

### CAREER GUIDANCE AND CAPACITY BUILDING IN SMES

White paper

## SME'S GROWTH AND INNOVATION THROUGH LEARNING AT THE WORKPLACE

















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GrowINg - SME's Growth and Innovation through Learning at the Workplace | Sep. 2020

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### INTRODUCTION

Whereas in the past innovation policy worked through investments in research and development, a broader view now needs to be taken of where innovation occurs, and the conditions needed to support it. Innovation is not just science and technology; it is also the creation of a multitude of new products and services in all sectors of the economy, new marketing methods and changes in ways of organising businesses, their business practices, workplace organisation and external relations. Aware of this, the GrowINg — SME's Growth and Innovation through Learning at the Workplace project developed, tested, and validated a strategy for Career Guidance in SMEs, integrating practices to promote adult education at the workplace and strengthen employees' entrepreneurial skills. This was done through the development of a set of key results:

- Design of tools & resources for SMEs, for the definition of a career guidance strategy, learning opportunities & promotion of workers' entrepreneurial skills;
- Structure & implementation of training addressed to managers & human resources managers of SMEs.

This document intends to show the importance of these resources to help SMEs managers and their employees to find and increase entrepreneurial skills by providing guidelines for the integration of Career Guidance strategies in the policy of SMEs as well as policy recommendations to bridge the gap in career guidance and adult learning at the workplace.





PREMISSES BEHIND THE PAPER















### SMEs AS A PRIVILEGED CONTEXT OF LEARNING

Is widely recognized that companies and workplaces are privileged contexts of learning, being concurrently places where actual and future jobs are shaped and employees' skills are raised throughout their lifespan.

This means that learning happens in workplaces, even when is not formally thought through, structured or implement. It happens spontaneously (non-formal learning), as demand for worker integration in companies' culture and processes and reach the objectives established for them, and from the interaction existent along workers and through their work. Different types of learning can, thus, occur in the workplace, being important to ensure that this learning is meaningful, valuable to all parts (managers and workers) and formally recognised as support to workers' career guidance and to strengthen companies' income.

Considering all this, to maximize the potential of innovation and competitiveness of the companies, and to benefit from the internal talent of its workers, companies must set up a spirit and practices of the **learning organization**.

How can this be done? First of all, managers and human resources managers need to take a hard look at the SME and answer the following questions (Figure 1.):



Figure 1 – Example of questions managers and human resources managers should answer when reflecting on the learning organisation culture of the company.

Assuming that, as a result of this initial reflection, you consider it important and possible to proceed with setting up a learning organization culture, it is time to draft the internal strategy to do it, defining:

- 1. Objectives you want to accomplish
- 2. Employees to be involved, their responsibilities and roles
- 3. Level of implementation of the strategy (unit, area or all company)
- 4. Initiatives to be undertaken, specifying the setting, resources, persons to be involved and timeline
- 5. The process of communicating the strategy to leaders and employees
- 6. Action plan for the implementation, monitoring and evaluation of the strategy and progress of the process

















Which initiatives can be undertaken to set up a learning organization culture? In the GrowINg project, partners defined five building blocks related to the vision of setting up a learning organization<sup>1</sup> (see Figure 2.):

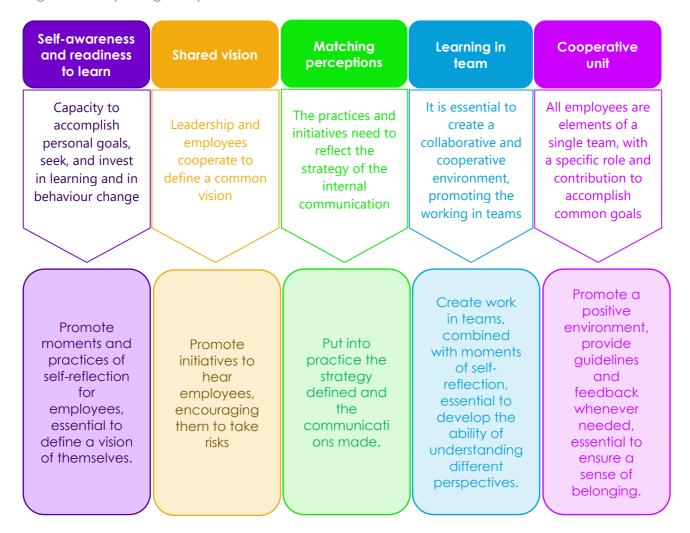


Figure 2 – Building blocks and tips for setting up a learning organization.

