

# The **POWER** of **INCLUSION**

Unlock the Potential and Productivity  
of Your Workforce

MICHAEL C. HYTER • JUDITH L. TURNOCK



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## CHAPTER ONE

# Two Models of Development



*"Miss Gaines, send in someone who reminds me of myself as a lad."*

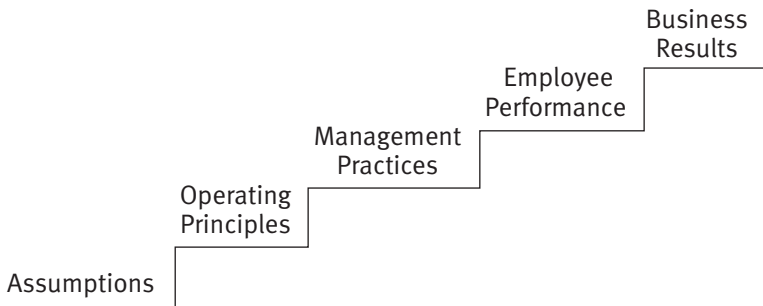
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Our man in the cartoon voices the natural tendency we all have to prefer people who are most like us. This innate human reaction, coupled with an institutionalized set of assumptions about talent, has contributed to the unacceptable waste in human potential that we described in the Introduction. In this chapter we challenge these long-held beliefs about talent and development and replace them with a new set of assumptions that reflect our own experience as well as a growing body of scientific research.

## THE HIDDEN POWER OF ASSUMPTIONS

Why bother with assumptions? Why not go directly to action? Management expert Peter Drucker explains why the assumptions that underpin organizational policies and practices related to the development of employees really do matter. “Assumptions decide what in a given discipline is being paid attention to and what is neglected or ignored.” If the assumptions match reality, they are useful guides to effective behavior. But when they do not reflect what is true, they can lead us to wrong decisions. Therefore, if we want to make the best business decisions about people’s capabilities, we have to look behind outward behavior to examine the assumptions that drive it, and then discard those assumptions that are wrong. Once we have established the correct assumptions, we can build the desired behavioral changes.

The stairway diagram in Figure 1.1 illustrates the step-by-step linkages we find between initial assumptions and business results.



**Figure 1.1: The Links between Assumptions and Business Results**

## THE “CASTES IN CONCRETE” MODEL OF DEVELOPMENT

Have you heard the old adage “Some have it and some don’t”? This adage is shorthand for various ideas that fall under the assumption of “innate ability”: people are born with certain intelligence levels, talents and abilities that define how much they will achieve in life. Within those confines, people can work hard and achieve more or less with their innate abilities, but the basics are there from birth. We refer to the “innate ability” way of thinking about human capabilities as “Castes in Concrete,” to incorporate both the idea of the social class into which a person is born as well as the idea that what is cast in concrete is fixed and can never change.

We’ve all had experiences with the consequences of this “sort and select” approach, in processes designed to separate out those who are smarter, faster, better, and so on, into various castes. These labels are so pervasive in our society that they even begin at home before we get to school. One sibling is the smartest, another is the cleverest, the most charming, or the best athlete.

Then, when we get to school, we are quickly divided into groups based on ability. Whatever the groups are named, whether robins or sparrows, dogs or cats, we all knew even back then they really represented what we call the “very smarts” (VSs), the “sorta smarts” (Ss), and the “kinda dumbs” (KDs). We can all identify with these individual labels. For some, the groupings are liberating and inspiring; for others, they represent at best a challenge and at worst a “Castes in Concrete” ceiling. Those labels tend to follow us through life, and each of us knows which intelligence label we wear, and therefore which caste we belong to.

Although we undoubtedly know people who were labeled KDs and became successful anyway, we tend to explain those cases as exceptions that prove the rule. Such individuals may be viewed as “overachievers” or discussed in terms like, “It’s amazing what she/he has been able to accomplish.” We are all most likely to skip right over the possibility that the label might have been wrong in the first place.

Almost all human beings have an enormous capacity to learn. Ordinary people demonstrate that capacity by acquiring language at an early age and by “learning” many other highly complex tasks over the course of their lives. This does not mean all people have exactly the same amount of “intelligence,” but it does mean most people have enough intelligence to contribute at very high levels.

