

PAUL MATTHEWS



capability AT WORK

HOW TO SOLVE THE PERFORMANCE PUZZLE

Praise for *Capability at Work*

“I found the insights in this book had me nodding my head in agreement on almost every page. The practical advice is clear and implementable, so long as the mindsets are primed. I am sure readers will want to keep it close at hand as they help their organisations meet the increasing demands for high performance from their workforces.”

*Charles Jennings,
Learning and Performance Expert*

“Finally, a book which speaks sense. As an L&D professional and experienced lecturer, Paul talks about the things that I have always tried to embed in my teaching and training. That is to develop the ability in the trainee to not just become competent at that moment in time in order to pass an exam or carry out a task, but to become capable in applying and understanding the learning process and being able to apply this to other events and learning in the future to become truly capable through life and career.

Paul’s book does what it says on the tin!”

*Sue Snowball
Head of Learning and Organisational Development, Coleg Gwent*

“*Capability at Work* is in effect a field guide for HR and Learning and Development practitioners to develop performance consulting capability, which is key in providing effective business improvement. Paul Matthews’ new book challenges the ‘order taking’ approach of L&D departments and presents an engaging as well as practical guide for practitioners to develop consulting capabilities.”

*Karly Olsen-Haveland
Group Director of People and Organisation Development, Impellam Group*

“HR and Learning and Development experts have spent years trying to turn their perceived specialism into accepted and essential organisational capabilities. Paul manages to achieve this with simplicity and clarity underpinned by genuine case studies and theory. This book is a must for anyone starting out in the world of HR and L&D as well as for the more seasoned practitioner who has faced the challenges of turning knowledge and competence into capability. A very welcome addition to the business book library”

Colonel Garry Hearn OBE

Defence Learning and Development Transformation Programme

“It is not sufficient to be competent. An L&D department must be capable, and must be able to build the capability of its clients. This book explains why this is so, and lays out practical steps to get you there.”

Dave Pearson

Head of R&D IT Learning Service

“This concept is so obvious so why don't we all practice it? L&D professionals need to wake up and smell the coffee, read this and communicate with your stakeholders for great results. A fantastic book Paul.”

Tony Bulmer

Learning Design Manager

“Paul Matthews' brilliant new book '*Capability at Work*' is straightforward, practical and effective. An essential guide for all managers to improve individual and organisational performance!”

Meriel Box,

Head of Staff Development

“I always enjoy reading Paul's weekly tips, so am delighted that his latest book brings together his deep insights into learning and development. My big take-away is that training departments should not allow their role to be seen internally as delivering training but as advisers to management.”

Richard Chaplin,

Founder & Executive Chairman, Managing Partners' Forum

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Contents

Foreword	xi
Chapter 1: Survive and thrive with capability.....	1
Capability versus competence	3
The components of capability.....	7
Why is capability so important?	7
Training: the knee-jerk reaction.....	14
Training does not breed good performance.....	16
Chapter 2: Changing your perspective.....	25
Looking at the system.....	30
Taking a systems view of the organisation.....	34
How to improve performance.....	36
Chapter 3: The new role of L&D	41
Using the language of business, not L&D or HR.....	47
Improve your business skills and knowledge.....	51
Your brand, your credibility	58
Chapter 4: The components of capability	61
Knowledge	63
Skills	67
Mindset.....	70
Physiology.....	73
Environment	75
Chapter 5: The Performance Consultancy process	85
The consultancy relationship.....	88
How does it all start?	89
The process	92
The benefits.....	95

Chapter 6: Stage 1 – Getting the meeting.....	97
Chapter 7: Stage 2 – What to do in the meeting	105
The problem.....	106
The behaviour gap.....	108
The value of success	111
Other stakeholders	112
Barriers.....	113
Solutions	119
Chapter 8: Stage 3 – After the meeting	123
The performers.....	124
The managers.....	128
The manager of the problem holder	130
People in other silos	131
Solutions costs	132
The next meeting	132
Chapter 9: The role of the manager.....	137
Performance management	142
Capability management.....	146
Conclusion: Towards a performance culture.....	151
About the author	155
Informal Learning at Work.....	157
References	161
Index	167

Foreword by Charles Jennings

High performance is all about performance and productivity. Effective learning is the way we deliver both.

However in our world where change is the norm it has become increasingly clear that most learning approaches are not working. The traditional understanding of what people need – usually expressed as ‘knowledge’ and ‘skills’ – and how they acquire it – usually in the form of structured courses and programmes – is failing to deliver the capability and performance needed.

We need new ways to approach both old and new problems. The old problem is that of ensuring our workforce delivers the value we need at the time we need it. The new problem is that of ensuring our workforce is both efficient and effective at learning, unlearning and re-learning in increasingly complex working environments at a speed faster than ever before.

In his *‘Informal Learning at Work’* book, Paul Matthews wrote about the increasing importance of exploiting intangible assets in organisational success. As the workforce is the major intangible asset in any organisation it follows that agile and effective learning is a critical component in this process. Without agile and effective learning, and the ability to use the capabilities that develop from that learning, any workforce will not deliver optimum value.

In this new book Paul focuses on the performance puzzle. The answer to this puzzle, he argues, lies not so much in the process of learning (although how learning is achieved is critical) but in a laser-like focus on the outputs of learning – on effective capability and performance. It’s what people can do and how well they can do it that counts. Whether they have passed tests to demonstrate levels of knowledge are merely secondary factors.

Moving from 'knowing' to 'doing' is often a challenging task. In research for their ground-breaking book *'The Knowing-Doing Gap'*, Stanford University academics Bob Sutton and Jeff Pfeffer found that most companies suffer from an inability to convert what they know into effective action. Even when organisations know what needs to be done they often experience an 'implementation shortfall'.