These are the five main aspects considered relevant to successfully proceed with the set-up of learning organization culture in your company, being important to tailor the approach to the company's goal, activity and resources. It is also vital to ensure that all company is adequately informed, aware and engaged in the activities previewed to be undertaken in the scope of the strategy.

<sup>&</sup>lt;sup>1</sup> These building blocks were inspired by Senge, P. (1990). The Fifth Discipline: The Art & Practice of The Learning Organization. Available by ELM Learning at the <a href="https://elmlearning.com/what-is-a-learning-organization/">https://elmlearning.com/what-is-a-learning-organization/</a>.



### CAREER GUIDANCE IN SMES FOR A LIFELONG CAREER

Adult learning in the workplace and its promotion are of crucial importance to ensure the viability and sustainable growth of every SME. For this reason, practices which support employees' learning and guarantee continuous career guidance and capacity building must be further deployed and adopted by promising SMEs. Every business should understand that employed adults require career advice for their occupational and professional growth to help the business and have the necessary skills. The question to consider is how this can be achieved.



Figure 3 – The relevance of career guidance in SMEs.

In this sense, a framework like the one produced by the GrowINg project, which supports career guidance through learning in the workplace, will prove undoubtedly helpful in areas of interest for every business and will bring about positive outcomes, permeating all aspects of day-to-day operations. The advantages are numerous, and the initial steps can be taken at any point, by setting a clear and concise plan.

1. Get familiar with career guidance, through career conversations with employees, career mapping, job redesign/enlargement, job rotation, dual career ladders, horizontal career paths, mentoring, cross-training, in-house training programs, internal training, external training programmes, online courses, conference/ seminar attendance, ensure performance evaluation, support work-life balance.















- 2. Set up career guidance practices, i.e. map existing career guidance practices, identify the practices suitable to be implemented in the company, interact with employees, asses the goals and objectives by both sides, create targeted and specialized activities for stakeholders, share the results, reevaluate, rethink and redesign if necessary.
- 3. Take a personal interest in employee career goals by getting to know the employee, asking about their personal, social and professional goals and trying to identify with them, to start developing a career development plan.
- 4. Promote practices of self-reflection by providing self-reflective questions and recording them to keep track of the answers, enrich the procedure with psychometric tests and provide feedback regularly. Promote self-assessment by including new skills and experiences, meditation methods, identification of distractions and cognitive distortions, values and limits clarification or strengths and weaknesses analysis.
- 5. Joint career mapping. Define the career guidance strategies to promote them in the company, Outline the career guidance conversations, and determine the process to support employees reflect on their careers.

In addition, take into account the different parameters of the career guidance scheme: the place of conduct, the total duration, the programme provider (would that be a hired trainer or an external partner?), the type of career guidance and tools to be implemented and the degree of flexibility they offer, agreements (between training provider and receiver) to ensure commitments on results, delivery methods (instructor-led, distance/blended/traditional/non-formal/on-the-job learning).

















### WORKERS' ENTREPRENEURIAL MINDSET AND SKILLS AS DEMAND FOR INNOVATION AND

### **COMPETITIVENESS**

More than ever, companies need to invest in the capacitation of employees, allowing them to be the best professionals they can be. The success, progress and learning of employees depend on their personality and commitment for sure. Still, companies can have a crucial role in creating the proper environment and opportunities, fostering their development and growth. One of the options can be by strengthening employees' entrepreneurial mindset, a goal to which the GrowINg project can contribute.

So, what are we reporting to when we mention "employees' entrepreneurial mindset"? To have an entrepreneurial mindset is to adopt a way of thinking that enables people to face and overcome challenges, revealing commitment, ownership, responsibility and autonomy towards the identification and implementation of solutions and strategies. It is widely known that those with an entrepreneurial mindset tend to (see Figure 45):



Figure 4 – Main characteristics of a person with an entrepreneurial mindset.

