Administration) will depend upon human capital management and its development. Various studies were used in the article to generate an overall picture of this topic. One of them is the research report of the Cedefop (European centre for the Development

of vocational training) which has primarily drawn on several sources of information - existing reports from previous Cedefop research studies, OECD, World Bank, ETF questionnaires and country reports, including the resulting synthesis reports, and other published material from individual Member States. Another used sources were: research '2011 Employee Job Satisfaction and Engagement survey' of U.S. employees performed by Society for Human Resource Management (SHRM), study conducted by American Society for Training & Development (ASTD) and findings from the EQW National Employer Survey.

1. ORGANIZATIONAL DEVELOPMENT IN FINANCIAL ADMINISTRATION OF THE SLOVAK REPUBLIC

Organization development is a process that applies a broad range of behavioural science knowledge and practices to help organizations build their capacity to change and to achieve greater effectiveness, including increased financial performance, customer satisfaction, and organization member engagement. [2]

According to Byars and Rue (1991) the organizational development seeks to improve the performance of groups, departments, and the overall organization. Specifically, organizational development is an organization wide, planned effort managed from the top, with a goal of increasing organizational performance through planned interventions and training experiences.

Although some authors (for example Armstrong: The Human Resource Management) distinguish between the terms organizational development and organization development, for the purposes of this article both terms are used in the same sense.

The Financial Administration is significantly lagging behind modernizing trends in society and is often described as inefficient and inflexible. Therefore, it is constantly necessary to look for optimal methods and ways to manage it and build from the Financial Administration of the Slovak republic more credible institution. In the current dynamic environment which requires a quick response, it is necessary to make a decision as close as possible to the situation or problem. Such an approach requires an extensive organizational change, removing barriers in the organization. The primary objective should be to maintain a smooth workflow between functional departments and to achieve synergy common use of resources. It requires, therefore, the necessity of the purpose-built structured system of collecting, processing and application of information on electronic media.

2. CAREER PATHWAY AND CAREER CLUSTER

Realistic career planning forces individuals to look at the available opportunities in relation to their abilities. Successful career planning requires actions from three sources – the organization, the employee's immediate manager, and the employee. Career planning is something what has to come, especially, from individual. Only the individual knows what he or she really wants out of a career, therefore, the primary responsibility for career planning rests with the individual employee. But also the manager can and should play an important role in facilitating a subordinate's career planning. [1]

Although similar in intent, pathway models are all slightly different, with different designs and sometimes different goals. Career pathway programmes are defined as "longer-term advancement solutions to employment and skills shortages. They map occupational pathways to describe the skills needed to advance up occupational ladders. They also describe how workers can progress through postsecondary education or training that prepares them for these positions". [6]

Generally, pathways approaches are an articulation point of knowledge, skills, and competencies, which connect education with work in an occupation. For example, in the United States, local and regional government agencies have increasingly adopted industry cluster approaches to economic development. An industry cluster framework enables the development of approaches targeted to retaining and growing high value employment, increasing the tax base, and attracting new jobs to the region.

1. CAREER PATHWAY IN THE FINANCIAL ADMINISTRATION OF THE SLOVAK REPUBLIC

In the intentions, which were defined by the Ministry of Finance of the SR in 2008, is stated that in the relation to the modernization of Financial Administration of the Slovak republic and implementation of the UNITAS Programme (the process of tax, customs and insurance contributions unification) the financial administration employees should be properly trained and rewarded according to their performance. In the HR development program area, the UNITAS Programme assumes the creation of systems for: lifelong learning, internal staff training, eLearning, merit reward and performance assessment. But in the conception of the UNITAS Programme there is a lack of information referring to the career planning and career development.

Cluster and pathway approaches are important in an increasingly complex and fragmented labour market where employees no longer move in a straight line within one company, but rather move vertically and horizontally around a set of jobs. Maps of industry clusters and pathways, which outline associated skill requirements, are incredibly useful tools for those in the labour market and those entering the labour market. Cluster and pathways models are also a way for the public education and workforce system to categorise and organise their work. [6] The introduction of such model into Financial Administration of the SR should be very useful, practical and motivational for financial administration

employees. Moving between particular administrations will enable them the acquisition of this interdisciplinary knowledge and learning how the processes work on in other administrations will help them in making their work more smoothly.

