ORGANIZATIONAL RESTUCTURING AND CAREER PLATEAUXING

A case study


Outline

This article describes a flexibility program for plateaued professionals in a technical Dutch firm operating in the consultancy sector we will refer to with the pseudonym Greentree Corp. First, we will discuss the impact reorganization had on job-requirements and career opportunities for technical employees. Secondly, we will discuss the program the company developed in close cooperation with external consultants to make the plateaued workforce more flexible and the outcomes of the flexibility program. Important components of the development policy were a three-day workshop designed for team managers to stimulate effective career discussions with their professionals, regular progress reviews within the organizational hierarchy and for the plateaued employees the use of Personal Development plans. Interviews with both managers and participants one year after the start of the program were carried out to measure the outcomes of the program in terms of the employability of the technical employees and satisfaction with the program.

Aims

Stagnating careers of professionals are an important phenomenon in organizational settings. Stagnation and plateauing in one’s career can be defined as a point in one’s career where performance in one’s current job is low or moderate and the chance of promotion or advancement in the hierarchy is equally low. Reasons for stagnation within careers can be found within the person such as low interests in future growth or the lack of proactive career planning. A career plateau can also be caused by organizational reasons such as a new business strategy, an organizational restructuring or insufficient attention for career management. In this business case a change in business strategy and the structuring of the company meant that new job requirements had to be formulated for technical professionals. For this group of employees the new strategy meant that they now had to act as consultants and advisors in the market. From certain professionals it was expected that they would not meet the new requirements and that they might risk loosing their jobs if no alternatives within or outside the company could be found. In order to increase the employability of these employees in the new organization a flexibility programme was developed. The outcome of this program should be ‘employees that are motivated and able to develop the competencies required in the new organization’.
Organizational setting

Greentree is an engineering and consultancy firm in the Netherlands. Its mission is to be ‘a respected partner in the development and application of sustainable and integral solutions for all facets of the environment in which we live, work, recreate and travel’. Until 2001, Greentree was an organization where the acquisition of new business was the responsibility of the commercial department. Following upon initial acquisition, project leaders were responsible for the staffing and the execution of the projects. Engineers, consultants and contractors executed the projects on a project base.

A new strategy was introduced in 2001. The new strategy had to make sure that the organisation could react faster to chances in the market and focus itself on high value consultancy and providing total solutions for customers. The new concept, a market driven and client oriented organization, brought forward a major reorganization of the company. Market teams led by business managers would now initiate work and projects. As before, within these market teams the project managers would be responsible for the execution of the projects and for the quality and the financial results of the activities.

The change in business strategy and in the structuring of the company initiated the need for a new kind of team managers. These team managers, a new developed job, would be responsible for the recruitment, selection, development and productivity of the team members. The new team managers had to perform as true ‘people managers’ dealing with all the developmental issues of individual team members and the team itself. Team managers had to carry the responsibility for teams of about fifteen to forty people. The new team managers were recruited primarily within the company from the ranks of project managers and professionals. In some cases candidates applied themselves; in other cases the company asked them to apply.

Worthwhile to mention is that the organizational change process started in the perspective of an economic decline that forced the company into a redundancy program as well. This was a completely new phenomenon in this organization. Personnel lay off was ‘not done’ in this company with a rather family oriented organizational culture.

The problem

In 2001 the Board of Directors formulated the intention to invest in the flexibility and development of employees against the new developed job requirements. During one of the first meetings to discuss the potential of employees against these requirements it was concluded that about 20% of the workforce (56 employees) would not meet the requirements
of the new organization and signalled the fear of stagnation in their career. Five categories of stagnation were detected.

1. The largest group consisted of employees whose competencies did not meet the requirements of the new organization.
2. A second category of employees had a specialization that was too small for the company to see market opportunities.
3. The third category was assessed to possess outdated knowledge.
4. A fourth category consisted of professionals whose expertise was not important enough in the services of the company anymore.
5. A final group was classified as employees with a discrepancy between the effort they showed and the remuneration they received.

The manager within the sector of Safety and Environment was asked to take the champion role in the flexibility programme and to make sure that for every employee a development plan would be designed in order to increase the professionals career flexibility. This was the start of what was labelled as the flexibility programme for professionals.

On the long term it is expected that the flexibility program will help the company to prevent stagnation in future and will equip team managers with the required knowledge and skills to signal and intervene in time as well. A knowledge intensive organisation such as Greentree and its market requires increasingly new knowledge and therefore professionals who are flexible in their development to survive as a company and for the professionals to prevent stagnation.