In this book Paul provides a detailed analysis of the knowing-doing challenge. He cites output from numerous studies and provides plenty of practical examples. Paul explains why traditional training has failed to build adequate capability and has subsequently failed to close the knowing-doing gap. He then discusses a series of approaches that can overcome the challenges and deliver capability at the 'speed of business'.

The solution Paul offers is not a simple one, but that's not surprising. The problem is large and complex, and simple solutions rarely emerge from such problems. However, the solution is a practical one. Paul draws on the excellent work of people such as Nigel Harrison, Geary Rummler and many others in providing this advice. It requires focus on new mindsets, new ways of approaching performance and productivity problems, new L&D roles and capabilities (particularly performance consulting capability), and new relationships between L&D and their stakeholders. Paul provides a roadmap to get there.

I found the insights in this book had me nodding my head in agreement on almost every page. The practical advice is clear and implementable, so long as the mindsets are primed. I am sure readers will want to keep it close at hand as they help their organisations meet the increasing demands for high performance from their workforces.

Charles Jennings
Winchester
August 2014

Chapter 1

Survive and thrive with capability

We are in the performance business, not the knowledge-gain business. The learning leaders who understand the difference are the ones who succeed.

Bob Mosher

This thought experiment reveals a lot: imagine for a moment that you're the chief executive of a new business, and you are offered a choice of two teams to work in your business.

Team one consists of people who are well-educated, have been on many training courses, and know a lot. They have degrees. They have certificates. They've attended all the best industry training courses. They are extremely knowledgeable in the areas in which the business will operate.

The second team is different. They aren't as well-educated but they all have a demonstrable track record in the industry. They are 100 per cent capable of doing the work that needs to be done in the new business.

Which team would you choose?

The knowledgeable team or the capable team?

It's a question that I've asked CEOs, company directors, and managers, as well as people in Learning and Development (L&D) and Human Resources (HR), in both the public and private sectors.

How did they answer?

Ninety-nine per cent picked Team Two, the capable team.

Why?

They all knew that in the moment when a job needs to be done, capability to do the job counts far more than the amount of training someone has done or even the amount of knowledge they possess. If you want your business to succeed, capability trumps knowledge.

At this point in the conversation, the L&D people often point out that all the knowledge of the people in Team One means they are, in effect, already capable. It is this blurring of the lines between knowledge and capability, or learning and capability, which leads to significant problems in the relationship between L&D and the people on the operational side of the organisation. More about this later.

Although this book is highly relevant to managers at any level in an organisation, I will assume the primary audience is people in L&D, HR, training functions, people development, or anybody in an organisation responsible for learning. Much of the book is about building an effective relationship between people in learning functions and people in operations, and so it is equally valuable to line managers when they need to interact with L&D.

In this book, you'll discover the importance of capability to organisational performance and why L&D and HR, and in fact every department, must make the capability of people and the capability of the organisation a priority if they want it (and their jobs) to survive in the current and future economy.

You'll see why focusing on performance and results rather than learning or training is key to business survival and why it's a mistake for L&D, HR and

Training to continue to focus only on their traditional core activities of creating content and delivering training.

You'll discover the key roles that L&D and HR should be playing in developing capability to improve individual and organisational performance, and the practical steps you can take within your organisation to start or enhance this process.

You'll learn the fundamentals of a systems view of organisational performance and the critical roles that HR and L&D have in organisational design and development.

You'll find out how you can move away from the passive and often ineffective role of training order-taker to become a major, and trusted, player in improving organisational performance.

You'll see why HR and L&D need to learn to speak and understand the language of business and put an end to the isolation professionals within such roles often experience.

You'll also find out the five critical components of capability and the important role each plays in any organisation's success.

Before we get into all of that, and given the title of this book, it's important to define what we mean by capability. My research and discussions with senior executives, business owners, managers and L&D and HR people has revealed that the concept of capability means different things to different people. That alone can cause major problems for any organisation.

For instance, many people tend to use the words 'competence' and 'capability' interchangeably, as if they are the same thing. They're not.

Capability versus competence

For the purposes of this book, competence is defined as the quality or state of being functionally adequate or having sufficient knowledge, strength and skill. Competence is another word for an individual's know-how or skill. A competent person has a demonstrable level of competence to perform a task, activity or function at a benchmark level.

When we ask whether someone has the right competencies, we're really asking, 'Do they know how?' and 'How well do they know?'

On the other hand, capability is the capacity of being able to perform actions.

The relevant questions for capability are not 'Do they know how?' but 'How can we get done what we need to get done?' and 'How easy is it to access, deploy or apply the competencies required for this task?'

The difference between capability and competence is significant.

There are many definitions of both capability and competence in literature and often they are somewhat self-serving, in the sense that they support the viewpoint or outcomes of the article or academic paper where they reside. They can also be somewhat complex, or offer a utopian view of what the words should mean in an ideal world.

I have a more simplistic approach in that I am concerned with how the words are used on a day-to-day basis. Here is a thought experiment to illustrate this:

Imagine for a moment that your car suddenly develops a strange noise under the bonnet. Strange noises in the engine can be very expensive to put right, so you know that you will have to take it to the garage as soon as possible to find out what is wrong.

At the time, like many parents, you are on a taxi journey taking your young son to football training, and he is very excited. It is the highlight of his day. Nevertheless, you detour to the garage after reassuring your son that you will still be able to get to football practice on time, and explain the problem to one of the mechanics who has serviced your car many times before.

As soon as he hears the noise he tells you he knows exactly what's wrong with your car, and that he can repair it. A small and inexpensive part has cracked and needs to be replaced. Better yet, he tells you it will only take ten minutes to do this, and he can do it straight away. Breathing a sigh of relief, you tell him to go ahead and repair the car and then you head off towards the waiting room with your son.

You've hardly had the chance to check your phone before he's back in front of you. 'That was quick,' you think before noticing the frown on his face. 'Something wrong?'

