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The Growing Need for Investments in The Continuous Development of IT Workers


[Joe Santana](#)

A year ago, I had the pleasure of meeting off stage a New York City performer. Having seen him and his troupe perform, I was fascinated by the speed of their costume changes between scenes. When I asked him how he got out of a tuxedo and into work clothes, followed by a change into a three-piece business suit in only a matter of seconds, he quickly replied without hesitation. "There are a whole bunch of people behind those curtains who swiftly peel clothes off off me, dress me in what I need and put me back out on the stage in record time." In today's frenzied world of change and the demand for "agile IT organizations," I'm sure all of you agree that IT professionals need to have their own version of these "people behind the scenes" to help them keep up with the need to continuously add, delete and change skills.

The Change Drivers

A quick look at the business landscape reveals some of the key drivers behind this accelerating pace of change. In a recent article published in MIS Asia (www.misweb.com), the author explains how long term business strategy is quickly becoming a useless vestige of the past. According to this article, annual strategies are abandoned by organizations almost as soon as the meeting is over because executives need to respond to the dynamic changes in global competition and other factors impacting their business, such as new technologies, new legislation and new competitors.

Now couple this trend toward shorter term planning with the globalization of jobs via offshoring. According to Forrester Research 3.4 million private sector jobs will leave the United States and move overseas in the next 11 years; 830,000 of these positions will be offshore by 2005 according to the Forrester study. As jobs move overseas to developing countries, they create new needs in the companies in the countries they are entering as well as in the countries they leave behind.

For a final layer of complexity, now place on top of this the huge number of projects being handled by resource constrained IT teams. "With so many projects in any given corporate IT portfolio, business-unit leaders must ensure that they match the right talent with the right project," states Maria Schafer, a senior program director with Executive Directions, a META Group advisory service, and the author of the META Group IT Staffing and



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Taking all of these factors into consideration, it is clear that one thing is for sure, IT teams and their leaders need to anticipate and address continuous IT skill demand changes or at a minimum respond to them rapidly. For IT professionals, the time that Alvin Toffler referred to when he said, "*The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn,*" is here today.

Hiring and Firing is the Most Expensive Route

In light of the recent buyer's market for IT talent, some organizations have tacitly adopted a hire and fire approach, where they hire the talent they feel the need today, fire that talent when they believe they no longer need it and move on to hire the next required skill. Studies, however, show this approach may be the most costly even in a buyer's market. Some research results show that replacing an employee can cost more than three times the employee's annual salary. While this may seem a bit exaggerated to some readers, it begins to make sense when you take into account, all of the direct and indirect cost associated with terminating and hiring new employees. (Not to mention, the impact high turnover has on employee morale and engagement). Here are just a few of the factors that may or may not impact you, which you need to consider in calculating your cost of hiring and firing:

- Placement fees
- Cost of interviewing. Time taken by HR, managers, executives and others to meet the candidate.
- New employee orientation and training
- Help Wanted Advertising
- Relocation for some new employees
- Administrative expenses
- Legal fees
- Lost revenue or project payback opportunity costs
- Lost of hiring, training and other cost invested in terminated employee
- Severance costs
- Disengagement of your remaining employees who feel vulnerable and stressed.
- Outright loss of business.

Dr. Ted Sun, the owner of an executive development company www.creativeinnovationsllc.com recently shared with me the story of a firm he worked with that fired one staff member. Suddenly, without warning their main manager and another technician quit, formed a new company with the fellow who was fired and based on their relationships took many of the companies clients.

Incidentally, another important thing to consider is that "the buyer's market" for IT resources seems to be fast approaching its end. According to labor department figures, 9,000 computer systems, design and related jobs were added this past August. Combine that with figures from previous months and it tells us that a total of 36,400 new computer systems, design and related jobs were added since August last year (news.com.com). Not surprisingly, IT workers are becoming more confident with regards to their ability to find and hold

new jobs according to a report released by the staffing firm Hudson (news.com.com). In a recent Herman Trend Alert, the authors commenting on the Hudson report results rightly predict that with increases in worker confidence, boldness relative to seeking new jobs will follow. (www.hermangroup.com/alert).

