The Washington Metropolitan Area represents one of the most competitive employment markets in the nation. Helios HR, LLC, with the help of Market Connections, has evaluated firms who work collaboratively with their employees to make Employee Development not just a priority, but an essential part of their culture. In so doing, these firms often enjoy higher productivity, profit, and performance than their competitors.
Forward

Witnessing the proactive efforts of employers within The Washington Metropolitan Area provided the inspiration for the Helios Apollo Awards. These employers create opportunity in their organizations by investing in employee development initiatives.

Unlike any other awards program in our area, Apollo recognizes those employers who promote a culture of continuous learning. These employers intentionally pursue employee development as a strategic and competitive advantage. They make strides in holding their managers and employees accountable for managing performance and professional development.

Many organizations have incorporated continuous learning and employee development into their mission statements, core values, and strategic plans. Their efforts benefit their employees, their clients, and the community as well. Everyone involved benefits and enjoys a significant and positive impact from the raising of standards and the provisioning of employees with resources to meet challenging goals.

This report summarizes the employee development strategies used by Helios Apollo Award nominees and describes employee development best practices. Each nominee submitted a comprehensive application which initiated a stringent process of evaluation using the following criteria:

- The professional development opportunities available to employees,
- Communication methods to all employees of such opportunities,
- The performance management process and individual goal setting,
- The resources provided to managers in guiding employee development discussions, and
- The quantifiable impact of their employee development initiatives on the organization.

Much of the statistical information contained in this report flows from this rigorous evaluation of these applications. In partnership with Market Connections, a survey accompanied the nomination form this year containing questions designed to quantify best practices in professional development and employee growth. This paper presents the best practices and trends of the most innovative employers in the Washington Metropolitan Area.
The Challenge

The prevalence of technology, globalization and increased competition dramatically impacts traditional forms of competitive advantages. Leveraging differentiation through alliances, cost advantages, availability of raw materials and diversification may no longer sustain a true competitive advantage in the 21st century. Human Capital has been - and continues to be - a critical competitive advantage in most industries.

The recent recession has resulted in some organizations cutting employee development budgets to preserve financial resources. However, forward thinking organizations, with available resources, see this trend as an opportunity to further their human capital competitive advantage. These organizations evaluate employee development programs, and modify if needed, in order to ensure that they directly support the organization’s goals while positively impacting margins.

Especially in a recession, the right people are a company’s most important organizational asset. They define its character, affect its capacity to perform, and combined with the sum total of their knowledge, skills, and experience, represent its human capital. Effective strategic human capital management strategies serve to increase the value of this asset and enable an organization to achieve strategic goals and objectives while remaining competitive. One of these practices, employee development, profoundly affects the realization of these goals.

With this in mind, increasing the value of an organization’s human capital and having that human capital productively engaged in executing the organization’s mission is vital. Developing people’s knowledge and skill ensures they reach
Employees reach their optimal potential and have maximum impact on the organization. Effective human capital management converts this potential into productive work through the process of employee development. This conversion benefits both the organization and employee.

Employees reach their optimal potential not just by acquiring knowledge, skills, and experience; they must be engaged. “The extent to which employees commit to something or someone in their organization, how hard they work and how long they stay as a result of that commitment...” defines employee engagement.

A 2007-2008 global workforce survey conducted by Towers Perrin showed that companies with the largest percentage of engaged employees had an increased operating income of 19%. Companies with the lowest percentage of engaged employees had a year-to-year decline in operating income of 33%. Among Apollo nominees, 72% reported an increase in operating income over the previous 12 months.

Organizations adopting components of a human capital management model need to design, implement, evaluate and refine those components based on the standard of how well employees help the organization achieve results and execute its mission. This process, performed properly, leverages the organization’s human capital into a lasting competitive advantage through employee engagement.
Five Key Elements

The most successful human capital management models have five key elements. When implemented properly and measured frequently, models with these elements enable companies to thrive through the engagement of their employees. These elements include:

1. Leadership Commitment,
2. Human Capital Planning,
3. Attracting, Developing, and Retaining Employees,
4. Communications Strategy, and
5. Impact Metrics.

Leadership Commitment

Committed leaders view employees as critical enablers of company performance and manage them accordingly. Employees become increasingly engaged through knowledge of how leadership views, measures and aligns their contributions with the organization’s goals. In such transparent environments employees become prepared and motivated to provide analytic, consultative, technical and other services to the organization.