Social psychologists have demonstrated the profound impact of “Castes in Concrete” thinking and practices on individual students. Psychologist Carol Dweck, for example, found in her school studies that students who believe “some have it and some don’t” tend to approach life with what might be called a “proving orientation.” This orientation, which starts from the assumption that a person is not perceived as capable and does not perceive him- or herself as capable, has two typical outward expressions. The first is refusal to try at all, perhaps the most common reaction. The second is more complex. Those who do get up the courage to try, spend much of their time proving to their teachers, parents and themselves that they are capable. There is no joy in learning because they have understood from an early age that public labeling and lower status await those designated as “not very smart.” For them, no amount of success is able to change the initial assumption of not being capable. This orientation, then, puts students on a treadmill they can never jump off.

The effect of this “proving orientation” for all is debilitation of effort, and the effort decreases at a greater rate each time a student encounters failure or difficulty. Dweck describes this response to failure or difficulty as the “helpless” response. The children burdened with the “proving orientation” tend to give up more quickly and become apathetic, resisting challenging assignments because they hold a higher probability of failure. Ironically, by avoiding the assignments or projects they fear might cause them to feel less competent, they actually seal their fate. They never have the very experiences that would allow them to become better performers—those activities that would stretch them and make them more competent. If you don’t engage in stretch activities, you will indeed never grow.

Because the “Castes in Concrete” model is so prevalent in society and in educational systems, it’s hardly surprising that the same model finds its way into business and professional organizations. The “Castes in Concrete” assumption that “some have it and some don’t” means the potential of many, if not most, employees is ignored. Here are what we find to be typical indications of organizations built on an exclusionary “Castes in Concrete” model of development.

## Recruitment and Selection

Many organizations recruit only from certain schools and offer employment only to people above a target class rank. Others administer intelligence tests to applicants, with threshold scores determining selection. The goal of such practices is often explicitly stated—to employ only people of “proven ability.” The assumptions behind these practices lead us at Novations to ask more questions. What exactly does “proven ability” mean in the work

context, especially for those recent graduates interviewing for entry-level positions, with little or no work experience?

What do grades really prove? We have found grades to be a good measure of applied learning, but they may or may not be a good measure of capacity to learn. For example, grades can be a measure of teacher effectiveness or an indicator of where additional effort is needed by both teacher and student. And a student's ability to achieve high grades can correlate to life circumstances, not just the capacity to learn. Some students, including those who are judged to be the VSs, achieve high grades because they have adequate financial support and can focus on school assignments. Others may need to earn money in order to attend at all, and they must allocate their time to both paid work and completing graduation requirements.

Do the best grades in school prove ability to perform well at work? While many excellent students from top schools go on to perform well at work, we have also heard about many students who did not do as well in school but became star performers at work. Jack Welch was often heard to look for "somebody hungry," who was driven to succeed. We know of law firms or Wall Street investment banks with an informal requirement that recruits all represent a certain class rank at certain schools, even though a number of the firms' top money-earning partners do not fit that description.

The ability to balance conflicting priorities may also be more relevant to success in life, including at work, than grade point average alone. Think about the capacity to rebound from failure with an undaunted belief that "I can master this." Think about the capacity to exercise good judgment in taking moderate risks, discerning and using constructive feedback to improve performance.

Should “proven ability” be limited to having already performed well at the same kind of work? What about someone who has demonstrated the ability to come into a new situation and excel, for example, in combat, by moving to a different high school in a new location or bouncing back from the death of a close friend or relative? Or by being thrust into a leadership position without any warning or preparation and rising to the occasion? While the “proven” worker may be a safe bet, the best companies will want to identify workers who have demonstrated the desire to learn and grow and the willingness to expend maximum effort in any context, because they are most likely to be the source of the greatest productivity and the best new ideas.

Many companies use a technique called “behavioral interviewing” to gain insight into a candidate’s capacity to learn and expend maximum effective effort. Companies first determine what behavioral competencies are critical to success in their organizations and then design questions for applicants that allow them to describe occasions in their lives where they demonstrated those competencies. Behavioral interviewing will be discussed further in Chapter 5.