He looks apologetic. ‘Well, I know I told you I can fix it but I’ve just checked and we don’t have the spare part in stock right now, and according to the computer we can’t source one locally. I can order it, but it’ll take two days to come from the factory in Germany. I’m really sorry about that, we should have had the part in stock. I will come to your house and fit it for free as soon as it arrives. In the meantime I would not drive your car too far because that fault could get much worse and cost a lot more to put right. You should take your car straight home and leave it there until we can come and repair it.’

Maybe you take your car straight home, or perhaps you look for another garage where they may have the spare part in stock. Either way you are driving away from that garage with a car that is still broken and a son in the back seat who is very, very annoyed that he is going to miss football practice.

My question to you as you drive away is ‘Was the mechanic capable of repairing your car? Yes or no?’

What is your answer?

I highly recommend that you try this thought experiment with your colleagues, your friends and anybody you can get to stand still long enough to listen. The responses you get are very enlightening because they vary depending on the viewpoint of the person you are speaking to.

Anybody with a business focus, such as an operational manager, business owner, managing director or entrepreneur, will say quickly and emphatically ‘No! The mechanic was not capable of repairing the car.’

People in L&D and HR typically stop and think, and then say ‘Yes, the mechanic was capable of repairing the car’, or ‘I don’t have enough information to know if he was capable’. They often have difficulty in viewing the capability of the mechanic from the perspective of the business, or the customer. If I ask them to consider what answer the child in the back seat would give, they start to realise there are other ways to view the situation. What answer would the young football star give to the question about whether the mechanic was capable?

All the child knows is that he cannot go to football practice and, as far as he is concerned, the mechanic is responsible, because the mechanic was not capable of repairing the car when he was asked to.

Now, if you had asked the mechanic if he was competent at solving the type of problem your car has, he would have said ‘Yes’. If you’d given him a test on repairing the fault on a car like yours, he’d probably have passed with flying colours. You know, too, that he was motivated to do the repair.

But from your viewpoint as a customer, all that matters is that he was not capable of repairing your car when you wanted it done. The fact that he was competent, motivated, engaged and had the required knowledge is immaterial, because he couldn’t repair your car at the moment you wanted it repaired.

In other words, from your perspective as a customer, he was not capable.

There is a clear difference between how L&D and HR typically use the concept of the term capability compared with the other stakeholders in the business or the customer. In fact, they are actually answering a very different question, which is ‘Could the mechanic repair the car?’ This is much more about competence than capability – and the question does not include the context within which the task needs to be done. They rarely say ‘That person may be competent but they are incapable of doing the job they need to do’.

I hope you can begin to see how this mismatch in the way different parts of the organisation use the concept of the term capability can lead to all sorts of problems. Critically, for our purposes, it causes some of the dissatisfaction that shows up when business managers are surveyed about the effectiveness of L&D functions.

This book is all about how to deal with the concept of capability, and how L&D people can alter their view of it so they can better align their activities with the business and get all the benefits which this brings to both L&D and the business.

Given that L&D is present to serve the business, and the business is present to serve the customer, it makes sense to define capability in this very simplistic way: if a worker can do the task at the point of work, they are capable. The task will get done and the desired results will be achieved for the customer, whether internal or external. If they cannot do the task at the point of work, for whatever reason, they are incapable.

Notice that my definition of capability only has meaning when it is coupled with the immediate work context; that is, it is only relevant at the point of work. The phrase ‘@ the point of work’ was coined by Gary Wise¹ who is the Performance and Learning Solutions Strategist at Intellinex – a Xerox Company.

Given that any organisation has a purpose, and achieving that purpose is dependent on the people in the organisation being capable of doing all the tasks that need to be done at the point of work, capability is fundamental to success.

The capability agenda is far bigger than HR and L&D people think it is, and HR and L&D need to step up to this and think of capability in the way that the business does, and the way that customers do.

The components of capability

When you look at capability from the wider business perspective, you can start looking at it in terms of the components that are brought into play when an employee responds to a task in front of them.

For employees to be capable in the moment, at the point of work, the different components of capability must be at or over a threshold at which the employee can do a specific task at a specific time.

Those components consist of things that HR and L&D know well, such as knowledge, skills, mindset, attitude, motivation and engagement. But, as we can see from the example of the mechanic, capability at the point of work is also dependent on factors in the worker’s environment, such as access to resources (the availability of spare parts, in the mechanic’s case), access to the right tools, and access to just-in-time information. It is also dependent on the way they are managed, and the systems and processes that should deliver what the employee needs while they are doing the task.

Why is capability so important?

If we use our simple definition of capability, in order for anything to get done at all, the people being tasked to do it must be capable. They must be able

to respond to the task in front of them adequately. This is at the heart of the performance agenda. If there is any kind of performance problem, or indeed any kind of issue at all within an organisation, you can trace it back to someone who was not capable of doing what they were asked to do. The root cause could, of course, be several steps removed from the apparent, and customer visible point of lack of capability. For example, the mechanic and his missing spare part may well be traceable back to a badly-programmed software system that was managing stock reordering levels, or poor management by the spares parts department manager.

Gloria Gery² in her book on performance support characterised the ‘performance zone as the place where...

“things come together... where people ‘get it’, where the right things happen, where the employee’s response exactly matches the requirements of the situation... where employees put together all the individual [and collective] dance steps that they have mastered. The dance, the dancers, and the music are one.”

Performance, and therefore capability have never been as critical as they are today, when many businesses and other organisations are struggling amid the global financial crisis to maintain performance and secure their economic future. Even government-funded public sector organisations have discovered that they are not immune to commercial realities. Throughout this book I will talk about the ‘business’, and by that I simply mean the operations part of an organisation – the part that is doing the work of serving customers, or patients, or constituents, or students, or anybody else who uses their products and services, whether paid for or not.