**Intervention method**

Together with internal and external consultants the management of the Safety and Environment sector developed the following multifaceted programme to improve the flexibility and employability of the stagnated professionals (n=56). From the beginning it was clear that the new team managers had to play an important role in this process. Besides interventions for these team managers and interventions for the targeted professionals, specific interventions were designed at company level.

**A development program for team managers**

The project started by interviewing a number of team managers, stagnating professionals and successful professionals as well. Based upon this survey, the final program was
designed. During these interviews, it became clear that team managers did hardly have any experience in career management of their employees, in having career discussions as well as experience in personnel planning related to strategy deployment. For the team managers therefore the following development program was developed.

**Program outline**

1. Every team manager will start making an overview of the required competencies and personnel needs to realize the ambitions of his/her team.
2. Every team manager compares these required competencies with the available competencies and makes a list of employees who do not (yet) fit in the new structure.
3. Following upon this, every manager will organize interviews with these employees on an individual base. An important guideline for these personal conversations is to stimulate self management in these employees and offering them their help and support in formulating a Personal Development Plan (PDP) for themselves.
4. Team managers are responsible for the follow up of these plans.
5. A regular discussion of the team manager with the sector manager of Safety & Environment will be scheduled to monitor the progress of the process.

**Three-day workshop**

In order to facilitate team managers in their role as development manager a three-day workshop was designed. The reasons to develop such a workshop were the experienced difficulties of team managers in having effective career interviews with their stagnated employees. Some of the managers postponed having such interviews and in those situations these interviews took place, they often were experienced as difficult. Psychological factors that inhibited effective career interviews were the long manager-employee history, hesitation because of expected emotional responses by the workers and the lack of flexibility and in conversations skills that was experienced. Others reported the lack of time and capacity inhibiting career conversations with their stagnated professionals.

The first session of the three-day workshop developing flexibility in professionals was carried out three months after the start of the project. At this point, the team managers had their first experiences with having the career interviews with their plateaued professionals. These experiences were also seen as an important input for the workshop that would cover three topics. Between the three sessions was a time lap of one month.

*Day 1:* Exchange of experiences aimed at stimulating a discussion and exchange between the team leaders about the magnitude of the problem in their own department, the outcomes of the conversations they already had taken place, the difficulties they met and the experiences they had. In this session it became clear they, as managers, all faced the same
problems. Awareness and more clarity about the issues the team managers were facing in dealing with stagnating professionals was created at this point. Another important result of this first training day was a grown recognition of the challenge and stronger confidence in dealing with the issue.

**Day 2:** Effective career interviews had a theoretical part and covered topics such as career development, the issue of career plateauing, symptoms of stagnation and instruments for career planning and career management. The practical part was a skills training in effective career interviews and required conversation skills. An actor was used to act out specific cases in a series of role-plays and the team managers received feedback on their performance in these role-plays from colleagues and trainers. The objective of this training part was to develop style-flexibility, the ability to switch to another strategy in case conversations did not meet expectations and skills in stimulating self management. Later on, in the evaluation study, it was obvious that this part of the workshop stimulated a lot of the trust and confidence in the learning group. From now on, the team managers would approach one another for advice, feedback or coaching more easily.

**Day 3:** Handling critical incidents, focused on discussing critical cases brought forward by participants and acting out these cases through role-plays and receiving feedback on one’s own approach in handling these difficult cases. Another part of this day was reflecting upon the strategies managers implicitly used to stimulating career flexibility in their plateaued professionals.

**A PD workbook to facilitate professionals**

A second part of the flexibility program focused on the group of plateaued professionals. An instrument for these stagnated professionals was the Personal Development Workbook. The instrument was designed to emphasize the personal responsibility in career planning and to stimulate proactive career planning in these professionals. The workbook concentrated around the three basic questions of personal career planning: 1 Who am I (needs, capabilities)? 2 What do I want? 3 How do I get there?

The PD workbook was an instrument that could be used on a voluntary base. Employees were free to make use of this instrument and they were free to ask for support and assistance in formulating their own development plan as well. They could choose for the support of their team manager, the HRM department or an external consultant. Later on, we will see that this Personal Development workbook became an important instrument in the whole flexibility process.
A planning and control cycle at organizational level

The third pillar of the flexibility program was implementing a planning and control cycle through the hierarchical chain. This intervention at the level of the organization was meant to monitor the progress of the project. Furthermore, it meant to stimulate regular interviews between team managers and business management about departmental objectives and outcomes of the project. In this context, regular interviews on a monthly basis between business unit management and team managers individually were installed.