## Performance Management

“Castes in Concrete” thinkers are often comfortable with the “bell curve” to describe the distribution of human intelligence and other job-related abilities in a given population. The bell curve essentially posits that in any random group of people, their individual abilities would fall into three primary categories: 10 per cent in the lowest ranking, 10 per cent in the highest ranking, the 80 per cent in the middle plotted as a giant bell-shaped curve. Since “Castes in Concrete” thinkers tend to view performance as strongly

correlated with innate ability, many companies easily adapt the theory to their annual performance evaluations: they demand that the aggregation of evaluations represent a bell curve. A predetermined, fixed percentage of the population must receive the highest and lowest ratings. Such “forced distribution” or “forced ranking” systems have become an acceptable, even favored, performance evaluation tool. Such practices necessarily assume, we believe wrongly, that only a small, predetermined fraction of employees can become top performers, and that a similar predetermined fraction of employees must be found unacceptable.

## Potentials Ratings

If ability is “Castes in Concrete,” when someone demonstrates capabilities (or reveals limitations), it becomes possible to predict their future performance and their likelihood of being successful at an organization. Many organizations actually codify this belief, assigning employees numerical “potentials ratings,” for example, 1 for high potential, 2 for medium or modest potential, and 3 for low. These ratings, when used, are usually assigned early in anyone’s tenure, in theory to give managers and HR guidance in placement and assignments. Consider how one new manager responded after realizing the debilitating effects of the potentials ratings:

*When I took over my new job the previous manager gave me a piece of paper with the names of all the ‘reliable’ people on one side and the ‘slackers’ on the other. Before I even met the team, he was dividing them up for me, and I didn’t even question it. I handed out assignments accordingly and never even gave the ‘slackers’ a chance.*

*Now when I go back, I'm going to do everything I can to destroy that list.*

These labels once applied are difficult if not impossible to overcome or change, even if an employee's performance demonstrates otherwise. Excellent performances in the case of 3s—or, conversely, poor performances in the case of 1s—are explained as aberrations. Not surprisingly, potentials ratings in most instances are “Castes in Concrete.”

## Accelerated Development Programs and Rotational Assignments

Professional employees with high potentials ratings are often placed on a “fast track,” a series of relatively short and often rotating assignments in key segments of the organization. These assignments are designed to expose high potentials to the most important business departments as well as to the key company leaders in order to position them as future leaders. Typically, these strategic assignments rotate them through a series of managerial roles and high-level individual contributor roles in planning, finance, operations, manufacturing, marketing and sales in order to build a cross-functional breadth of knowledge, contacts and skills. Those not put on the “fast track” are generally understood to be out of the running for senior positions.

Employees' career trajectories can largely be plotted based on these early judgments of ability and potential, and they are carefully controlled thereafter. Only those chosen for the fast track are given the exposure and experiences that are the necessary foundation for senior leadership positions.

## Education and Training

Training also follows these same “Castes in Concrete” lines. Sort-and-select organizations invest heavily in training and development for those who are regarded as the high potentials—those equipped to benefit from the stretch opportunities. For the many others, some technical training may be provided, but seldom the developmental experiences that prepare individuals for greater responsibilities and more prestigious and visible assignments. The most valuable training opportunities are reserved for the select few.

### IT WORKS FOR SOME

For those few people who have been selected as high potentials, the workplace implications of the “Castes in Concrete” model of development are by and large positive. From their initial contact with an organization—selection, hiring and on-boarding—whether applying for particular positions or recruited as interns, the labels indicate the treatment they are going to receive. They will receive most of their organization’s development opportunities and support.

High potentials will receive the best job assignments—those that have high visibility and are linked to the company’s key business objectives—the most encouragement and coaching support from their managers, the highest performance ratings, skills training on-site, invitations to seminars off-site, formal and informal leadership training, and formal and informal mentoring about how to be effective.

And many, if not most, high potentials rise to the occasion by excelling their stretch assignments. Why wouldn’t they? They are

encouraged, coached, mentored and groomed at every turn. We do not mean they are coddled. They are pressed hard, expected to hit extraordinarily high standards in relatively short periods of time. Their performance is tracked, and they are held accountable for their deliverables. We simply suggest that their hard work is immeasurably enhanced by the very high expectations and the quality support they receive. It's the conjunction of those factors—rather than some innate ability—that created their brilliant performance.