Employee/Manager Input

The organization’s leadership, when soliciting feedback from employees and managers, helps to encourage employee engagement. The most common methods of accomplishing this task include employee surveys (used by 81% of Apollo Award nominees), peer evaluations (53%), 360° reviews (44%), and third-party facilitated focus groups (34%). Employee surveys, 360° reviews, and focus groups ask employees to rate and comment on their experiences enabling leadership to keep programs aligned with requirements necessary to stay ahead of the development curve.
Link to Performance Management

Most companies conduct annual performance appraisals where employees meet with their managers to discuss their accomplishments and effectiveness of their work results. Although not a replacement for regular conversations, the performance management process is an optimum time for leadership to outline expectations for the next appraisal period and address any deficiencies in the employee’s performance.

Among Apollo Award nominees, there is a trend of increasingly frequent performance reviews, up to four times a year in some organizations. One nominee noted that “By bringing issues to the forefront when they occur, versus waiting for annual reviews, employees feel empowered to make a difference in their work product and effort.”

During the performance management process, managers work with employees to determine and assign development tasks and goals which allow the employee to obtain knowledge, skills, and abilities, while aligning these assignments with the future needs of the organization as communicated by senior leadership. Senior leadership reviews progress toward accomplishing these assignments at regular intervals. Among Apollo Award nominees, employee goals were reviewed quarterly by 27% of nominees, semi-annually by 34%, annually by 29%, and as frequently as monthly by 10%.

Human Capital Planning

Successful management of human capital involves planning to ensure all strategies are aligned and integrated with the organization’s performance objectives. All new initiatives or refinement of existing initiatives are identified, captured and agreed upon as reflected in the goals of the organization. One area of planning, succession planning, represents a challenging component as organizations strive for differentiation in the marketplace.

Succession Planning

To protect against leadership, skill, and knowledge deficits,
A strong short or long-term succession plan includes staffing forecasts tied to the organization’s strategic direction and growth. These plans increase the chance of moving successors into target positions before they leave for other opportunities.

Attracting, Developing and Retaining Employees

Attracting new employees helps to ensure that an organization’s workforce remains current with the latest skills, knowledge, and innovations. The attraction of new employees becomes much less costly, with shorter recruitment timeframes, when an organization includes compelling programs supporting the hiring and on-boarding of new employees.

Similarly, these same programs can have a profound effect on retention of engaged employees.
The national unemployment rate has been on the rise, reaching 9.8% in June, a high that has not been seen since national unemployment was recorded at 10.2% in June of 1983. With an unemployment rate of 6.6% in June, the Washington Metropolitan Area continues to be one of the most challenging job markets in the country for employers to attract and retain employees. Of the 372 metro areas, the region posted the lowest such rate among the country’s largest metropolitan areas.

**Attracting and Retaining Employees**

Offering professional development opportunities was quickly becoming the norm prior to the recession when it was expected by most employees and job seekers. Even in the current economic climate it is still expected by top performing employees and high potential candidates. Providing professional development opportunities enhances employee retention while building employee loyalty.

The current recession is an optimal time to build employee loyalty, leading to a focus on employee retention before unemployment begins to decline. As mentioned by one Apollo nominee, “We’ve seen 125% improvement in our retention and we’re confident that this significant improvement can be tied to the improved leadership skills of our managers and supervisors, and greater focus on professional development.”

**Developing Employees**

Successful employee development programs include a detailed set of professional development goals tailored for each employee. These goals are based on the organization’s objectives, the employee’s interests and needs, and address specific developmental challenges for the employee, identified as part of the performance management process.

In 2009, 100% of Apollo Award nominated organizations stated that they measure employee goals, and of those, 89% map individual employee goals to the company’s strategic goals.

Some companies in the Washington Metropolitan Area align and assign junior employees with managers who previously had a
similar career track. Managers, because of their experience, more accurately assess what is needed for their employees’ development, ensuring maximum program effectiveness.

**Career Paths**

Deciding what high impact programs to develop should be defined before designing and implementing any employee development program and these programs need to be re-evaluated periodically to ensure that they remain effective. Career path development is an example of a high impact program used in the management of human capital.