In addition to this, an organizational process a so called ‘fleet review’, was introduced. This is meant as a structural intervention to trace current and to prevent future stagnation. In this annual appraisal process the development of every professional will be monitored and discussed with business management. In an early stage the team manager is able to take actions to prevent stagnation and employability of the professional will be reinforced here.

Results

One year after the start of the flexibility program an evaluation study was carried out by objective data gathering and through interviews with (at random chosen) plateaued professionals (N=10) and team managers (N=3). The evaluation study had to give an answer to the benefits and outcomes of the flexibility program and the factors that facilitated or inhibited these outcomes. The following conclusions were drawn.

Increased career mobility

The flexibility program leads to a significant increase in the career mobility of the plateaued professionals. Of the 56 professionals 15 (25%) had found a new job outside Greentree and 13 (20%) had found a new (fulltime) job within Greentree at a similar the level as their previous function. Another 20 professionals (35%) made a restart within the company in a new function at a different level within the company. For the remaining 8 employees a satisfying solution was not yet at hand at the moment of the evaluation study. Age was not experienced as a factor influencing the career mobility. Of the 8 employees that were labelled as ‘difficult’ or ‘not possible to find a new position for’ 6 are younger than 40 years old and only 2 are between their forties and sixties. Of the professionals who did find a new job outside the company (N=15), two third were younger than 40 years old and one third older. All together an outcome of 6 out of 7 successful replacements can be seen as rather high.
Confidence as career managers
In the interviews one year after the start of the program, team managers report an increased confidence in conducting career interviews. They mention that they are less reluctant in defining the problem and picturing the possible consequences for their employees and are less afraid for the reaction of the employee as well. In addition to this, the team managers report about an improved competence in aiming at the core of the issue in career interviews. They feel that they are, more than before, able to stimulate self-management and give the responsibility to the employee for his or her own career development. Team managers also report about the usefulness of the PD workbook in terms of structuring the career interviews and to keep focused on the long-term employability of their professionals. Last but not least, team managers report about an increased sensitivity for signals of stagnation in a fast changing environment such as Greentree S&E characterises.

Enhanced awareness professionals
The plateaued professionals themselves report about the personal learning that took place throughout the career interviews. They refer to an increased insight into the process that led to the current situation, their own role in this and the role the organization played. Nearly all say they have developed a more consistent picture of their own qualities and limitations. Especially the element of actively asking colleagues and partners for feedback helped in getting a more complete picture of oneself. For them the PD workbook and the process of discussing one’s personal development resulted in a much better understanding of one’s assets and qualities. The clear structure of the PD workbook and the questions posed here stimulated an in depth reflection upon one’s own qualities and to think in a structured way about one’s future career within or outside the company.

The collective challenge as facilitator
Looking more specifically at the facilitators of these results of the flexibility program, the first one should be located in the group domain. An important impact on the outcome of the process leading to greater career flexibility for plateaued professionals, as perceived by the team managers, was the moment they realized that ‘stagnated employees’ were a problem and challenge for every team manager. The transition from an individual challenge into a collective challenge created an atmosphere in which each team manager openly could discuss his experiences with the career interviews with his employees, the problems encountered, their personal feelings and his or her results within the group of team managers. The information, support and especially the feedback received from colleagues was perceived as very helpful.
Organizational restucturing and career plateauing

Planning an control as facilitator
Implementing a planning and control system through the hierarchical chain around this program was perceived by the team managers as another important facilitator for the outcomes of the flexibility process. The regular progress meetings with Business Unit management helped to prevent that agreed actions and efforts otherwise would disappear from the agenda and the importance and urgency of the operation would be forgotten too easily. At the start of the planning and control cycle, every line manager was interviewed about the performance and potential of his employees and the actions needed for certain results. At this moment, these regular interviews about the development perspective of employees are called the fleet-survey.