Ironically, when these high potentials are successful, the prevailing corporate rationale is that “Our system successfully targeted those with the most talent.” But was it the original targeting? We think this question is premature, as premature as the potentials ratings.

Those high potentials indeed worked hard and long, gladly took on stretch assignments, knew they were being tested for greater opportunities, and they performed well. We do not suggest otherwise. But they benefited from a pattern of give-and-take between them and the organization; they worked hard and the company provided them with increasing rewards. These rewards inspired the confidence to stretch again and to achieve greater performance. The truth is that their excellent performance was the result of a give-and-take development process the organization affords its favorites; their success was a self-fulfilling prophecy. We call this “predicted performance” as opposed to “potential performance.”

The real question for organizations is, how many other employees would have performed as well if they had been provided the same give-and-take development process? How many great performances are lost because the give-and-take development process is reserved for the select few? These questions relate

directly to a company's ability to maximize the return on its payroll investment.

Perhaps the most important benefit of being among the high potentials is the treatment they receive when they encounter difficulty, failure or mistakes. An anonymous wise man once said, "An error does not become a mistake until you refuse to correct it." High potentials are the beneficiaries of that good advice. In most instances, their managers do not punish them for errors, and they do not lose their high-potential status. Instead, their managers encourage them to re-examine their strategies, learn from what went wrong, chart a new strategy based on the lessons they learned, and try again. They are, in essence, rewarded for taking calculated risks, their self-confidence remains high, and they continue to challenge themselves to achieve new improvements on behalf of the business and for their own professional growth. A well-known story about Tom Watson, founder of IBM, provides one such illustration.

*A young junior executive had made a bad decision that cost the company \$300,000. He was called into the CEO's office where the two of them spent considerable time reviewing the situation, the process used to make the decision, and how he might have reached a different and better decision. When the young executive was sent back to work and told to do things right the next time, he blurted out, "You mean you're not going to fire me?" Watson replied, "Fire you? I just spent \$300,000 training you."*

In our view, if this same practice of using well-intentioned mistakes as opportunities for learning and improvement were

extended to all employees, many more of them would become engaged and committed to learning, many more would grow steadily and increase their contributions to business success.

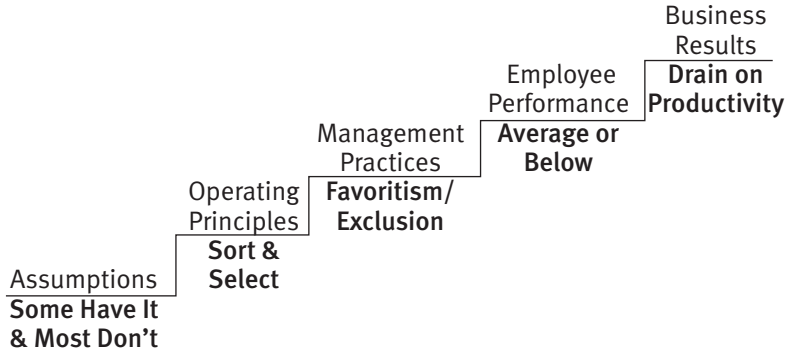
## BUT MOST LOSE OUT

What do those assumptions mean for the many employees—most of the workforce—who are excluded from the high-potential group? In general, the organization invests little time or money in their learning and development. This makes sense, given the “Castes in Concrete” belief that their ability is fixed at a low level, and there is little anyone can do to change that fact. Needless to say, it is hard to maintain or develop self-confidence in the face of that kind of treatment. Most people who are labeled “sorta smart” or even “kinda dumb” eventually start to believe the messages about themselves.

Similar to Dweck’s students with the proving orientation, these employees are unlikely to volunteer for risky new projects or assignments—the kind that stimulate learning—because they feel they must constantly demonstrate to their managers and to themselves that they are competent. Since mistakes or failure for them is regarded as proof of lack of intelligence and will limit their career possibilities, they avoid those risks at all costs. If they do get up the courage to try to stretch themselves, to take a risk, and then fail, their managers’ responses contrast sharply with the responses to high potentials’ failures. Instead of being encouraged to regroup and try again, they are told, “See, we were right. You don’t have what it takes to succeed.” Yet another self-fulfilling prophecy.

