

The Leadership Framework Series

THE WAY TO GO

HOW TO
Maximize Workplace Capability

PETER MILLS



The Way to Go: How to Maximize Workplace Capability
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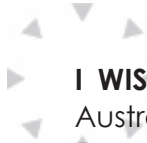
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National Library of Australia Cataloguing-in-Publication entry:

Creator: Mills, Peter, author
Title: The Way to Go: How to Maximize Workplace Capability
ISBN: 9781925962031 (paperback)
Series: Leadership Framework Series
Subjects: Business planning
Strategic planning.
Executive ability.
Management.
Organizational effectiveness.
Success in business.
Human Resources.
Training and Development

Published by Peter Mills, InHouse Publishing, and GOKO Publishing


Acknowledgments



I WISH TO THANK Barry and Sheila Deane, from PeopleFit Australasia, who developed the original Leadership Framework based on the work of Elliott Jaques and Lord Wilfred Brown. They have kindly given me full access to their substantial and excellent work, without which I could not have written this book. I also wish to acknowledge Therese Harris and Amy Mizalski, two HR professionals, whom I have worked with for a number of years, both of whom reviewed drafts of this book and made valuable suggestions for improvement.

Finally, I would also like to thank my wife, Sue, who reviewed the book and helped me to clarify my thoughts and ideas.

Using This Book



THIS BOOK IS ONE OF FOUR BOOKS based on The Leadership Framework, a holistic and integrated framework for organizational and managerial leadership. As all books in the series are based on the same framework, the concepts are aligned, and they use consistent terms, definitions, principles, concepts and methods. Together, these books provide leaders with an integrated methodology for all aspects of people management and together they are a powerful tool for leaders at all levels.

This book provides leaders and human resources professionals with the information and resources they need to improve workforce capability. The book provides:

- A model for workforce capability development.
- An understanding of individual capability.
- An understanding of what aspects of individual capability can and cannot be developed.
- The impacts of the working organization on individual and organizational capability.
- Specific examples of actions that can be undertaken to improve both individual and workforce capability.

While no book could provide detailed information on every aspect of workforce capability, the focus here is to provide a good starting point.

Each chapter has a clear summary of the key points and some tips for getting started. There is also a companion website available for those who want to access additional information and tools:

www.theleadershipframework.com.au

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Chapter 1



What is workforce capability?

Workforce capability is an organization's ability to accomplish its objectives through its people. This not only requires people with the right individual capability, it also requires the working organization to operate effectively.

WORKING ORGANIZATIONS ARE MADE UP of people, and it is people who create and deliver an organization's products and services. People also manage the organization's infrastructure, including its physical, financial and people assets. Therefore, having an organization full of capable and committed people is essential to achieve business goals. However, even if the best people are employed, it is still not enough to ensure that an organization will operate to its full potential, as the work environment itself must support productive work and enable all employees to work together effectively.

Therefore, workforce capability is more than just having capable employees. It also requires an effective working organization that both enables and sustains productive work. Both components are necessary (i.e. capable people and an effective working organization).

What are capable people?

Capable people are those with the individual capability to perform the work of their role to the required standard. This is more than a person's knowledge, skills and experience. While these are essential, they are only one component of individual capability. The Leadership Framework defines individual capability as a person's:

unique combination of knowledge, skills and experience and their level of work ability to solve the complexity of problems in a role. To perform successfully also requires them to value the work sufficiently to release energy and commitment to sustain high performance, plus an absence of personal, disabling temperament.

This multi-dimensional definition is represented in the diagram below.

The individual's capability profile



In this definition, it is the accumulation of all aspects of a person's capability that enables that person to perform effectively. In analyzing each component of individual capability, we find:

i. Knowledge, skills and experience (KSE).

In order to work effectively, a person must have a certain knowledge, background, training and education. *Knowledge* is what they have learned. They must also know how to apply their knowledge. *Skill* is the ability to apply their knowledge. Using knowledge and skills provides people with the *experience* so they can learn what works best in each situation. Examples of knowledge, skills and experience include:

- The ability to understand the financial impact of plans, decisions and actions.
- The ability to work effectively in large project teams.
- The ability to build effective teams, set direction and get commitment from team members.

