

## HOW DO YOU THINK STRATEGICALLY ABOUT YOUR CAREER?

In today's economy where job risk is the norm, professionals need to know how to think strategically about their career. Making job decisions is tough, and the fact is that there's nothing in formal education that qualifies business people to make them. Indeed, the field of career strategy, driven by the global marketplace, is relatively new. Although there is a fair amount of conventional wisdom regarding career, very little of it will stand up to research scrutiny.<sup>1</sup>

The beginning place for developing a career strategy is understanding the current professional environment. Thankfully, the Dallas Fed has done the basic research for us. Although the research is not intended as a crystal ball for personal strategy, the big-picture orientation provides an insightful backdrop.

### The facts

The 2003 Annual Report of the Dallas Fed, presents a global picture of the employee marketplace in *The Evolution of Work*.<sup>2</sup> Covering the entire job market from '94 to '04, the study revealed a very orderly, ascending talent hierarchy (see below). The study concluded that occupation-required skills involving muscle power, manual dexterity and formulaic intelligence are in eclipse.

However, the hierarchy shows a distinct break in terms of job gains and losses between analytical reasoning and formulaic intelligence. By formulaic intelligence the authors refer to tasks that can be reduced to rules and built into software to eliminate the human touch. Although software can *mine* databases, and those techniques continue to improve dramatically, the need for human analysis is evidently endless. As a number of economists have noted, computers are Janus-faced.<sup>3</sup> They help to create new jobs even as they destroy other jobs. Analytical software makes the need for human analysis and creativity even more demanding and necessary.

Specialists at the National Security Agency, for example, say that systems require people who are not only expert, but analytically visionary, in order to avoid false positives and *root out meaningful patterns from the background noise of billions of innocent communications*. The ideal analyst can be compared, one authority said, to an expert lie detector operator, or to the sonar operator who can identify a *submarine's nationality just by listening to it's screws turning*. Compared to the complexity of business data-mining, the analytical requirements for lie detection and sonar operation pale in their simplicity.

People skills, at the highest level of the talent hierarchy, supported by expertise in at least one technology (marketing, finance, IT, research and development, etc.), will always provide career opportunities. Indeed, most organizations put a premium on the ability to lead, inspire and motivate employees. And many organizations highly reward those who have the language and relationship skills to work with strategic clients at other organizations. Contrary to conventional wisdom, the organizational uses of imagination and creativity, are heavily oriented not just to creative thinking but also *relationships*. Process and product innovation do not usually occur in an individual silo, but are laden with cross-functional, networking, relationship skills. Since innovation may well be the only organizational opportunity for an organization's competitive advantage, relationship skills are always in high demand.

## How does the talent hierarchy apply to personal career strategy?

Most people walking out of college into their first job have little understanding of how careers develop. The fact is careers are built block upon block—competency upon competency. The first task in sales, for example, is to learn the product (aka, the data). Looking at the talent hierarchy below, you will see that most careers begin at the tail end of formulaic intelligence, and move quickly up the ladder to analytical reasoning. Successful college grads will learn to analyze sales needs, and gain the skills to communicate those needs to their marketing group. With minimal people skills, they'll learn to be an *order taker*, then grow into face-to-face contact with a purchaser—often below managerial level. Then if the sales person gets better at his/her product knowledge (the data) *and* people skills (the relationships) they'll be assigned a client purchasing manager. This process usually forces them to become far more analytical, and creative about how they look at processes, products and relationships. If they've developed significant analytical skills in their product base, and have also gotten to know their client and client industry, they may be asked for their expertise in the development of new products. And if they great, sometimes phenomenal analytical, creative, and strategy skills, they'll be given the opportunity to market and sell to senior clients at an executive level.

The same model applies to nearly all vocations. Professionals grow from basic product data, gain analytical skills, develop problem solving expertise, and work at creative solutioning, all the while building people skills—for many, the toughest area of expertise. People skills include not only the interpersonal, but also management, leadership, negotiation, conflict and team competencies, and strategic client sales. Some of these are so challenging that many workers simply opt out of career tracks that require people skills. But strategic development inevitably includes many of these competencies since they are the skills providing for the most career opportunity.