The “Castes in Concrete” model of development has a profound and negative impact on individual performance and

therefore business results. The enhanced stairway diagram in Figure 1.2 incorporates the negative effect of that model of development at each step between assumptions and business results.



**Figure 1.2: The Effect of the “Castes in Concrete” Model of Development on Business Results**

Employees labeled “low potential” seldom have the opportunity to contribute to business success. Their lost potential is a business loss, even though it may be difficult to measure. Unfortunately, the lost potential can also result in harmful business performance that can be measured all too easily. One company’s chief diversity officer describes how this happens.

*Most people don’t come to work to screw up, but those who feel left out often do, either unconsciously, because of depression or plain thoughtlessness, or consciously, because of ‘malicious compliance.’ We can expect similar results when highly educated people underperform. We have to engage our people just to minimize errors.*

In today's service and knowledge economy, every position has the potential to impact the bottom line. Products can be duplicated, technology is constantly advancing, and access to raw products is virtually the same across the world, so people-based skills, such as quality and service, are the only reliable differentiation between companies. Your people represent your only compelling competitive advantage. If their potential is ignored, the loss can be significant. Only engaged employees are going to bring the continuous new ideas that lead to competitive advantage. The "Castes in Concrete" assumption and the debilitating orientation it fosters are therefore counterproductive. It continues to wield influence because it is taken for granted, customary and familiar—*the way we've always done things*—but this behavior hardly represents a solid business decision. There is a better, more rational and more productive way.

## THE CAPACITY BUILDING MODEL OF DEVELOPMENT

The Capacity Building model is based on the demonstrable scientific reality that human beings, supported by policies and practices that encourage them to grow, are capable of continuous learning and development. One need only think about the process of infants learning language to realize that everyone has great potential: we all start from zero and yet learn to communicate effectively through speech in a matter of a few years. Even more astonishing is the fact that babies can begin to learn sign language at eight months of age.

Although we commonly talk about the extraordinary capacity of human beings to learn from birth to four years, a facility

never equaled again, no one would seriously argue that human beings do not continue to learn throughout their lives, through elementary school, high school and college, on into adulthood, and even into old age. The learning process doesn't stop, especially when people receive support and feedback to encourage them to grow and when they put forth effective effort. Old dogs—and even old people—can learn new tricks!

Take a concrete situation that many of us are familiar with—learning to drive a stick shift. Everyone who has tried to master this skill started with stressful experiences including many mistakes, such as stalling in traffic—made worse by the beeping horns of irate drivers behind us. Some of us may have given up and reverted to driving with an automatic shift. But those who persevered—continued to practice, probably sought out feedback and coaching—got better. They learned to use their hands and feet to maneuver with ease in any traffic situation. While they were focusing on these physical activities, their brains were responding to the challenge by creating new mental circuits that enabled them to coordinate complex new skills. With enough practice, these skills became almost automatic.

Another example relates to the growing number of senior citizens who are taking advantage of computer classes—some geared especially to novices—to develop new skills. While some may not be interested in this or may wistfully say, “I'd like to learn but I'm too old,” others take advantage of the skill building opportunities. Soon these senior citizens have developed the capacity to communicate with relatives and friends in new ways and even “surf the net” as part of their daily routine. Think also of the increasing number of senior citizens returning to college, and the number of countries and societies that depend on leaders who are well into their seventh or eighth decade.

Research in neuroscience has now confirmed what common sense has long understood. Practicing new and challenging tasks actually reorganizes people's brains cells (neurons) around new skills and capabilities and can even create new brain cells. Perhaps that is why many medical professionals urge people who are at risk for dementia or Alzheimer's or already experiencing the debilitating effects of those diseases to do crossword puzzles on a regular basis. If you ask your brain to work harder, you can actually become smarter!