Clearly it is vital that everyone in the business has the capability to do the jobs in front of them at any given moment. Now set this requirement against the backdrop of the rate of change in today’s world.

In today’s business environment, change happens more frequently and faster than ever before. Peter Senge³ described it this way in his book, *The Fifth Discipline*...

“For the first time in history, humankind has the capacity to create far more information than anyone can absorb, to foster far greater interdependency

than anyone can manage, and to accelerate change far faster than anyone's ability to keep pace."

Detailed planning is difficult if not impossible. Today's business environment is Volatile, Uncertain, Complex and Ambiguous to borrow the term VUCA from the US military.

Companies, and their people, need the ability to respond, adapt and innovate even faster than the rate of change. They need to unlearn and relearn, and those that don't have that ability are destined to take a back seat or, worse, disappear completely from the marketplace. It is quite startling when you consider the list of large and seemingly stable organisations that have foundered or disappeared in the last couple of decades: Kodak, ICI, General Foods, AOL Time Warner, Wang, RCA, HMV, Jessops, Comet Group, Habitat, Borders, Nortel, Allied Carpets, Woolworths, Lehman Brothers, MG Rover, Arthur Andersen, Saab Cars, Daewoo and Barings Bank are a few examples. Not all of these collapses were simply the result of lack of innovation, but this was a major factor. It was the lack of ability to adapt to the VUCA world that allowed or led to other behaviours that brought the organisation to its knees.

The organisation was unable to perform well enough to survive. Ultimately, when you are talking about performance, you are talking about capability, and vice versa. Employees who are capable, according to our simple definition, deliver good performance, and performance is what the business is interested in. Indeed, performance is what is needed for the organisation to survive.

Globally, executives believe they need a 20 per cent improvement in their team's performance to meet their financial targets over the next 12 months, according to the Corporate Executive Board (CEB), a publicly-traded company that provides advisory services to businesses worldwide.

In an Executive Guidance report⁴, the CEB said...

"Employee trends suggest employees are reaching a limit to their workload, but executives need a 20 per cent lift in workforce productivity.

"Many business leaders believe employees can be more productive. On average, executives think that only about 29 per cent of their employees are operating at peak productivity. Moreover, for every executive that

believes his or her staff is fully productive, seven believe their staff could substantially improve.”

Unfortunately, many employees are suffering from low engagement and stress – hardly the states to produce increases in productivity.

Only 13 per cent of employees worldwide are engaged at work, according to the State of the Global Workplace Study³, Gallup’s 142-country study. In other words, one in eight workers out of about 180 million employees in the countries studied are committed to their jobs and likely to make positive contributions to their organisations. It follows that about 63 per cent of the worldwide workforce are not engaged, meaning they lack motivation and are less likely to put effort into achieving their organisation’s goals or outcomes. That leaves about 24 per cent of the worldwide workforce who are actively disengaged or unhappy and unproductive at work and liable to spread negativity to other employees. According to Gallup, this translates into 900 million full-time and part-time employees worldwide who are not engaged and 340 million who are actively disengaged. Little wonder then, that the global economy is struggling to recover from the economic downturn.

A 2011/2012 report from the UK’s Health and Safety Executive (HSE) shows that work-related stress caused workers in Great Britain to lose 10.4 million working days in 2011-12. A widely reported estimate is that stress costs US businesses about \$300 billion annually, due to absenteeism, lowered turnover, diminished productivity and medical, legal and insurance costs.

What all this research shows is that whatever measures have been taken in the past to boost performance on an individual and organisational level have not worked as they should – if indeed they ever did.

Writing in CEB’s *Learning Quarterly magazine*⁶, Thomas Handcock and Warren Howlett claim that unfortunately today’s learning solutions won’t deliver “more than a four per cent improvement in employee performance without some fundamental changes”.

This is borne out by UK research that shows UK employees, managers and leaders lack the skills, knowledge and expertise necessary to do the jobs in front of them.

In 2012, for example, the UK’s Department of Business, Innovation & Skills (BIS) and leading stakeholders, including the Chartered Institute of Personnel

and Development (CIPD), produced a report⁷ which found that the UK's competitiveness and performance were being held back by a lack of management and leadership skills.

In particular, the report noted that:

- Nearly three quarters of organisations in England reported a deficit of management and leadership skills in 2012, and that deficit is contributing to the UK's productivity gap with countries such as the US, Germany and Japan
- Incompetence or bad management of company directors causes 56 per cent of corporate failures
- Ineffective management is estimated to be costing UK businesses over £19 billion per year in lost working hours
- 43 per cent of UK managers rate their own line manager as ineffective – and only one in five is qualified.

The fortunes of an organisation can be transformed with skills such as people management, strategy and planning, budgeting and risk management, the report said, but added...

“Evidence shows that in general – both in the public and private sectors – the UK falls behind key competitor nations such as the US and Germany in terms of leadership and management capability. This is having a negative impact on the UK's competitiveness and performance.

“This is not a universal problem. The UK does develop some excellent managers and many organisations already benefit from successful approaches to building their management cadre, particularly multi-nationals and large corporates with significant HR functions.

“However, the evidence suggests that one of the fundamental problems holding back the growth of smaller and medium-sized organisations is a lack of leadership and management capability to drive performance and enable them to succeed.”

According to another 2012 report⁸, this time from the UK Commission for Employment and Skills, the UK's overall competitiveness is static, despite its “leading businesses being world class and the UK being a strong international economic force”.

The World Economic Forum's Global Competitiveness Report ranks the UK economy as the tenth most competitive in the world, which remains lower than pre-recession rankings.

The UK's employment and productivity rates are "also not amongst the highest leading nations", the UK Commission for Employment and Skills pointed out.