The role of employers in career pathway should be more than just articulating skills needs to government and training organisations. In many cases, the workplace needs to be organised to accommodate pathways and cluster programmes, which means employers need to play a strong role in designing programmes. It is important to identify the potential of each employee and implement an individual approach for their development according to it. The career pathway programmes should be adapted for each employee and should describe the possibilities how they could progress through educational and training activities. Pathway and cluster programmes rely on employers to change business practices, enabling time for employees to learn, and creating incentives and rewards for learning and skill attainment. Employers must also be willing to think about their internal organization and structure the workplace in a way that enables advancement potential within jobs. [4]

While the government sector has been an excellent employer in the past, the image of government employment has suffered significantly in the last years. As a result, many talented workers have started to prefer the private sector to government service. Now some steps should be taken to attract and recruit the talented employees.

3. RETURN ON TRAINING INVESTMENTS

Return on training investments is thought to be higher than return on other similar types of investments, suggesting organizations are, indeed, under-investing in that area. But there is also the opinion that employee skills are only a portion of the human capital management issues that must be solved by an organization in order to maximize its productivity and profits. Indeed, it is now possible to measure systematically the maturity of the leadership

and other human capital management practices that are in place in an organisation

It is not simply to develop employee skills. An organization must also have in place the leadership and management capable of taking full advantage of those skills [7]. According to a study conducted by American Society for Training & Development (ASTD), a leading organization of workplace learning and performance professionals, top level organizations trained about 86% of their employees while typical companies trained just 74% of their people.

The results of the research '2011 Employee Job Satisfaction and Engagement survey' of U.S. employees performed by Society for Human Resource Management (SHRM) showed that "slightly more than one-third of employees indicated that an organization's commitment to professional development was very important to their job satisfaction. While only 36% of employees rated this aspect of job satisfaction important to job satisfaction, 54% of employees reported being satisfied with their organization's commitment to professional development." [10] As is evident, in this age employee development has become one of the most desired employee benefits. Especially among younger candidates, opportunities for personal growth and professional development tend to have a very high importance. [9] But also employers can benefit from training investments.

Findings from the EQW (Educational Quality of the Workforce) 'National Employer Survey' show that a 10% increase in employee development resulted in about 8,6% gain in productivity on an average. At the same time, a 10% addition in equipment value increased productivity only by 3,4%.

4. PROCESSES USED IN CAREER DEVELOPMENT, CAREER GUIDANCE

Understanding how to motivate employees in particular, is likely to be a critical factor for organisational success. Paying attention to the career development of individuals is vital not only for skill development but also to help

motivate superior performance at work by giving people a clearer sense of direction and purpose. It means that career professionals need to think in new ways about how they:

- organise and provide career support;
- work effectively with partners from other professional groups;
- use informal career support mechanisms;

equip managers and others to give career support more effectively.

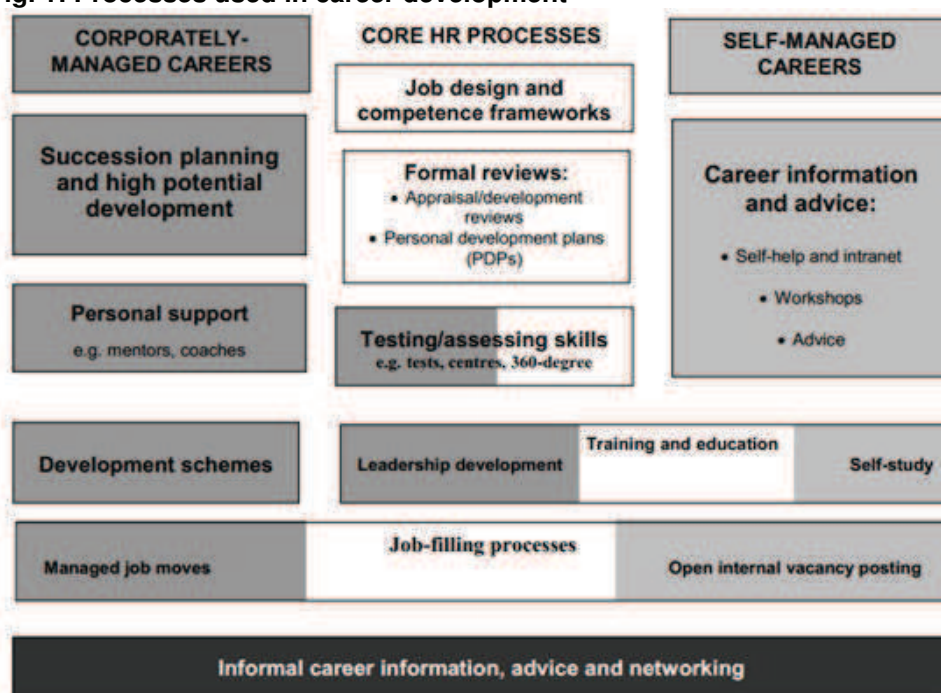
Professional development opportunities (e.g., attending training or conferences, obtaining certifications) are meant to develop or enhance employees' skills and knowledge so that they can use this information in their current positions, meet their professional and personal goals, and build their resume for future jobs. In 2011 one-third (33%) of U.S. employees indicated that career development was very important to them and 47% were satisfied with this aspect [10]. As it was already mentioned, career skills are important for both employees and employers. Employers who have more skilful employees can expect them to navigate their internal labour markets more effectively.