The PD process as facilitator
For the managers and for the plateaued professionals, the PD workbook is an important facilitator of the process. Nine out of the 10 interviewed professionals made use of this instrument. The workbook stimulated a lot of personal reflection about oneself and one’s career goals through a series of crucial questions and by its clear and simple structure. At the same time, the conversations around their development plans were perceived as very helpful. For team managers, it offered an instrument to structure their role as career manager and leave the responsibility of the process to the employee. Both the professionals and their team managers were free to choose a coach that was not the direct line manager. This design variable was perceived as an important success factor as well. Because of this flexibility, the quality and outcome of the coaching activity was not dependent of the quality of the boss-employee relationship. Especially during a reorganisation, some stated, the manager-employee relationship is vulnerable for more tension.

Increased management attention as facilitator
Probably the most interesting finding in the interviews with the plateaued professionals one year after the start of the program is their feeling that they now received the attention they were looking for the years before. Now they had the feeling managers listened to them and managers gave now more attention to finding solutions for problems regarding their development. Five employees explicitly stated that in the years before the flexibility program the management did not or not sufficiently enough listen to them. The previous interviews they had with their managers did not (sufficiently) lead to results in their opinion and they also experienced that it took too much time before action was taken. In this respect the flexibility program did (for the first time) lead to explicit attention from the organization and from managers to the problem of career plateauing.
Diversity in flexibility strategies as facilitator

The variety in flexibility strategies used by the team managers is another facilitator for the results obtained. The flexibility strategies most often applied in this year were external placement arranged by the business unit (7), external placement arranged by a third party (6) and intensive personal coaching from candidates (6). Apart from this, the acquisition of new work for the professionals and training and retraining were mentioned as strategies. Table 1 gives an overview of the diversity of flexibility strategies that were applied.

Table 1  Application of flexibility strategies (N=10)

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Development Plan</td>
<td>9</td>
</tr>
<tr>
<td>External placement arranged by business unit</td>
<td>7</td>
</tr>
<tr>
<td>External placement arranged by third party</td>
<td>6</td>
</tr>
<tr>
<td>Coaching</td>
<td>6</td>
</tr>
<tr>
<td>Work acquisition by business unit</td>
<td>5</td>
</tr>
<tr>
<td>Task oriented leadership</td>
<td>4</td>
</tr>
<tr>
<td>Use of informants for more complete picture</td>
<td>3</td>
</tr>
<tr>
<td>Development or training for current work</td>
<td>3</td>
</tr>
<tr>
<td>Training and development for other work</td>
<td>3</td>
</tr>
<tr>
<td>Potential assessment</td>
<td>7</td>
</tr>
<tr>
<td>Demotion</td>
<td>2</td>
</tr>
<tr>
<td>Psychological testing</td>
<td>1</td>
</tr>
</tbody>
</table>

Increased sensitivity for career plateauing

Related to the explicit attention the topic received now, employees report that before the program started, managers did not have sufficient attention for the personal problems of professionals in their position. They had insufficient attention for, as some say, the doubts of the individual employee with respect to his or her competency for job performance. Furthermore, managers did not show enough attention for temporary problems of the employee at home or medical problems. Some report about a dysfunctional relationship with their direct manager that impeded problem solving. Employees themselves perceive these examples as early signals for their dysfunction and stagnation in their career. The program brought forward an increased sensitivity for these early signals for managers. For employees it brought forward a grown awareness of those factors that in an early stage stimulated the process of stagnation. Some explicitly say they were glad management finally took action here.
Conclusion

From this case study we may conclude that the flexibility program with its mix of interventions for team managers, the plateaued professionals and interventions at organizational level did result in an increase in career flexibility and a significant amount of satisfying replacements. Besides this, team managers report about an increased self-confidence as career managers and an increased sensitivity for the issue of career plateauing. Employees report about an improved self-awareness and a greater managerial attention for their plateaued situation. Important facilitators for the positive outcomes of this flexibility program are the use of personal development plans, the explicit and collaborative attention from management to this issue and the regular planning and review cycle surrounding this project.

Discussion

As we have seen, the flexibility program stimulated explicit attention for the problem of career plateauing. Team managers became aware of their role as career managers and their responsibility in realizing new business strategies with appropriate interventions in the human resources domain. Plateaued professionals became aware of their own responsibility in managing their development in the changing business context. Above all, it stimulated a series of concrete efforts by the team managers, the plateaued professionals and the organization itself. With this serious and deliberate attention and investment in the career issue of the plateaued professional, the management succeeded in adapting the organization to the new strategy. The case study makes clear that an explicit and focused collaborative effort can be of great importance in making plateaued professionals flexible and prevent a lot of personal damage and organizational damage related to career plateauing.