Like the BIS report, it acknowledges that much progress has been made over the past decade in growing the skills of the workforce in the UK. It states...

"Indeed, we have increased those with higher qualifications (at a degree level or above) by more than half, and reduced those with no qualifications by a third. We have also been moving to a more highly skilled economy..."

But progress obviously needs to be faster. According to the report...

"Whilst our skill levels are increasing, they are not increasing fast enough relative to other leading nations around the world (we trail behind countries such as USA, Japan, Korea, Canada, Denmark, Norway, Finland, and the Czech and Slovak Republics) and at current rates we are set to fall further behind."

To be able to stay one step ahead of competitors and ensure their business survival, UK companies need to ensure they participate in an ongoing search for continuous improvement, operational excellence and high performance, the Commission says. It continues...

"This places even more importance on the need for UK businesses to search for differentiation in products and services to meet changing consumer needs and to secure a continuing competitive edge."

Skills have a vital role to play to enhance business success, it says. The benefits associated with a higher skilled workforce include

- Improved productivity
- Better returns
- Increased employee satisfaction
- Lower rates of absence and staff turnover.

Employers with more highly skilled employees become more confident about their ability to adapt, which in turn encourages greater investment and innovation.

Persistent skills deficiencies, however, damage a firm's performance, the report notes, giving the example of manufacturing firms that were operating below full capacity and reporting skills gaps, and that were consequently only half as productive as other firms.

Higher productivity benefits the UK economy, the report said, explaining that a one percentage point rise in productivity or employment generates an additional £10 billion gross domestic product.

The BIS report emphasises the necessity for companies throughout the UK to improve leadership and management capability. It states...

“Quite simply, improving leadership and management capability is an issue that no organisation wishing to achieve long-term success can afford to ignore.

“There is no question that good leadership and management can have a truly significant impact on organisational performance, both in the immediate and longer term.”

To illustrate the point, the report gives the following information:

- Best-practice management development can result in a 23 per cent increase in organisational performance
- Effective management can significantly improve levels of employee engagement
- A single point improvement in management practices (rated on a five-point scale) is associated with the same increase in output as a 25 per cent increase in the labour force or a 65 per cent increase in invested capital.

Commenting on the BIS report, the Chief Executive of the CIPD, Peter Cheese⁹, said...

“There are eight million people in the UK workforce with direct management responsibility for one or more people. This army of people managers has a

huge impact on this country's productivity and global competitiveness – not to mention on individual and social wellbeing and resilience.

“Leadership can no longer be about a few charismatic ‘masters of the universe’ at the top. There’s a whole cadre of managers in the middle and on the front line who need to be equipped and inspired with the skills to lead and to win hearts and minds – from the very earliest stages of their careers.

“We can’t as a nation afford to keep promoting people to management roles and assuming that these capabilities come naturally. We need a step change in the UK in how we develop and promote people management in every organisation, as this report so clearly highlights.”

Although the reports quoted above are based on UK data, the conclusions drawn are not unique to the UK and are relevant to many other countries. No country or organisation can afford to be complacent about performance.

More often than not, organisations perceive good or strong performance as being evidence of a highly trained, knowledgeable and perhaps an engaged workforce, even though it may have had just as much or more to do with other factors, such as excellent goals, design and management of processes, systems or organisational structure.

Likewise, when performance and profits haven’t met expectations, companies tend to identify a lack of training, knowledge and perhaps a lack of engagement as the reasons for the shortfall, when it could have been other factors, such as poor goals, design or management of processes, systems or organisational structure.

In many cases, organisations are trying to force performance improvements by investing in either learning or engagement initiatives, or both, when in reality those performance problems that are present are often a product of systemic failures. Learning and engagement programmes, therefore, are often the wrong tools to fix the apparent malaise.

Training: the knee-jerk reaction

When companies want to improve performance and results, often the knee-jerk reaction is to call for more training. The department responsible for training – whether it’s called Learning and Development (L&D), Human

Resources (HR) or Training – is tasked to find an appropriate training programme to overcome the lack of performance, whether that's for employees, line managers or senior managers.

If that doesn't work, companies don't take a step back to determine the real reason for the performance shortfall. Instead, they are more likely to tell the HR or L&D departments to change the training programmes, find new training providers or to insource or outsource the training.

While all that is going on, there's a strong chance that the real reasons for the problem in performance will continue to damage the organisation's results.

In the Towards Maturity report *New Learning Agenda*¹⁰, they state that...

“...top learning companies are more driven by business priorities than others and involve business leaders directly with learning decisions rather than making them in isolation. Top learning companies are almost twice as likely to agree that:

- they analysed the business problem before recommending a solution
- they work with senior managers to identify specific business metrics to be improved
- the business leaders recognised that learning is aligned with the overall business plan.”

They go on to state...

“Only 36% of organisations are working with business leaders to identify the business metrics that need to be improved through learning, with less than half of those businesses going back to review progress against the agreed metrics.”

The failure of training programmes to improve performance will dent the confidence of the C-suite, managers and employees in the ability of HR, L&D or Training to contribute to the company's success, even if the cause of the problem had little to do with those departments.

To illustrate that point, let's go back to the mechanic from our thought experiment – the one who didn't have the spare part to do the job. Imagine that you aren't alone in your annoyance with the garage and, like other long-term

customers, you are taking your business elsewhere. It's a fair bet that none of you really care about the reason for the mechanics' inability to do their jobs – you all just want the job done. If the mechanics can't sort out your problem, you will go elsewhere.

If the manager or owner behaves like the majority of managers and owners, he will see the resultant drop in revenue (from all the lost jobs), he will receive complaints from unhappy customers, and decide the problem lies with the mechanics.

'We're losing sales because the mechanics obviously don't know how to deal with customers. Right, let's get someone in to give them customer service training.'

