Avoiding the Great Training Robbery
Building Capabilities for Performance

Corporations are victims of the great training robbery. American companies spend enormous amounts of money on employee training and education - $160 billion in the United States and close to $356 billion globally in 2015 alone, European companies spend a similar amount - but they are not getting a good return on their investment. (Why Leadership Training Fails - and What to Do About It. Harvard Business Review October 2016)

Potential Capability > Applied Capability
Applied Capability = Performance Today

All organizations are, in principle, performing below their potential and most—if not all—have the ambition to improve performance. To do this sustainably, they must build new capabilities and/or unleash existing capabilities.

The leadership capacity, of the top team through to the front lines, is often a bottleneck, limiting the pursuit of opportunities, and stalling progress. Most organizations realize this, and pour money and resources into training and development programs.

Moreover, additional obstacles get in the way. For example, your employees’ individual skills may be sufficient, but they are not likely leveraged fully due to barriers and friction within the organization. These organizational barriers typically include lack of: direction, alignment, collaboration, communication or the existence of politics, conflicts and turf wars—all a result of how the organization as a system works. Given this both organizational and leadership capabilities need to be on the agenda of all management teams, if improvements in performance is to be sustained and further improved over time.

This means:

I. Organizational Capabilities
Collective organizational capabilities to have honest conversations and align the organization, to collaborate across functions/business, to manage conflicts/tension in service of the whole rather than the parts will reduce friction in the organization, and unleash existing capabilities.

II. Leadership & Learning Capabilities
Collective leadership capacity is a source for creating high energy and accelerating progress on both performance and capabilities. The capacity to engage people, learn from your actions and to see the consequences for your unit, as well as the impact on the organizational system will help you to transform your organization and maintain high energy and low friction.
How Do Organizations Deal With Capabilities Today?

We see different levels of maturity in the way capabilities are managed within organizations today. To no surprise, there is often a close link between how capabilities are managed by the top team, and the role of HR, and performance results.

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<thead>
<tr>
<th>Maturity</th>
<th>Management Team</th>
<th>HR &amp; OD</th>
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<tbody>
<tr>
<td>Low</td>
<td>Performance is in focus, mainly short-term, and hence no link is made to capabilities. Development of individuals is delegated to HR.</td>
<td>Focus is on the development of individuals, primarily through training. HR is driving this on the side, trying to push their way into the line organization. Focus is on “doing the activities” and effect is typically measured only via training evaluation (e.g. smiley sheets).</td>
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<td>Mid</td>
<td>Talent management is on the top team's agenda. Firm wide processes require leaders to engage in this topic on all levels.</td>
<td>Focus is still on individuals, but line organization is responsible, so they pull in HR for support. HR’s focus is on ensuring the effectiveness of learning and development initiatives with limited resources. On-the-job learning is used systematically.</td>
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<td>High</td>
<td>The organization’s collective capability to deliver performance is on the agenda. Joint diagnosis of the organizational system is done on a regular basis in order to align the organization to provide the context required for development. Leaders are held accountable for delivering both performance and building capabilities.</td>
<td>Focus is on both individuals as well as the organizational system. True partnership between line organization and HR/OD. Learning and development solutions are designed to deliver both performance and capabilities, and leaders are given opportunities to affect the larger organizational context.</td>
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Presentation & Workshop

TruePoint offers to run a presentation and workshop tailored to the audience to address this topic. It would be a 1 to 2-hour workshop, with the objective to:

I. Increase awareness of the importance of capabilities for future performance, and in particular leadership capacity.
II. Increase awareness of the role of the organizational context in building capabilities and improving performance
III. Increase awareness of effective approaches for learning and development initiatives

The agenda:

Presentation
a. The 45-degree zone – Delivering today and securing future performance
b. Why Leadership Training Fails - Core messages and examples from the 2016 October HBR Article.

Workshop
a. Diagnosing the organization’s maturity in managing in the 45-degree zone, and sharing experiences of when learning and development has made a difference, and when it has been a poor investment.