As such, an employee with an entrepreneurial mindset has some relevant characteristics that can benefit the company, as well as allows them to be action-oriented, highly engaged and resilient, solution-oriented through curiosity, creativity, and critical thinking and willing to cooperate with others while working in a team. Following this idea, it seems logical that, by investing in the promotion of employees' entrepreneurial mindset, companies can contribute to the development and satisfaction of employees, on one hand, and be economically efficient and good places to work and learn, on another hand. This is why it is important to invest in employees' entrepreneurial mindsets, which can be done by strengthening their entrepreneurial skills. In the context of the project, this can be defined as the capacity to act upon opportunities and ideas to create value for others<sup>2</sup>.

<sup>&</sup>lt;sup>2</sup> In GrowINg, entrepreneurship is seen as a competence and as such, can be defined as the capacity to act upon opportunities and ideas to create value for others. The value created can be social, cultural, or financial. Entrepreneurship is a competence for life. Being creative or thinking about how to do things in new ways is equally relevant to progressing in your career or coming up with new business ideas. Taking the initiative, mobilising others and getting them on board with your idea are useful skills when fundraising for your local sports' team, or establishing a new social enterprise. Understanding how to put a plan into action and use finances wisely are relevant for your own life and business planning in a small or medium-sized company (SME).





**GROWING IN SMES** 















### GUIDANCE OF SMES TO PREPARE THE SETTING

According to the project research, SMEs managers believe that in the future they will be still experiencing some of the challenges they are facing now, namely:

> Committing resources (budgetary, human, time, etc.) to staff development

Motivating employees to continue professional and personal selfdevelopment

Linking organizational, operational and

Figure 5 - Actual and future challenges to be faced by SMEs.

To invest in the promotion of employees' entrepreneurial mindset to face these needs and support SMEs to growth, the GrowINg project designed and delivered a Capacity Building Programme for Entrepreneurial SMEs addressed to SMEs' managers & HR managers, consultants and adult education professionals to define, structure and implement a career guidance strategy for employees. The programme has 25h and is organized into 3 distinct modules:

- Career Guidance in SMEs,
- Learning at the workplace
- Assessment and strengthening of workers' skills,

The modules cover the GrowINg approach, namely what concerns the potential of its products, tools and resources in Career Guidance in SMEs'. It follows an active learning methodology, with sessions of capacity building followed by implementation in their companies with a set of employees. The programme's main goal is to guide the participants to define, structure and implement a career guidance strategy for employees through adult education practices in the workplace and reinforcement of employees' entrepreneurial skills. To accomplish this goal, there were planned moments of cooperative learning, brainstorming, self-reflection and debates. So, at the end of each module, the participants are invited to implement what they have learned in their companies. This method allows the SMEs to have more time to be prepared, benefit from the project resources and experience the activities and their impact on the growth of the entrepreneurial mindset of the company's employees.



### THE USE OF GROWING PRACTICES AND TOOLS IN SMES

The GrowINg strategies, tools and practices were tested and implemented in the first semester of 2022 in Portugal, Greece and Cyprus through Capacity Building. However, due to the constraints of the countries, the programme was delivered in different formats: face-to-face in Portugal, online in Greece and hybrid in Cyprus, with face-to-face and asynchronous online sessions. It involved 18 companies from adult education, vocational training, IT & Technology, accounting, payment services provision, business association and health sectors with 29 participants.

Each company has implemented a pilot, aiming to create strategies to solve some gaps found in employees and the organization. For this, it was selected a set of employees so it would be possible to:

- define a career guidance strategy
- implement learning at the workplace strategies
- improve the employees' entrepreneurial skills

This implementation reached more than 100 employees.

We highlight the following feedback collected during the implementation in companies:

- The formal career guidance strategy is easier to implement in companies with HR departments;
- Learning at the workplace and entrepreneurial activities can be done informally;
- The GrowINg tools are innovative and of high quality;
- It is not possible to implement all tools and activities in SMEs due to time constraints, but it is possible to select and start with some activities with the most impact;
- Entrepreneurial Challenge only has an impact if it involves the organization, from top to bottom;
- The new editions of the Capacity Building Programme for entrepreneurial SMEs must have more time for in-company implementation so they can involve more employees and test more activities;
- This Capacity Building Programme could be transformed into a professional online course offered to SMEs all over the world.