The mechanics may or may not need customer service training. But a lack of customer service wasn't what was causing the drop in sales. If you recall, the mechanic in the story even offered to deliver the part and repair the car for free, acknowledging that the part should have been available. The real cause of the lack of capability, and therefore the performance problem, was that the garage's mechanics didn't have the resources they needed at the moment they needed them to carry out repairs.

So unless the root cause is addressed – in this case, a problem with spare parts inventory – the training the mechanics get in customer service will have almost no bearing on the results they achieve. Perhaps they will be able to communicate with customers in a way that fosters great relationships, but they still won't satisfy the customers' needs unless they have the spare parts they require to fix customers' cars.

Chartered business psychologist and performance consultant Nigel Harrison calls the rush to find quick fixes and instant solutions 'solutioneering'.

"Instant solutions are never successful on their own," says Harrison in his book, *Improving Employee Performance*¹¹. He says, "The only way to guarantee success is to understand the causes of the real performance problems and implement integrated solutions."

Training does not breed good performance

The myth of training as the solution to poor performance has been reinforced by training departments over the years in support of their trade. They have

‘sold’ this idea to their senior teams for many years and it’s a very seductive proposition which goes something like this:

Our workers (we will resist calling them human resource units) are not performing adequately, therefore there must be something wrong with them. They obviously don’t know how to do their jobs, so we need to push knowledge and skills into them to remedy this deficiency. When they have this knowledge and these skills, they will perform better.

And by the way, if they don’t perform better after attending training, it is again obvious that the training has not been comprehensive enough. They need longer training.

Perhaps we can even add in some special effects using accelerated learning techniques or days outdoors. If even that does not work, then sadly, we will need to consider hiring new workers who can be trained to do the job.

Many people in Training even believe it. But it is not true.

As an analogy, consider what a pharmaceutical company must provide by way of evidence before it can bring a new drug to market. Data need to be obtained from real patients that show beyond a reasonable doubt that the drug does, in fact, do what it claims to do. Given the number of variables present within patients undergoing a drug trial, getting hard data to prove drug efficacy is no simple thing. Nonetheless, the drug company has to design and execute an evaluation that unequivocally supports its claims, these difficulties notwithstanding. Before these regulations were in place, ‘snake oil salesmen’ were able to make any claim they wanted in order to sell quack remedies to the gullible.

The training delivered in so many organisations is never measured for its impact on downstream performance. What would be the result if purveyors of training had to execute an evaluation that unequivocally supported their claims?

A 2003 meta-analysis (an analysis of several studies of training practice) by Arthur, Bennett, Edens, and Bell¹², concluded that 78 per cent of all training is assessed for satisfaction. But their study also found that just 38 per cent of programs are evaluated for learning, nine per cent for transfer, and only seven per cent for the impact. Given such a low level of evaluation for the efficacy of the solution, would you buy the snake oil?

But often senior management asks for training as a knee-jerk response to performance issues, because they still believe in the myth. The ‘jug and mug’ approach (in which the teacher or trainer is regarded as the ‘full jug’ who can metaphorically pour their knowledge into the student or trainer, the ‘empty mug’) was sold to them right from when they started school at age five and experienced education. The schoolchild was told to sit still and be quiet in class and that, as a result, he would be successful.

Kandy Woodfield¹³ on her blog put it like this...

“All too often we ask people to join us in the classroom for a single one-off ‘hit’ of training, we take them from crawling to walking in one fell swoop and sometimes we don’t even bother to ask if or why they want to learn to walk. For some people that’s a bruising, scary experience and it’s no wonder they fall over when they’re back in their jobs, the learning experience is so ephemeral or awful that the skills, knowledge and behaviours mentioned are half-remembered but rarely acted upon. L&D needs to step up to its role in supporting holistic development rather than just providing training.”

Managers have this idea that training is the answer, when in effect what they are trying to do is encourage people to change their behaviour through training. Behaviour change is certainly possible, but achieving this through training is extremely difficult. In the book *First Break All the Rules*¹⁴, authors Marcus Buckingham and Curt Coffman detailed the results of two huge research studies undertaken by the Gallup organisation over a 25-year period. The studies involved over one million employees and 80,000 managers, and one of the findings was that “People don’t change that much. Don’t waste your time trying to put in what was left out. Try to draw out what was left in – that’s hard enough!”

In her book *Turning Learning into Action*¹⁵, Emma Weber says...

“The only really effective way to change people is to encourage them and support them to want to make the change themselves. And yet a great deal of training is ‘inflicted’ on individuals who don’t necessarily want to be in the training or don’t understand why they are in the training. Making lasting change from that starting point is therefore extremely difficult. We cannot force someone to change, we cannot ask them to change and we cannot plead with them or cajole or punish them to change. We cannot

give them information and expect that they will automatically connect the dots and change work habits and processes that they have probably been using for years. And we certainly cannot remind people to change simply by bombarding the participant with an endless stream of content delivered in a variety of novel or innovative ways. Change is not the result of some magic bullet or fairy dust sprinkled over participants at the end of the course – it is a process, a measured and managed process. In fact the only similarity amongst the leading change methodologies is that everyone agrees that change is a process and that it occurs over a period of time. It is not an event. And self-change is infinitely more potent than administered change.”

The importance of personal choice about change as opposed to enforcing change cannot be overemphasised. It is often said that people do not like change, but in reality what they don't like is change imposed upon them. People often create change in their own lives by moving jobs, buying a house, or having children.