Where a person's knowledge and skills and experience are less than the role's requirements, managerial coaching and training can be effective in improving individual capability.

ii. Values, preferences and inhibitors (VP&I).

To perform at a high standard continuously, a person must value their work. *Values* and *preferences* determine the types of work that individuals do well, that is, what they are intrinsically motivated to do. Valuing the work is about the person's level of interest, commitment to and sense of achievement in what they do.

Where an individual does not find value, or is not interested, or finds no enjoyment in a particular kind of work (e.g. managing people, analysis or detailed work) they are unlikely to be able to sustain effort over time or to excel in

their role, even though they have the knowledge, skills and experience to do the work. In cases where an individual does not value the work at all, they may not even be able to sustain an effort to meet minimum performance requirements. A symptom of not valuing the work may be a reluctance to accept accountability for their work or poor behaviors such as timekeeping, non-delivery or a lack of interest in the work.

While valuing the work is not about individual values per se, valuing the work does extend to organizational fit, where an individual's compatibility with an organization's products or mode of operation does not match the organization. For example, a non-smoker may not want to work for a tobacco company as they do not believe in their product.

If a person does not value their work, although they have all the inherent requirements of the role, they are unlikely to consistently perform at a high level. Training will not assist. The action required is to transfer the person to a suitable role or to initiate removal.

Individual capability is also inhibited by poor behavior. *Inhibitors* are extremes of behavior, which get in the way of working. Inhibitors refer to the ability of each person to act in line with the behaviors valued or expressed in their organization. They are not job-specific. These may include: chronic problems with interpersonal relationships, aggression, disabling extremes of temperament, drug or alcohol dependency.

Where an individual's capability to perform a role is overshadowed by one or more negative personal characteristics, a manager must ensure the person is aware of their behavior by offering clear and unambiguous feedback on the impact on their work performance and assert the requirements and the consequences. Training will not assist. It is for the individual to decide if they want to change. If they cannot or will not change, then the manager must initiate removal.

iii. Level of work ability (LoWA).

The third part of individual capability is a person's level of work ability. *Level of work ability* is an individual's cognitive ability to assimilate data and information and to exercise sound judgment in the face of ambiguity and uncertainty. Level of work ability enables people to deal with particular levels of complexity of information – different classes of problems, where facts are not available and solutions are not obvious.

According to Elliott Jaques, level of work ability differs naturally in individuals and is distributed in all populations in the same manner. It is innate and unfolds throughout life. The maturation process of each person's complexity of information processing cannot be speeded up or enhanced by special education or occupational opportunities, or impeded by less favorable social, educational or occupational opportunities. It is natural, unfolding and predictable.

The extent to which the individual's LoWA is higher or lower than the requirements of the role will have predictable consequences.

- If a person's LoWA is higher than the role, they will feel under-utilized or get distracted by trying to find work at a higher level to satisfy them. They may try to grow their role and tasks so they are more satisfied.
- If a person's LoWA is lower than that required for the role, they will not be able to solve the problems of the role and cannot therefore meet the role requirements. They will shrink their role and tasks to the level of work in which they can operate most comfortably.

In either case, training will not assist. The person must be moved to a suitable role or the manager must initial removal.

So, why is this model for individual capability important for workforce capability?

When a person's individual capability matches the work, not only will they do a good job, the person will also feel a sense of satisfaction and well-being in carrying out their work. Understanding individual capability enables managers and whole organizations to take the appropriate corrective action to improve individual capability, as not all issues around individual capability require training. Often other managerial action is required.

What is an effective working organization?

The second component of workforce capability is an effective working organization. Having a capable workforce requires having capable people in the right roles, all working to their full potential. Two of the founding principles in The Leadership Framework are:

- *The work environment critically influences the individual's ability to do their best work.*
- *Productive work is enabled by systemic trust and fairness and is reduced by fear.*

Therefore, to enable people to work to their full potential, each component of the working organization must be designed and built to operate effectively. Failure to deliver the basic infrastructure of the working organization will directly impact the personal effectiveness of all employees.

So, what is the working organization?