So what can organizations do to address the need for change at the lowest possible cost? What can you do as HR professionals? The answer is by investing in training and development of your people.

Investing in IT Change Readiness

By investing a fraction of the cost incurred in practicing a hiring and firing approach into training and development for IT professionals, you can do much to reduce costs while positioning your company more effectively within your markets. To see this for yourself, I invite you to calculate the cost of hiring and firing using the chart referred to above. Next calculate what it would cost you to set-up and run an operation that enables you to train and re-train your employees using the suggestions listed below:

1. Plan for the process of continuous people development. Here are just a few of the questions you need to ask yourself in assembling your teams continuous development plan:

- o How will these events be recognized and captured?
- o How will you supply instruction and development?
- o How will you test for performance results?
- o What remedial actions will you take if your program is not producing results?

2. Invest in the proper administration of your continuous development program. For example, you may want to get an IT human capital portfolio manager into the IT team to focus on making sure that your resource competencies are kept in alignment with your business/IT needs. A recent press release by META Group, tells us that many Global 2000 companies are doing this by in effect creating an "IT/HR role" within their IT organizations. (See www.metagroup.com for a full copy of the release). According to Schafer, "The role of the IT human capital portfolio manager is becoming increasingly important as a key function within the IT organization." If your organization is large enough this may make sense for your company. If you are mid-size, you might be able to get this by assigning an IT savvy HR professional to support IT. If you're company is small, you may be able to obtain this service through outsourcing to an expert provider.

3. Invest in a top of the line elearning provider for your basic technical needs. In the last few years, maturing technologies and competition have made a number of solutions highly affordable.

4. Round out your offerings to create an effective blended learning approach. Add the instructor led training components as needed as well as computer-based and web-based tools.

In addition to these now traditional training solutions listed above, remember that learning mostly happens when people interact, so don't forget to include the following:

1. Encourage and pay for your team members to join various professional associations and networking groups. This will enable them to learn through networking with others people in other companies. If they are too busy to attend regular meetings, explore one of the many popular on-line networking solutions. Ryze and Linked-in are among some of the best known. (My own "IT professional" global-network with close to 1,000 IT professionals in over 26 countries is hosted on Ryze at itpww1-network.ryze.com).

2. Invest in mentoring programs. There are a number of organizations today that offer affordable cross-organizational mentoring services in person and virtually. For an example of one of these that focuses primarily on mentoring for female professionals, visit the Mentttium 100 web site www.mentttium.com.

3. For your highest potential top performers, offer coaching. Coaching is by far one of the best investments you will make in top performers who you want to keep and maintain at the highest levels of output despite constant change.

4. Finally, consider a few of the free continuous education tools now available, courtesy of the Internet. There are a number of services on the Internet that properly used can offer a free source of continuous, just-in-time education for IT professionals. For a great example of one of these that provides access to specific, reusable, IT best practices based largely on the IT community's real-world experiences, visit Ittoolbox at Ittoolbox. The ITtoolbox network offers 26 unique Knowledge Bases, each featuring tools such as daily news, white papers, blogs, and peer-based discussion groups.

Now, capture all the direct and indirect costs related to setting up and running this type of program in your organization. Compare these results with the cost of maintaining your skill level alignment via firing and hiring. Chances are very high that like many others you will find that it is more prudent to invest in running the training and development program.

Conclusion

Budgets for training and organizational development have long been seen as ideal places for cost cutting in a sacrifice of the future in order to meet short-term results. With business change accelerating, however, the impacts of these decisions are going to start showing up negatively within the very short-term that they are meant to salvage. I submit to you that continuous investment in training and organizational development for IT teams and workers are no longer a choice. They are a growing competitive necessity for the effectiveness of any organization that wants to succeed in the 21st century.

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Over the course of his career, he has taught and coached hundreds of managers and professionals. Joe is often quoted in well-known industry and business publications including *Fortune*, *ComputerWorld* and the *Outsourcing Journal* regarding key business and technology topics and has also been a popular guest on business radio and network television. For more information about Joe, please visit him on the web at www.joesantana.com.

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