The assumptions and practices that have developed from the success of those life-long learning experiences are the hallmarks of an inclusive organizational culture in which all employees have opportunities to build new skills. Employees there regularly perform at higher and higher levels. Here are some of the key features we find in organizations that have adopted the Capacity Building Model of Development as an integral part of their culture.

## Recruitment and Selection

Managers focus on recruiting people with a penchant for learning, a readiness to accept challenges, flexibility in approaching problems and resilience in handling obstacles. This does not suggest that formal education is not important, but it does focus the discussion on what is most important about a credential: a personal commitment to learning.

"Behavioral interviewing" is a technique that allows the interviewer to delve deeper into a person's relevant experience, beyond having performed the same kind of work in the past. While past performance is indeed a strong indication of future performance, behavioral interviewing acknowledges that the desired

performance can be demonstrated in any number of contexts. So questions are framed around specific behavioral competencies a company wants to recruit, develop and retain rather than around a specific job or title. Candidates are asked to provide examples of any circumstance in their lives where they have demonstrated the desired behaviors, for example, accepting challenges, showing flexibility, managing priorities and being resilient. These transferable skills are associated with leadership potential and are highly prized in a service and knowledge economy, at every job level.

Behavioral interviewing techniques have also helped interviewers hone their ability to be objective in interviews and assessments of candidates from diverse backgrounds. Without those techniques, diverse candidates were frequently described as not a good “fit.” What does “fit” mean? It can mask myriad subjective criteria, conscious and unconscious. With these techniques, interviewers focus on concrete examples that demonstrate how and why a person doesn’t fit. This analytical process has opened doors for many candidates who would previously have been summarily dismissed. We simply introduce behavioral interviewing here and discuss it more fully in Chapter 5.

## Performance Management

HR policies take a non-traditional approach to evaluation, using a “criterion-referenced” system that judges performance against a standard of excellence and assumes every employee is capable of reaching that standard. This approach is diametrically opposed to the more typical “forced ranking” systems, which rank individuals against one another rather than against common standards or criteria, thus ensuring that only a few people will ever be rated top performers. A criterion-referenced system is

inherently motivational, not only because it starts from the premise that everyone can hit a high standard, but also because it focuses attention on how to develop the skills and demonstrate the effort needed to meet that standard.

## Accelerated Development

Accelerating development of skills and capabilities mandates broad distribution of special projects, task forces and other placements, including rotational assignments, that stimulate and demand new learning, rather than saving these opportunities for a select few. Common sense knows and research shows that motivation, innovation and performance often plateau when people stay in exactly the same job, doing much the same thing, for more than five years. Developmental assignments are platforms on which people can expand their skills through learning and get regularly “fired-up” by the challenge of new situations. Because they keep people engaged, they often are a deciding factor in a company’s ability to retain key talent.

## Rotational Assignments

Rotating assignments are very practical techniques to give a broad base of employees routine development opportunities. Most often they are lateral movement when promotion or advancement is not feasible. Employees may, for example, move from one location to another or move to a different aspect of similar work in the same or a different department. One could move from sales to marketing, or from one plant to another. In a large organization, the possibilities are endless.

Rotational assignments provide exposure to many different relationships and to other areas of an employee's function or operation, allowing an employee to put each activity into the context of the overall organization. In some cases these assignments tend to be very brief, designed primarily to give an employee additional orientation. In other cases, assignments are long enough for an employee to complete portions of a project or even an entire project. These longer assignments allow an employee to learn as well as to make an actual business contribution.

## Promotion

Nowhere is the commitment to a culture of development more visible than in an organization's promotional practices. Many organizations routinely go outside when senior positions become available, but organizations committed to expanding the capacities of their people promote from within whenever feasible. Hewlett-Packard is one such company, and it is no coincidence that it has a turnover rate roughly one-third that of other Silicon Valley companies, where competition for those considered the most creative is fierce and constant.

## Education and Training

It stands to reason that companies committed to mobilizing people toward learning and better performance will devote resources to providing education and training to all employees. Leading-edge training for all employees is a very expensive undertaking, and few if any companies approach the ideal. But we do know that every step toward the goal yields benefits, and each chapter in this book describes individual steps and strategies.