A few organisations have introduced a range of practices to support the self-management of

careers. Sometimes this includes self-help assessment and learning activities to support career development, usually electronic versions of paper-based self-help materials. Another recent initiative likely to have an impact on how career support is provided in some large organisations is the introduction of HR call centres, where HR services are located remotely using a shared services model. For example, Lloyds TSB (a UK bank) has introduced such a model where among other things employees can obtain a self-help career planning package via an HR call centre (Hirsh and Jackson in Cedefop, 2008). These types of provision correspond to the categories identified by Hirsh who distinguishes three broad ways that career support is delivered inside organisations:

- corporately-managed career processes such as succession planning and high-potential development;
- career support delivered through core HR processes such as appraisal;
- support for self-managed careers, through such activities as the use of self-help and e-guidance materials.

Fig. 1: Processes used in career development



Source: Hirsh, 2003

Existing practice usually assumes that most employees will take prime responsibility for managing their own careers with some support from their line manager. But the only support that most companies provide is through the core HR processes, which exist usually in all of businesses. These are primarily designed for performance management and to support the operation of an efficient internal labour market. In these circumstances, most employees have to get much of their career support via informal processes and personal networking.

Despite of the fact that these processes are still not provided in a formal way enough, this model could serve as a framework structure for the model of organizing and providing career support in Financial Administration.

5. CAREER GUIDANCE

The research report of the Cedefop [3] carried out also by the Organisation for Economic Cooperation and Development (OECD), the World Bank and the European Training Foundation, includes 35 case studies (from the EU-25 Member States) that document the approaches taken to career guidance provision to support workforce development in the EU Member States. For example, human resource (HR) professionals in the UK who responded to the survey on managing employee careers (Chartered Institute of Personnel and Development – CIPD, 2003) reported that only a quarter of organisations had a strategy for career development for all staff and only a third felt that senior management was committed to career management activities. The result was that in reality, it seems fewer organisations have some provision of guidance than say they have a career development strategy. Strategies are often very general and more theoretical than practical. Many times, the only formal process for discussing the employees' career is the performance appraisal process. Lack of clarity about the role of career development support is a significant barrier in career development and also the organizational development as a whole.

Therefore the arguments for paying more attention to career development are particularly

relevant to the effort to develop a knowledge economy.

CONCLUSION

When an organization is successful, or faces a competitive labour market, there is likely to be more interest in providing career support and development initiatives as part of a broader HR strategy for attracting and retaining employees. In a recession, or when an organisation is trying to cope with difficulties in economic environment, such initiatives may seem a luxury, especially if an organization is obliged to make people redundant. Only a few of them realise that in such circumstances a proactive approach to career development can help to ensure the key talent at all levels. Not only the organizations but also the Financial Administrations should realise the fact that showing an organization's interest in employee's career development has a positive effect on the employees performance. With a career plan, a person is much more likely to experience satisfaction as progress is made along the career path.

Career pathways that allow more flexibility for current and potential employees in moving from job to job as the situation changed is one of the possible approaches in making the Financial Administration more efficient organization.

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Abstract: While the government sector has been an excellent employer in the past, the image of government employment has suffered significantly in the last years. As a result, many talented workers have preferred private sector to government service. Now some steps should be taken to attract and recruit the talented employees for government service. The article describes the role of the employee development and career planning in the organizations and highlights the importance of these processes in relation to the staff retention and long-term prosperity. The aim of this article is to apply these processes on the government conditions (especially in financial administration area) to enhance both employees' satisfaction and also financial administration efficiency.

Key words: career pathway, career planning, employees, Financial Administration, organizational development

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