A career path is defined as a logical and planned progression of jobs within an organization. The progression may be lateral, vertical or both. Creating a career path gives employees and managers an invaluable tool that allows them to identify and create strategies to close gaps in employee knowledge or skills necessary to be successful in the next level of their careers. Ninety-five percent (95%) of Apollo nominees have a documented career path.

Some best practices include career paths that define and exploit organizational tracks and employee talent, such as a technical track, a management track, and a corporate track, separated by corporate functions. After tracks are developed it is possible to determine how many career “levels” or positions to include. The next step includes defining role specific competencies employees within a given track are expected to master.

Some organizations define core organizational competencies that are critical for all employees to possess, regardless of career tracks. Competencies are defined through identifying an organization’s culture and values. After competencies have been developed and agreed upon by management, level-specific definitions may be created for each track, ensuring that progressions throughout the track are appropriate. A typical next step is to create job descriptions that contain knowledge, skills, abilities, behaviors and specific education requirements for each position in the organization with career path implementation launched through formal communication and management.

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training. Of the Apollo nominees, 66% have specific competencies documented for each position within the organization.

Once the level-specific competencies and job descriptions have been developed and communicated, the career path can become a powerful tool in identifying employee development opportunities. As this information becomes formalized and documented it is much easier to define training that an employee will need for career advancement and to increase their value within the organization. Career paths form the foundation for compensation structures, performance management systems, and succession plans.

**Training**

Within the context of the larger human capital management strategy, training serves to increase knowledge and skills within the employee community, ensuring delivery of knowledge and skills relevant to mission and objectives.

Training programs affect individual employees. Organizations adopting training programs need to make certain that employees participating have an interest in the topical areas covered.

Proper alignment of interest and need ensures employees and organization benefit from:

- Improving productivity,
- Increasing margins,
- Increasing employee commitment, and
- Optimizing employee motivation.

Training programs offer a profound benefit to the organization. A survey conducted by the American Society for Training and Development (ASTD) of over 575 publicly traded companies showed that for every $700 invested per employee in training, shareholder value increased 6% the following year.

Regardless of size or stage of development, 100% of responding Apollo nominees indicate they provide or encourage employee training of one type or another. Just providing training alone...
Employee Development
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Market Connections 2009 Apollo Awards Survey

Training programs offer a profound benefit to the organization. A survey of over 575 publicly traded companies showed that for every $700 invested per employee in training, shareholder value increased 6% the following year.

creates parity between organizations, so organizations seek to add innovative training programs which differentiate them in a competitive employment market. As noted by one nominee, “we’ve increased our focus on creating a continuous learning culture that leverages the knowledge of our own employees and provides everyone with opportunities to stretch themselves in a variety of different ways – not just professionally (in ways that improve our organization) but also personally.”

On-the-Job Training
Organizations adopt both formal and informal on-the-job (OJT) training programs. Informal OJT provides the least expensive and one of the highest value-added employee development initiatives an employer can offer. Informal training programs begin by offering employees new and/or challenging assignments. Some organizations even seek to provide employees high visibility assignments, often working directly with senior management. This helps to ensure transference of the organization’s culture.

More organizations now offer formal OJT, with 80% of Apollo nominees offering this to their employees. This includes cross training, used by 70% of Apollo nominees, and rotation programs, used by 42% of Apollo nominees. Formal on-the-job training shares some of the positive aspects of informal training, including generally low costs and the absence of direct productivity loss. Additionally, 95% of Apollo nominees offer peer-to-peer training in which employees share their skills and job knowledge.

Cross-training or rotational programs require increased coordination and structure within the organization and may cause a temporary increase in workload and initial decrease in productivity for the participating employee. Additionally, they may create more work for peer employees. There may also be some cost associated with these programs including lost productivity due to learning curves and training costs.

The benefits however, may be seen in an increased level of employee engagement, adaptability, and the organization’s ability to develop next generation leaders. To maximize the
Increasingly more common mentor relationships include those where peers mentor each other, as well as “reverse mentorships” where more junior employees mentor more experienced team members.

Benefits of these programs and minimize their risks, organizations should monitor workflow challenges.

**Cross Training**

With cross-training employees are trained to perform job duties other than those normally associated with their current position. Both short-term solutions and ongoing cross training programs provide operational protection associated with turnover of employees.