The talent hierarchy makes it clear that workers and professionals must stay in a learning mode—simply gaining basic competencies is not enough. They must continually add to their technical, analytical and communication repertoire. Otherwise, technology or the formulaic simplicity that makes outsourcing possible will put workers out of a job. It is already built into medicine, and is moving into the law profession. Technology will become as necessary and widespread in the professions as it has become in business.

The one caveat to all of this is that better companies focus on the competencies that provide them with competitive needs (aka, *core competencies*). So, in developing their career, employees may find themselves with skills outside their firm's competitive advantage. In spite of having desirable skills, that firm may want to outsource those skills, and thus, those employees are shown the door. This, of course, complicates the decisions workers have to make. It's strategically smart to pay attention to the firm's core competencies as well as your own career competencies so your development program builds strategic, "organizationally useful" competencies.

## What does this mean to 21<sup>st</sup> century businesspeople?

Career strategy is not rocket science, but professionals will have to stay *in the know*. Career smarts (read, *intelligence*) is nothing less than an ever-growing toolkit of highly relevant competencies. Quite a few years ago, I suggested to a client that he

add a couple specific books to his business shelf, and go over them carefully to plan for his future. "That's what I pay you for," he responded. That was great for my pocket book, but thoughtless in regards to his future. In today's world businesspeople are going to have to step outside echo-chamber networks that reinforce their prejudices, continue their education, make reading an imperative and focus upon a life-time of learning and growing if they are to have a viable work future. That will require reprioritization for most, along with constant evaluation of life balance.

Often people are simply not willing to deal with those facts. I emphasize this because numerous studies show that once a person gains competency (typically within four to six years of employment) they stop learning and growing their brainware. Furthermore, recent studies show that few organizations are talent-effective, investing little in time and resources for the development of their people.<sup>4</sup> The tools of learning and self-motivation have become absolute essentials for success in the New Economy.

Organizations today have only two ways to remain profitable and succeed in their business: technology and brainpower. Professionals can make long-term contributions to their firm and their own future by taking charge of their own brainpower and talent development.

### Addendum: Hierarchy of Human Talents

The work we do has evolved in response to economic progress. Advances in technology create tools capable of doing tasks better or cheaper than human beings. As machines make some talents obsolete, people move on to jobs that use others. In this way, workers move upward over time

to jobs demanding more sophisticated talents. In the past decade, the United States saw employment declines in jobs requiring muscle power, manual dexterity, and formulaic intelligence. The nation has added jobs that use analytic reasoning, imagination and creativity, and people skills.

	Employment gains (‘92 – ‘02)	Percent Change
<b>PEOPLE SKILLS/EMOTIONAL INTELLIGENCE</b>		
Registered nurses	+512,000	+28
Financial services/sales	+248,000	+78
Lawyers	+182,000	+24
<b>IMAGINATION/CREATIVITY</b>		
Designers	+230,000	+43
Architects	+60,000	+44
<b>ANALYTIC REASONING</b>		
Electronic engineers	+147,000	+28
Medical scientists	+22,000	+33
Computer operators	-367,000	-55
<b>FORMULAIC INTELLIGENCE</b>		
Health records technicians	-36,000	-63
Bookkeepers	-247,000	-13
Secretaries and typists	-1,305,000	-30
<b>MANUAL DEXTERITY</b>		
Tool and die makers	-30,000	-23
Sewing machine operators	-347,000	-50
<b>MUSCLE POWER</b>		
Garbage collectors	-2,000	-4
Farm workers	-182,000	-20

--Adapted from Federal Reserve Bank of Dallas 2003 Annual Report

<sup>1</sup> Ibarra, Herminia, (2003) *Working Identity*. (Boston: Harvard Business School Press). Ibarra's superbly researched book presents a new model for career reinvention (career strategy) "that flies in the face of everything we've learned from 'career experts.'" An earlier article by Ibarra (How to Stay Stuck in the Wrong Career. *Harvard Business Review*. December 2002) is a good place to start.

<sup>2</sup> Cox, Michael and Richard Alm. The Evolution of Work. *2003 Annual Report—Federal Reserve Bank of Dallas*. (<http://dallasfed.org/fed/annual/2003/ar03f.cfm>)

<sup>3</sup> Levy, Frank and Richard J. Murnane (2004) *The New Division of Labor*. (Princeton, N.J.: Princeton University Press), 4.

<sup>4</sup> Putzer, Lars et al. (2008) A Talent Shortage for European Banks. McKinsey and Company: Research in Brief, July.