In 1976, Ellen Langer and Judith Rodin conducted a famous study in a nursing home to assess the effects of enhanced personal responsibility and choice on a group of the nursing home residents. It was hypothesised that the debilitated condition of many of the aged residing in institutional settings is, at least in part, a result of living in a virtually decision-free environment and consequently is potentially reversible. Residents who were in the experimental group were given a communication emphasising their responsibility for themselves, whereas the communication given to a second group stressed the staff's responsibility for them. In addition, to bolster the communication, the former group was given the freedom to make choices and the responsibility of caring for a plant rather than having decisions made for them and the plant taken care of for them by the staff, as was the case for the latter group. Questionnaire ratings and behavioural measures showed a significant improvement in alertness, active participation, and a general sense of well-being for the experimental group over the comparison group.

A year and a half later the residents were retested and the first group was found to be more cheerful, active and alert. They were also healthier. Less than half as many residents from the first group died over the term of the experiment compared with the group who were not exerting any autonomy over their day-to-day lives.

Thankfully, many in L&D are now delivering interventions other than training that are required for performance, such as coaching, performance support and so on. The list grows ever larger as sections of the L&D community begin to question the traditional approach to training. Jenny Dearborn¹⁶, Senior Vice President and Chief Learning Officer, SAP says...

“Several recent studies have shown that our cognitive machinery is fundamentally incompatible with conventional, one-way schooling. The traditional one-to-many approach to teaching and learning isn’t effective. The days when knowledge was considered a commodity to be delivered from teacher to student are over. Instead, knowledge emerges through curiosity-fueled exploration. Everyone must be a student and a teacher.

“Corporate learning executives are bringing this approach to the workforce, shifting the focus from activity-based learning to experiential learning. By integrating interactions, mentoring, coaching, action-based learning, shadow assignments, and access to educational resources into the learning program, corporate learning can help employees feel empowered, invested, and engaged to the business.”

One of the jobs facing forward-thinking L&D practitioners right now is to educate people at all levels in their organisations to dispel this pernicious myth of training as the magic bullet for performance problems. Unfortunately, many people in L&D see this as an activity that is a bit like a turkey voting for Christmas: a philosophy that challenges the need for training is seen by many as a threat to their own jobs.

L&D needs to face up to reality and realise that there are often restraining forces on performance that have a root cause which is neither lack of learning nor lack of engagement, although these factors are often present as well and get all the blame for the lack of performance.

Those factors, according to business improvement expert, Alan P Brache¹⁷, could include...

- A weak strategy
- Poorly-designed business processes
- The misuse or non-use of technology

- Unclear or unwise policies
- Inadequate skills
- A dysfunctional culture
- An incentive system that rewards the wrong performance.

The interesting thing about this is that very often the workers themselves, when asked what frustrates them, already know what is slowing the system down and putting the brakes on performance.

And what is even more interesting is that very often removing these barriers to performance is a cheaper path to improving performance than trying to force through the barriers by applying learning and/or engagement programmes. Take the stones away from in front of the wheels and the cart will roll forward so much more easily.

When an organisation focuses on removing these restraining barriers and, in effect, enabling people to do their jobs more easily, higher levels of engagement will naturally follow. It is much easier to get enthused about a job when it is easy to do and you have all the tools with which to do it. And a natural progression from there is that people will actually seek to learn anything new that they need in order to continue working in this new and much more ‘user friendly’ environment.

I find it fascinating that organisations spend money, sometimes huge amounts of it, on leadership and engagement programmes because they feel these are the solution to dealing with their perceived performance issues. And yet alongside these leadership and engagement programmes there is little or no effort to better enable the workforce to do the tasks they are being asked to do. In my opinion organisations should start with enabling people; in effect, making them capable more often at the point of work. This in turn will have a more immediate and also lasting positive effect on engagement and productivity.

Good performance occurs when a number of things come together in the right order and at the right time, like the ingredients and the steps of a recipe.

Good performance happens when the performer is able to apply themselves to the task in front of them with the exact response required for the task, and within an environment that allows that response.

At the point of work the performer needs to be...

- Ready to do the task, while knowing they are ready and confident they have what it takes to succeed – readiness is as much about attitude as anything else, and that can indeed be a result of training, and also of practice or social learning from colleagues, or observation of experts.
- Knowledgeable – which can also be the result of training, although these days, with the rapid changes in knowledge, just-in-time support may often be a better option to introduce the knowledge ingredient.

This is critical – an IDC global survey of information workers and IT professionals in the United States, UK, France, Germany, Australia and Japan, undertaken for Adobe¹⁸, found that information workers waste a significant amount of time each week dealing with a variety of challenges related to working with documents. This wasted time costs organisations \$19,732 (about £12,750) per information worker per year and amounts to a loss of 21.3 per cent in an organisation's total productivity. The report said that for an organisation with 1,000 people, addressing these time wasters would be tantamount to hiring 213 new employees.

- Skilled – which comes from repetitive practice of required behaviours, ideally in similar work contexts rather than role-plays in a training room
- Motivated – which comes from the engagement engendered by the leadership which surrounds them
- Networked – so that the performer can reach out to colleagues, the internet and other resources to ask questions and get answers
- Supported – so there is a sense of a safety net if things don't go as planned; in other words, there is risk management and contingency plans are in place
- Operating within a system that allows the performer to do what needs to be done. That is, systems, processes, inventory, resources and all the other 'hard' non-people components are also in place.

There is much more to performance than can be provided by training alone. Without the other ingredients that constitute capability at the point of work, your organisation and your people will simply never rise to the occasion.

The focus on training, learning and engagement are all red herrings, distracting not only L&D and HR, but often management, from what they should be focusing on.

A red herring (when used as an idiom) is a piece of information or suggestion introduced to draw attention away from the real facts of a situation. In reality, a red herring is a type of strong-smelling smoked fish that used to be drawn across the trail of a scent to mislead hunting dogs and put them off the scent. Don't get put off the scent. Focus on what is important: performance.

Fred Harburg wrote in the *Chief Learning Officer*¹⁹ magazine...