**Job Rotation**

Job rotation programs include a systematic approach of moving employees from job to job and occur between functional areas, throughout specialties within functional areas, or a combination of the two. Employees typically serve six to twelve months in each job. Employees develop a broad range of skills, exposing them to a variety of functions, while management has an opportunity to assess the areas where employees will make the greatest contribution.

**Mentor Programs**

Mentor programs pair an experienced mentor who acts as a teacher or trusted counselor with a less experienced protégé. Increasingly more common mentor relationships include those where peers mentor each other, as well as “reverse mentorships” where more junior employees mentor more experienced team members.

Mentor programs can address professional development initiatives such as training, learning, coaching, and insight into professional experiences with benefits to both mentor and protégé.

Formal and informal programs can achieve these results when properly implemented. Some organizations create a “contract” of expectations and outcomes signed by both mentor and protégé. This feature not only provides for accountability, but measurement of the desired outcome or overall effectiveness of the program.

The vast majority of companies in the Washington Metropolitan Area have formal mentor programs, with 91% of Apollo Award
nominees providing formal mentorship opportunities. Eighty-one percent (81%) offer peer-to-peer mentoring, 78% offer supervisor-to-subordinate mentoring, and 42% offer reverse mentoring. One Apollo nominee stated “Our employee mentor program ensures that each new hire is matched with a [company] mentor to guide them through their first 90 days. The program introduces new hires to the company, our clients, our procedures and methodologies, and identifies learning opportunities appropriate to the position.”

**Supervisor Development**

In addition to general employee training, all Apollo nominees provided specialized training to prepare their supervisors for management. The majority provided coaching (91%), On-The-Job training (89%) and instructor-led training courses (69%).

**External Training**

External training includes a wide range of employee development initiatives including:

1. Degree programs,
2. Training/certification programs, and
3. Industry events, seminars and speaking engagements.

Our research shows that, in 2008, organizations in the Washington Metropolitan Area reimburse employees $3,250 per year on average for external training, as compared to $3,000 nationally. Some organizations also offer employees awards or bonuses for completing defined certification programs and/or degree programs as an incentive to utilize the benefit offered. However, a 2009 study by Challenger, Gray and Christmas indicates than nearly 11% of organizations across the country are reducing their tuition reimbursement programs due to the recent credit crisis and recession.

Community service is a generally inexpensive but effective method of employee development. Employers increasingly offer community service opportunities for employees and now see the positive effects these initiatives have on employee development. Community service helps develop skills that jobs may not provide
Employers increasingly offer community service for employees and now see the positive effects these initiatives have on employee development.

In-house courses are also commonly used as training initiatives. In fact, 97% of Apollo nominees offer instructor-led training courses. These courses require both time and financial investments to develop although they become less expensive to maintain. Some programs include informal ad-hoc courses while others have full and large scale curricula. Provisioning options ensure training is offered as needed, while programs including “train the trainer” options result in using internal subject matter experts as instructors, reducing the cost of the programs.

Seminars and Industry Events
Seminars and other industry events are a generally inexpensive opportunity for employees to remain up-to-date on issues effecting their profession. Such events also cultivate rich dialogue and provide employees with the opportunity to interact with other professionals in their field. All Apollo Award nominated companies encouraged employees to attend seminars, and the vast majority also encouraged industry events (98%) as a type of training.

Online Training
Online programs have grown in popularity since the mid-nineties. Large organizations traditionally used this form of training, now smaller organizations have started including it in their human capital management strategy. Developing online curricula can have a high initial cost, but over time becomes more cost effective. Online training supports multiple employees simultaneously and supports lower delivery costs. Ninety-one percent (91%) of Apollo nominees offer internal web-based training, largely through their corporate intranet, and 97% of nominees also encourage web-based training through external sources.

A negative aspect of online training is that it lacks face-to-face interaction.
with instructors, mentors, and peer components which uniquely contribute to a rich employee development experience.

Developed curricula or “electronic libraries” typically include industry and job specific training, certification preparation, soft skills training and basic to advanced computer skills training. Online systems may include web casts, pod casts, audio conferences, taped internal training sessions, and seminars.

**Communication Strategy**

**The communication of professional development**

The communication of professional development opportunities ensures their use by employees. Frequent communication helps to promote the organization’s devotion to the development of its employees. Formal professional development communication should also include professional development opportunities that employees participate in, providing employee feedback about the event(s), and statistics indicating the usage of such professional development opportunities. Recognizing employees who have achieved professional certifications, degrees, or other similar professional development goals helps promote employee engagement. Recognizing employee achievements and allowing them to have input regarding available development opportunities develops a culture of participation by employees and managers alike.