An effective working organization consists of:

- A clear purpose and direction.
- A purpose-built organizational structure (i.e. functions, roles and role relationships).
- Integrated and fit for purpose systems of work (policies, processes and information and communication technologies).
- Consistent and effective managerial leadership practices.

Each component creates the working environment in which people work.

The working organization



Without clear direction, an effective structure (with clearly defined roles and role relationships) and integrated systems of work – all activated by effective managerial leadership practices - the organization's strategy and purpose may not be able to be delivered. The causes of failure will not be clear. Focus will be on the capability of the individual and not the working organization.

Therefore, as workforce capability has two components, individual capability and an effective working organization, to improve workforce capability requires improvement in the capability of every individual employee and in the management of the impacts of the working organization on employee effectiveness.

Key Concepts

- Workforce capability is more than just having capable employees. It also requires an effective working organization that both enables and sustains productive work. Failure to deliver the basic infrastructure of the working organization will directly impact the personal effectiveness of all employees.
- Capable people are those with the individual capability to perform the work of their role to the required standard. The Leadership Framework defines individual capability as a person's:

unique combination of knowledge, skills and experience and their level of work ability to solve the complexity of problems in a role. To perform successfully also requires them to value the work sufficiently to release energy and commitment to sustain high performance, plus an absence of personal, disabling temperament.

- An effective working organization consists of:
 - A clear purpose and direction.
 - A purpose-built organizational structure (i.e. functions, roles and role relationships).
 - Integrated and fit for purpose systems of work (policies, processes and information and communication technologies).
 - Consistent and effective managerial leadership practices.
- As workforce capability has two components, individual capability and an effective working organization, to improve workforce capability requires improvement in the capability of every individual employee and in the management of the impacts of the working organization on employee effectiveness.

Tips for Getting Started

1. Assess how your organization defines individual capability. Does this need to be adjusted to take into account components in The Leadership Framework's model for individual capability?
2. When considering employee effectiveness, how are the impacts of the working organization on employee performance assessed?
3. To gain a better understanding of the concepts of the impact of the working organization on each employee's personal effectiveness, read the second book in the Leadership Framework Series titled, *Don't Fix Me, Fix the Workplace: A Guide to Building Constructive Working Relationships* by Peter Mills.

Additional information available at www.theleadershipframework.com.au

- Introduction to The Leadership Framework.
- Creating a workforce capability strategy – overview.

Chapter 2



What is a workforce capability strategy?

A good workforce capability strategy clearly defines the workforce requirements to deliver the organization's objectives together with the prioritized actions required to achieve these requirements.

A WORKFORCE CAPABILITY STRATEGY is one component of an organization's strategic planning process. A workforce capability strategy is not about selecting items from a shopping list of 'good things to do'. Neither is it about having a succession planning process because everyone says you should have one nor about creating a talent management program because that's what good organizations do.

A workforce capability strategy is about deciding what is required based on business needs. These business needs are usually defined as part of the organization's overall strategy and will vary depending on its products and services, the maturity of the organization, whether it is expanding or

contracting, its competitive environment and many other factors such as:

- A change in business direction.
- The introduction of new products and services.
- Changes in technology.
- A potential loss of skills and knowledge due to employee turnover or retirements.
- Outdated workforce skills.
- Limited flow of talent into and around the organization.
- Workforce demographics such as sex and age.
- Skill shortages.
- Poor people management skills.
- Low levels of employee engagement.
- A need to change the organization's culture.

Even within organizations there may be different actions required for different locations, divisions, job groups or demographic groups.

Components of a workforce capability strategy

The aim of a workforce capability strategy is to identify workforce issues and implement prioritized actions to support the successful execution of the organization's strategic objectives. A good workforce capability strategy must provide the answers to the following questions:

- How can I ensure my organization or team has the skills it needs?
- Where do I get the people who have the required capability to do the work?
- How can I retain the skills I have?
- How do I remove excess resources or poor job fits appropriately and fairly?
- How do I know I am managing my workforce effectively?

- How do I ensure people are working to their full potential?
- Can my workforce deliver the organization's strategy?

It is only when all these questions can be fully answered that an organization can be confident of its workforce capability strategy.