### **BUSINESS AND WORKERS' BENEFITS**

Within the scope of the Capacity Building, and after the implementation of the GrowINg tools in companies, it was possible to identify some benefits of this methodology, both for workers and businesses. From the feedback collected, it is possible to present some benefits of the integration of Career Guidance in the Human Resources Management Policy of SMEs, namely:

Employees feel that they are a true part of the process

Employees are involved in solution building and not only in the problem identification

Managers spend time reflecting on the needs of their employees, identifying different solutions to the problems

Figure 6 - Benefits of the integration of Career Guidance in the Human Resources Management Policy of SMEs.



**TOOLBOX FOR GROWING** 















### THE GROWING APPROACH

The GrowINg project provides different tools that are jointly used and be an excellent guide for the integration of workers' career guidance strategies, combined with the implementation of practices for the promotion of an entrepreneurial mindset, skills and opportunities for learning at the workplace. This set of tools is identified as Toolbox for GrowINg and consists of (see Figure 5.):

### **OBJECTIVE**

### PRACTICES & TOOLS

### **GROWING RESOURCE**

**Ensure Workers'** Career Guidance

Reinforce learning at the workplace

**Promote** entrepreneurial mindset & skills

Capacitate companies & **HR** managers Tips to companies on how to start

Recommendations for employers

Recommendations for intermediate organisations

for policy makers

Assessment of entrepreneurial skills

Reinforcement of entrepreneurial skills

> Promotion of entrepreneurial mindset

Preparing the SMEs

Capacitation of HR managers

Framework for learning at the workplace

Career guidance and learning in **SMEs** 

Online selfassessment tool

Handbook for Entrepreneurial skilled employees

Handbook for **Entrepreneurial** skilled employees

Capacity building programme for <u>entrepreneurial</u> **SMEs** 

Figure 7 - Overview of the GrowINg Toolbox.















### RECOMMENDATIONS FOR COMPANIES AND TRAINING PROVIDERS

To improve career guidance, reinforce learning at the workplace while overcoming the existing challenges and promote the entrepreneurial mindset & skills of employees, SMEs have to design a strategic approach that will place learning at the centre of the daily activities of the company. The main recommendations to help SMEs build/improve their strategic approach by implementing the GrowINg methodology are:

- The GrowINg approach must be a continuous process;
- Employees must be involved in the implementation to reach success;
- Find out the suitable trainer for this Programme;
- Some materials can be used separately and it's not necessary to implement the whole training;
- Adjust the GrowINg approach to your reality;
- Start by defining a career management strategy for employees, using the online tool, and then plan activities/training to fill gaps;
- Apply the online self-assessment tool to your company and check the level of proficiency of your teams in the different entrepreneurial skills;
- With the support of booklets, promote the most attractive activities to improve skills;
- Get daily issues to test the implementation of GrowINg tools in your company;
- Give time for reflection during the implementation;
- Give space to your employees' creativity.





**GLOSSARY** 















Adult Learning at the workplace - A range of formal and informal learning activities, both general and vocational, undertaken by adults after leaving initial education and training<sup>3</sup>

Entrepreneurial mindset - Ability to adopt a way of thinking that enables people to face and overcome challenges, revealing commitment, ownership, responsibility and autonomy towards the identification and implementation of solutions and strategies.

Entrepreneurship - The capacity to act upon opportunities and ideas to create social, cultural, or financial value for others. It is a competence for life, being relevant to personal development, career progress or coming up with new business ideas.

Learning Organization - Organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights 4.

Lifelong career guidance - Services intended to assist people at any age and any point throughout their lives, to make educational, training and occupational decisions and manage their careers<sup>5</sup>

Small and Medium Enterprises - Enterprises that employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

<sup>&</sup>lt;sup>5</sup> OECD (2004:19) Career Guidance and Public Policy: Bridging the Gap. Paris. Available here.



<sup>&</sup>lt;sup>3</sup> Official definition by the European Commission. Available online <u>here</u>.

<sup>&</sup>lt;sup>4</sup> Garvin, D. A. (1993). Building a Learning Organization. 18/11/2021. https://hbr.org/1993/07/building-a-learning-organization.



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