Every Apollo nominee recognized employees for their achievements, with over 90% offering bonuses or other cash rewards to employees at all levels of the organization.

**Ninety-one percent (91%) of Apollo nominees offer internal web-based training, largely through their corporate intranet, and 97% of nominees also encourage web-based training through external sources.**
Many organizations now use Learning Management Systems (LMS) to track the usage of professional development opportunities. The LMS provides the organization with statistics on the rates of participation in the offerings the company provides. Having this information readily available provides an organization with detailed information on the skills employees have acquired. This information is often leveraged in proposal efforts and the general management of the organization’s human capital. Alternative communication strategies include a combination of the following:

- Professional Development Calendars that contain all potential opportunities for an employee to further develop his or her skills throughout the year. Calendars were used by 69% of Apollo nominees.
- Intranet or Extranet to post messages and feedback about development opportunities, used by 72% of nominees,
- Development opportunities and highlights best practices, used by 100% of nominees, and
- Direct communication from managers and mentors which increases.

One Apollo nominee stated “Our most powerful communications tool for professional development, as well as knowledge sharing and corporate communications, is our internal wiki. Used daily by two thirds of our employees [it] is the first place employees look for information on training and development opportunities.”

**Impact Metrics**

Collecting metrics over time provides benchmarking toward specific program goals enabling an organization to assess the impact of its human capital management strategy. Collection of these metrics also demonstrates a direct alignment of human capital management with the overall mission and objectives of the organization.
Ninety-four percent (94%) of Helios HR Apollo Awards participants report using metrics to track their professional development programs. Some of the methods used by Apollo nominated companies in 2009 include:

- Employee survey results, 70%
- Training expenditures, 70%
- Educational assistance allowances, 59%
- Professional certification allowances, 58% and
- Number of promotions, 45%.

Employee development plans need to include employee development requirements and contingencies for employee advancement. This component of the development plan provides an objective appraisal of basic knowledge, skills, and experience for consideration when making advancement decisions. As a result, promotions become an indicator of successful employee development efforts.
Conclusion

The Helios HR Apollo Awards recognize organizations in the Washington Metropolitan Area that promote employee development and as such view the investment as an integral part of their success. Organizations recognized as leading the field in the area of employee development provide employee development opportunity as a part of their organizational culture. They also measure the impact of this investment from year to year. The awards program includes a rigorous examination of these human capital management strategies.

Our statistical data for the awards is compiled from organizations of all sizes in the greater Washington Metropolitan Area. The size of the firms evaluated in 2009 range from 4 employees to over 25,000 employees with the average size of the companies being 807 employees.

These firms utilize human capital management strategies within one of the tightest labor markets in the nation to ensure they have the people, skills, and knowledge necessary to execute their mission and serve their customers. Those who execute these models attract more of the right type of employee within shorter recruiting timeframes. They also retain these employees for longer periods of time, reducing future recruiting expenses. This reduces their cost of services or goods sold. In short, employee development creates the opportunity for them to operate more efficiently than most of their competitors. And, this represents a true competitive advantage which sustains growth.
**About Helios HR**

Because organizational goals are ultimately achieved by people, the lack of proper HR management has a strategic impact on business. Across all industries, no matter the size or stage in development, competitiveness relies on the ability to attract, retain and engage the right people.

Helios HR has built its business around delivering Human Resource management solutions that help enhance the ROI of your human capital—allowing you to attract, retain and engage an exceptional workforce.

Our delivery models include:

- Human Resource Outsourcing,
- HR Consulting and
- Interim HR Management

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This year, Helios HR partnered with Market Connections to collect best practice survey data along with the Apollo Award nominations. Market Connections is a leading independent market research firm.

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“It is a great relief to know someone’s sole focus is on the company ecosystem, with employee engagement being a top priority. Knowing that Helios HR will take care of you and provide a turnkey solution gives companies the confidence that as they continue to grow, their HR solutions are complete. That’s the real value proposition, no worries.”

- Mark Dumas,
  President SPADAC
Research


2009 Helios Apollo Award data and analysis, Helios HR, LLC (2008)