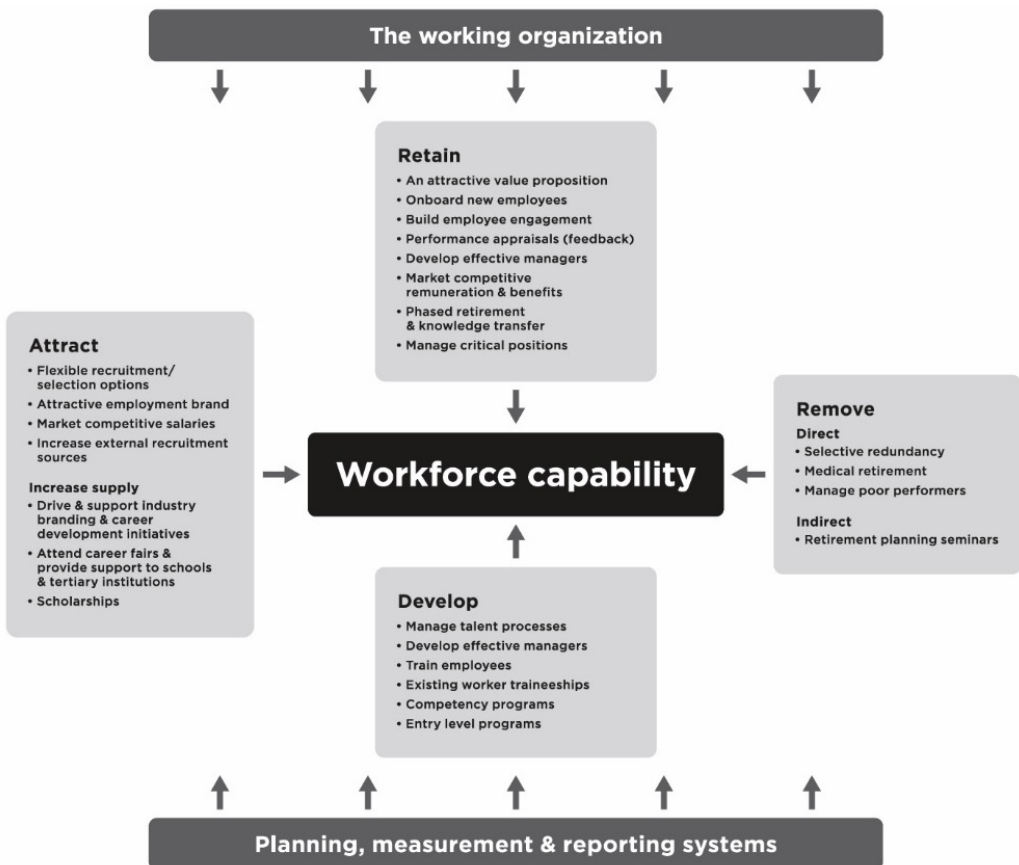
Typically, a workforce capability strategy has three parts. These are:

1. **Planning, measuring and reporting:** To identify what needs to be done and to monitor implementation. See Chapter 3 "Planning, monitoring and reporting for workplace capability".
2. **Initiatives to improve or change the working organization** (i.e. improving the effectiveness of the organization's structure, role relationships, systems of work and managerial leadership practices). See Chapter 4 "How to improve the working organization" and Chapter 9 "Cultural Change".
3. **Initiatives to improve workforce capability through specific actions such as:**
 - **Attraction:** To ensure the organization has the ability to attract and select people with the individual capability required to lead and operate the organization. See Chapter 5 "How to attract and select talent".
 - **Retention:** To have skilled and talented people stay longer than they normally would. See Chapter 6 "How to retain talent".
 - **Development:** To ensure current employees have the knowledge, skills and experience required to perform effectively in their role. See Chapter 7 "How to develop workforce capability" and Chapter 10 "How to improve team capability".

- **Removal:** All organizations need the ability to fairly assess and possibly remove people who do not fit the organization's needs. See Chapter 8 "How to remove employees".

The following diagram shows these components together with examples of actions that could be included in a workforce capability strategy. It is not the intent of this diagram to detail every possible strategic initiative for workforce capability but to highlight common initiatives or actions that could be part of a workforce capability strategy.