“Our customers have little interest in classes, learning management systems or blended learning. Their passion is for improved business performance, at the highest impact, with the lowest cost and in the least disruptive manner possible. If they could gain improvement through a special pill, magic potion or a silver bullet for a reasonable price, they would line up for it in droves. If you agree with this logic, then it follows that we are not in the business of providing classes, learning tools or even learning itself. We are in the business of facilitating improved business performance.”

The business wants performance. Customers want performance. And actually, performance is what the workers want. It's my belief they would love to do a good job if only we would enable them to do so.

When I ask someone in L&D to reimagine their role so that their total focus is on ensuring capability at the point of work, their thinking changes. They start thinking in much more practical terms about how they can enable and help that worker do the job that is immediately in front of them. Some learning may be required, but often it will involve making other necessary changes to ensure capability at the point of work.

The same thing happens when I talk to HR people about moving their focus away from engagement and onto capability and thus performance.

There are many things that can be done to enable people without ‘using’ learning and engagement. Instead, give them the right tools, the right information, and processes that flow well. Put right the things that frustrate them. Take the brakes off what they are doing. Performance will improve.

I believe that when the brakes are taken off, and someone can do better, they will. They will also become more engaged and willing to learn, now they can see that better performance is possible. It wasn't them being stupid or not caring; it was the systems and processes and environment in which they were being asked to work that were preventing them from doing the good job they wanted to do.

Conclusion

Towards a performance culture

The most basic form of human stupidity is forgetting what we are trying to accomplish.

Friedrich Nietzsche

Culture is the learned assumptions on which people base their daily behaviour, ‘...the way we do things around here’. Culture drives the organisation, its actions and results. It guides how employees think, act and feel. It is the ‘operating system’ of the company, the organisational DNA.

There are many approaches, and many books and articles on culture and the art of changing it. And make no mistake; it is an art. Sometimes culture can be very stubborn and resist attempts to change it, and at other times it can change quite quickly in response to external stimuli. The art is knowing how to interact with the culture or make interventions that move the culture in the desired direction. The reason it is an art is that the things that drive a culture, such as values, beliefs and stories, are invisible. All that is visible is the impact these cultural drivers have on the people within the culture.

Do you remember learning about magnetism in school? A common and simple experiment involved sprinkling some iron filings on a piece of paper and then moving a magnet underneath the paper so you could see how the iron filings moved and followed the lines of the magnetic field. Culture is similar in that you can see the way it drives people's behaviour within the 'magnetic field' of the culture, but you cannot see the actual cultural drivers directly.

Once you understand how the magnetic field works, you can move the magnet in such a way that the iron filings line up where you want them. Now just imagine what would happen if there were two, or three, or even more magnets underneath your piece of paper. This is the case with organisational cultures where there are many competing forces that drive the culture from different directions. In effect, it is in a state of equilibrium between all these competing forces. Knowing which of the cultural forces to change and by how much, is the art of cultural change.

Here I am only concerned with how a focus on capability management can be part of a wider programme that is designed to change an organisational culture into one where good performance is 'the way we do things around here'.

Good performance happens when employees are doing what they are asked to do when they are asked to do it, and doing it sufficiently well so that the results they achieve deliver on the corporate strategy. Capability begets performance, so it is clear that a performance culture can only exist when there is a focus on ensuring that employees are capable at the point of work. In addition, in a performance culture there may well be a focus on other things, such as setting clear expectations, defining employees' roles, creating a trusting environment, and encouraging employees' growth and development.

In a performance culture, everyone understands that capability, as we have defined it in this book, is the key to performance. They understand that this is a causal relationship, and can see how there is a direct line of sight from capability at the point of work via performance to the organisational vision and mission.

In a performance culture, everyone becomes a performance consultant in that they understand the performance consultancy process, and whenever there is a performance problem, they automatically start looking for barriers to capability.

In a performance culture, everyone understands what capability is, and the fact that it is made up of different components that all need to be present in order for an employee to be capable at the point of work.

In a performance culture, the leaders and managers understand the concept of capability, and their behaviour shows that they have this understanding. They walk their talk. They fully support the performance consultancy process and insist that it is a fundamental way for people to approach business and performance problems.

In a performance culture, managers get fully involved with ensuring that the learning from any training course gets transferred back into their work area, because they have been personally involved in the performance consultancy process that decided that a training course was the best solution. They know which aspects of capability the training course can help, and which ones it can't.

In a performance culture, employees proactively look for ways to improve the processes they are working with and there is an atmosphere of constant incremental improvement.

As W. Edwards Deming pointed out...

“Learning is not compulsory; it's voluntary. Improvement is not compulsory; it's voluntary. But to survive, we must learn.”

So L&D has arrived at a fork in the road.

Down one fork, L&D will continue to be seen as order takers by the business and will continue to take orders from the business for training, or coaching, or e-learning, or other off-the-shelf learning services.

Down the other fork they will step onto the road less travelled and become a partner of the business because they become skilled performance consultants, and their input to achieving a high performing organisation is greatly valued.

Have you acknowledged the fork in the road yet?

Can you see that you have a choice?

Which road will you take?

As M. Scott Peck⁶⁶ said in *The Road Less Travelled*...

“The truth is that our finest moments are most likely to occur when we are feeling deeply uncomfortable, unhappy, or unfulfilled. For it is only in such moments, propelled by our discomfort, that we are likely to step out of our ruts and start searching for different ways or truer answers.”

As a performance consultant, you too have superpowers. You too have a billowing superhero cape and shiny underpants. For the good of the people around you, exercise your powers. And by the way, if you want to look good doing it, polish your underpants so they shine brightly in the sun.

My best wishes,

A handwritten signature in black ink that reads "Paul". The script is fluid and cursive, with the 'P' being particularly large and stylized.

Paul Matthews

P.S. You are welcome to drop me a line if you have any comments or suggestions. My email address is paul.matthews@peoplealchemy.com

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