We have seen pockets of success at many companies. Most of you have probably worked for or heard about a manager who runs his or her department with the principles of the capacity building model of development in mind, people our founder and philosophical mentor Jeff Howard refers to generically as “the teacher in Room 222.” Broad organizational change is simply the collective power of one-on-one changes. In fact, organizations like the Center for Creative Leadership and others who have studied development find that the most effective development for employees takes place on the job, and that learning is accelerated as a result of facing difficulty or failure, when feedback is available and applied to future performance.

Every company can decide to take those one-on-one steps. Start with your managers, asking them to identify developmental assignments in conversations with each of their direct reports. What interests those employees? Then urge them to coach those employees as they stretch, to offer support and guidance, and to give the constructive feedback that will encourage those direct reports to reach the next level of performance.

As company leaders, you can begin by identifying what you believe will be most important to your business over the next five years. What are the trends that will have the greatest impact? What are the products you will need to remain competitive? What are the new skills your employees will need to meet the new changes and challenges? What new resources will be necessary? When you have identified your business needs, you can tie your employee development strategies to those needs. That’s just what you would be doing anyway; it just happens with an intensified purpose.

The matrix in Figure 1.3 captures the key differences in practice between the “Castes in Concrete” Model of Development and

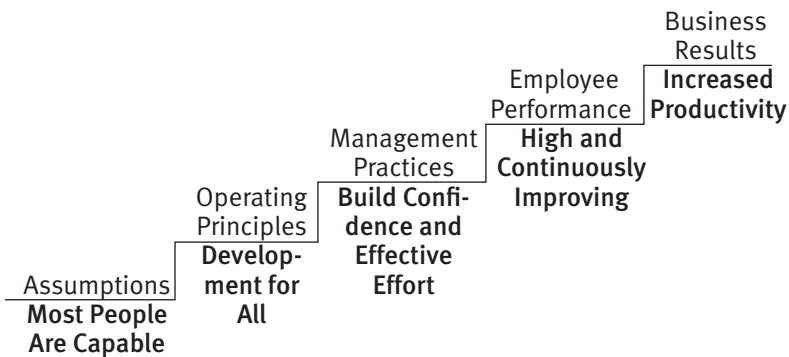
the Capacity Building Model of Development as they apply to each of the indicators we described above.

**Figure 1.3: Comparing Practices under the Two Models of Development**

	<b>Castes in Concrete</b>	<b>Capacity Building</b>
Recruitment	Selects candidates with proven ability	Selects candidates with capacity to learn and willingness to expend effort
Training	Delivers best training to best performance	Delivers best training to all employees
Evaluation	Forced-distribution systems group people in categories and fix expectations	Evaluation conducted with high standards and developmental objectives in mind
Potentials Rating	Potential for future performance rated high, medium or low, impacting decisions about future assignments	N/A
Rotational Assignments	“High potentials” given rotating assignments as part of “fast track” programs to prepare them for senior positions	Rotating assignments given to broad base of employees as routine part of development process
Promotion	Promotes high potentials” at a rapid clip; often fills top positions with outsiders	Explicit objective to develop broad base of employees; promotes from within

A capacity building mindset is the foundation for a culture of development that goes beyond human resource strategies and pervades the whole organization. The mindset begins at the top, with leaders who make it clear that they are committed to an ethic that expands capacities, then model this behavior in their own practices.

Similarly, management practices at all levels will concentrate on continuous learning and continuous improvements, encouraging all employees to take controlled risks on behalf of the company's business objectives. Finding themselves in a positive environment, employees will want to put forth their best efforts and engage their minds. Each stretch will build their confidence and encourage more effort. The result? Performance that consistently exceeds expectations. The enhanced stairway diagram in Figure 1.4 incorporates the positive effect of a culture of development at each step between assumptions and business results.



**Figure 1.4: The Effect of the Capacity Building Model of Development on Business Results**

With many more employees developing their potential and exceeding expectations on a regular basis, companies will continuously improve their products and services, thus gaining a competitive edge.

The benefits of building an inclusive organization characterized by a culture of development are numerous and, in our experience, well worth the effort. At the same time, the journey leading to this goal is not without obstacles. In the next chapter we examine some common obstacles that organizations are likely to face and then offer strategies for overcoming them.