Workforce capability development strategy



Often, a workforce capability strategy requires the integration of several individual components into one organizational strategy. Examples of these include strategies around employee engagement, organizational culture or safety improvements, which require actions in multiple areas. See Chapter 9 “Cultural change”.

The next seven chapters will review each component of typical workforce capability strategies and provide specific information on frequent initiatives.

Key Concepts

- A workforce capability strategy is one component of an organization’s strategic planning process.
- A good workforce capability strategy clearly defines workforce requirements to deliver the organization’s objectives and the actions required to achieve these objectives.
- Typically, a workforce capability strategy has three parts. These are:
 - Planning, measuring and reporting: To identify what needs to be done and to monitor how effective implementation has been.
 - Initiatives to improve the working organization (i.e. improving the effectiveness of the organization’s structure, role relationships, systems of work and managerial leadership).
 - Initiatives to improve workforce capability through specific initiatives such as:
 - Attraction: To ensure the organization has the ability to attract and select people with the individual capability required to lead and operate the organization.
 - Retention: To have skilled and talented people stay longer than they normally would.

- Development: To ensure all current employees have the knowledge, skills and experience required to perform effectively in their role.
- Removal: All organizations need the ability to fairly assess and possibly remove people who do not fit the organization's needs.
- Often, a workforce capability strategy requires the integration of several individual components into one organizational strategy.

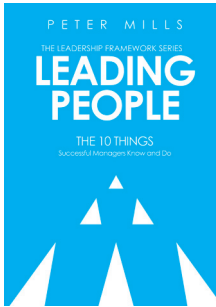
Tips for Getting Started

1. Review your organization's workforce capability strategy. Does it have initiatives to improve the operation of the working organization?
2. To gain a better understanding of organizational strategy implementation, read the third book in the Leadership Framework Series titled, *Make It Work! How to Successfully Implement Your Business Strategy* by Peter Mills.

Additional information available at www.theleadershipframework.com.au

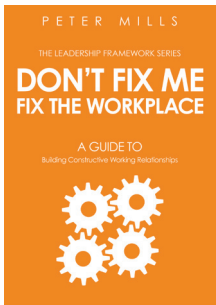
- Creating a workforce capability strategy – overview.
- Understanding and prioritizing strategic relationships.
- Developing a strategic relationship framework.
- Creating a strategic relationship management plan.
- Building positive strategic relationships.

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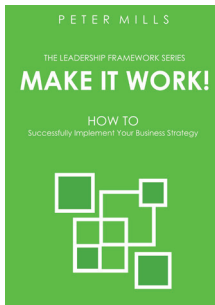
LEADING PEOPLE

- Provides managers with the 10 things successful managers know and do.
- Uses the Leadership Framework to provide you with an integrated approach for how to be successful as a manager.
- Not only does it give you the fundamental foundation for understanding the Leadership Framework, it gives you practical help and tips on how to get started.



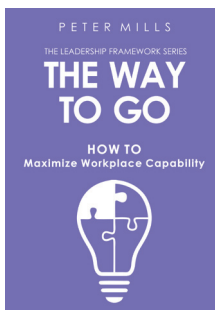
DON'T FIX ME, FIX THE WORKPLACE

- Provides an integrated and holistic model for constructive working relationships based on specific understandings of people at work.
- Identifies the main causes of workplace conflict and how to create a working environment that enables constructive working relationships which leads to productive work.
- Defines what organisations and managers must do to create a constructive working environment.



MAKE IT WORK!

- Explains how to successfully implement business strategy.
- Includes key requirements for the organisation's structure (functions, roles and role relationships), its systems of work (policies, processes and information and communication technologies) and effective managerial leadership practices.
- Provides a fully integrated approach to strategy implementation.



THE WAY TO GO

- Provides an effective and usable model for individual and workforce capability development
- Uses integrated approach to workforce capability development which includes the attraction and selection of new employees, development and retention strategies and the ability to effectively and fairly remove excess employees
- Provides specific actions that can be undertaken to improve both individual, team and workforce capability, including talent and critical position management, team development and cultural change.

The Leadership Framework Series is available from

[booktopia](https://www.booktopia.com.au) [amazon](https://www.amazon.com.au)

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www.theleadershipframework.com.au