NATIONAL CENTER FOR
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# Building a Smart Workforce on a Tiny Training Budget

*When employees see how much they can learn on the job
they actively promote their own development*

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The best workforces exhibit plasticity similar to that of the brain, which is perpetually sprouting neurons and adapting in response to new experiences. The members of such workforces grow smarter every day. They dutifully master some information in classrooms or through training modules delivered to their desktops. Most knowledge, however, they absorb naturally through their work—typically through interactions with their peers and with colleagues up and downstream. As a result, they become agile problem-solvers and decision-makers prepared to cope with non-routine tasks. To the extent companies grasp the mechanisms of such informal learning they can maximize it, creating an ever-expanding inventory of experience and shared knowledge.

Of course, formal training and development plays a role in talent-management strategies. A company may need proof of proficiency when, for example, it introduces new technical skills or grooms high-potentials for leadership. But such programs are costly: comprehensive training is the second most expensive type of human-resource initiative, second only to health-benefit programs. And even the best such initiatives are more rigid and static than is desirable when competitive circumstances can change practically overnight.

So middle-market companies should pay particular attention to informal learning, which happens automatically in the workplace. People learn when they collaborate with co-workers, ask supervisors or colleagues for help or advice, or simply observe others doing their jobs. However such learning does not always occur optimally. One reason: most employees don't think about what they do every day as learning. Rather, they see themselves getting an answer so they can complete a deliverable, or swapping ideas over lunch about how to solve a client's problem, or debating process change in a cross-functional meeting. They think tactically: "I must obtain this discrete piece of information in order to complete this task." But imagine if they thought strategically: "Merely by having this conversation I am getting smarter about the way things work here and how different people approach problems. In the process, I am increasing my own human capital and my value to the organization. And this company encourages that."

Employees who see this bigger picture will seek more opportunities to learn and also to squeeze more learning from every encounter. They will pursue new relationships and experiences—both inside and outside the organization--that provide information, insight, or perspective. They will conduct a kind of perpetual inner performance review, evaluating their own strengths and weaknesses rather than waiting for a manager's annual judgment. And they will do all those good things in the context of a company's changing environment. So employees will equip themselves for the battle being fought today or to be fought tomorrow, rather than simply studying the lessons from battles past.

It gets even better. Employees who take responsibility for gaining skills and knowledge in this way experience greater confidence and dignity as they progress according to their own ability, curiosity and ambition. They become more engaged, a key measure for human-resources organizations.

We call this practice *self-guided development.* By definition, it is not under an organization's administrative or operational control. But middle-market companies can make their workplaces more hospitable to it by hiring the right people and promoting the right conditions. Self-guided development is already happening in your business. What follow are suggestions for making the most of it.

## HIRE THE MOTIVATED, THE CURIOUS, THE SOCIAL, AND THE DEDICATED

Passivity is the greatest obstacle to self-guided development. Employees should be primed to seize the initiative, eager to volunteer for fresh projects and try on new roles, and willing to accept responsibility for their own advancement. They should be naturally curious, with a bias toward improvement--of a process or of themselves--over the status quo. And they should be comfortable around other people: introversion is no friend to informal learning. Yes, employees can seek to advance themselves at a remove, by cultivating professional relationships through media like Facebook and LinkedIn. They can hole up in their offices with books or journals, or listen to podcasts during long, solitary walks. But at its heart, informal learning is a social activity that requires people talk to people. And don't forget, learning goes both ways. A supervisor, colleague or mentor solicited for help will likely also take something away from the conversation.

Finally, companies naturally want to foster commitment to the organization. But for self-guided development, commitment to one's own career may be even more important. Job candidates with serious intent to pursue a particular profession are more likely to seek skills and knowledge relevant to that profession. If middle-market leaders want to build overall smarter organizations they must hire people with the potential to grow themselves out of their positions—even out of the company. Employees seeking job satisfaction are more desirable than those seeking job contentment.

## MAKE SELF-GUIDED DEVELOPMENT PART OF THE JOB

David Mamet made famous the phrase "Always Be Closing." Middle-market companies should enshrine the motto "Always Be Learning."  As mentioned above, employees who don't recognize learning experiences or opportunities as such may fail to fully exploit them. So leaders should explain the concepts of informal learning and self-guided development to all employees and regularly reiterate the company's commitment to them. Explicitly informed that learning is both part of their performance expectation and a way to enhance their professional capital, employees are more likely to solicit advice and feedback and to ask those extra questions. (Not just "how do we do this?" but also "why do we do it that way?" and "has anyone discussed doing it like this, instead?")

Rewarding people for practicing self-guided development is tough. Most incentive systems require some type of measurement. But how do you measure something that happens spontaneously, without instructor oversight and after-the-fact testing? Still, companies that want to encourage such learning should consider asking employees about it during performance reviews, perhaps soliciting concrete examples to reinforce that the subject is a serious one. Three-sixty reviews and other multi-source assessments can also include questions about employees' pursuit of informal learning.

Learning organizations comprise not only perpetual students but also perpetual teachers. Consequently, employees should be encouraged not just to seek help and advice but also to provide it. Mangers must understand the importance of giving feedback. Sharing knowledge rather than hoarding it should be promoted as the cultural norm. In some organizations, people who gain reputational capital around a particular subject take it on themselves to offer informal training. ("If anyone wants to see how I put together this presentation, stop by my office at 3 and I'll walk you through it.") In this way, informal "classes" spring up in response to the job-at-hand and at no cost to the company.

## MAXIMIZE INTERACTION

The adoption of self-managing teams, open workspaces, and cross-functional training has already created fecund ground for interaction in many organizations. But managers can do more to structure jobs in ways that require employees to converse and coordinate their efforts. For example, companies may be able to parse some projects so that more work happens simultaneously rather than sequentially, resulting in collaboration rather than hand-offs. They can offer job rotation or let employees audition in stretch positions while the people holding those positions are on vacation. Simply incorporating a solicit-feedback step in some tasks promotes knowledge transfer.

Pair programming, a practice in some software development companies, is an extreme example of maximizing interaction through job design. Two employees work at a single computer, taking turns writing and reviewing code, and talking the work through as they do it. In a very few instances, companies have experimented with pairing on tasks other than programming.

Teams are by no means the sole forums for learning exchange. But because they generally meet on a schedule and the knowledge flow is many-to-many, they are among the most efficient. Companies should give teams autonomy to solicit resources and expertise from around the organization. And individuals should have autonomy, when they see a clear need, to create their own teams and assume leadership.

Companies should also build into the workday more opportunities for employees to network with one another. Middle-market companies have an advantage over large corporations in that employees probably know who most of their colleagues are. But unlike at small companies, they may not actually know most of their colleagues. Even giving people a few minutes to converse before rushing back to their desks after the weekly all-hands meeting can help.

## MAKE TIME FOR REFLECTION

Maximizing interaction promotes informal learning. But self-directed development requires more than that. Think of it this way: the fewer required courses on a college student's schedule, the more thought that student must put into choosing classes that will prepare him for life. Similarly, where formal training is not pervasive, employees must continually take stock of their own strengths and weaknesses, determine what they need to improve their performances, and chart a course for obtaining that skill or knowledge. Companies should encourage employees to take time for such personal reflection.

Self-guided development is demonstrated to make employees happier, which contributes to organizational health. It is far less expensive than formal training and, for some purposes, more effective. Leadership must trumpet its commitment to continual learning and establish optimal conditions for it; managers should remind people of that commitment and nudge them gently in the right direction. Self-directed development doesn't happen in a vacuum. But it requires a very light touch.