Training and Development

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HR and Mission: Discussion Forum

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Craig B. Mousin and Gary L. Miller of DePaul University dialogue with Special Guest, Mary McGuinness, Manager of Training and Development at DePaul University

Gary: I suggest that the critical purpose of training and development (T&D) at any organization, including Catholic institutions, is to enhance faculty and staff effectiveness in their current positions and prepare those with potential for future additional responsibilities. Comprehensive training and development programs integrate training with performance management, staffing and compensation systems.

If enhanced faculty and staff effectiveness is the goal, then practices such as the differentiation process introduced by Jack Welch at General Electric several years ago cannot easily be rejected. Differentiation is a process whereby managers force rank their employees into one of three performance tiers: the top 20%, the middle 70%, and the bottom 10%.

Once the rankings are complete, then managers have to take corresponding action. Employees who are ranked in the top 20% receive the best bonuses, enviable development opportunities and significant recognition. The middle 70% are also valued and appropriately recognized. They are provided with the resources needed to continue to be effective. Further, for those with promise in this middle group, development and leadership opportunities are provided.

The bottom 10% are treated very differently – they are fired. “Fired” may be too harsh of a word, conjuring up images of people being thrown out the door in a state of surprise, shock and dismay. In fact, under differentiation, there should be no surprises because people would know where they stand.

While this may sound harsh, a differentiation process would actually respect the fact that Catholic institutions have extremely important missions in society. As such, the leadership of these institutions should be concerned about motivating their faculty and staff to develop their skills and be as effective as possible in what they do. In the long run, an organization will be no more effective than the individuals who comprise it.

Also, differentiation provides a method to optimize the allocation of limited training and development resources in that such investments are directed to the individuals most likely to benefit. The organization’s best performers, not their worst, should glean the most from training and development opportunities. Finally, there is an element of justice in the process of differentiation whereby people are truly rewarded in accord with their contributions relative to their level in the organization. When marginal performers are treated no differently than middle and high performers, this injustice becomes a disincentive to performance and offends our sense of equity and fairness.

One additional factor about differentiation: culling out people who simply are not effective in what they are doing provides them with a nudge, or perhaps a shove, to go find something at which they can excel. Forcing the bottom 10% to seek out responsibilities more suitable to their interests and abilities so that they too can effectively contribute to the common good is a service to these individuals and an act of charity. It’s a great disservice to the dignity of employees who are floundering in their jobs to simply allow them to languish in their positions.

Craig: Gary, you pose a fascinating experiment trying to place Welch’s theory of 20-70-10 within the parameters of Catholic Social Teaching (CST). Before we explore whether your suggestions work, we should first compare what Welch considers the mission of a corporation and place that next to the mission of a Catholic corporation. We need to know our grounding principles prior to suggesting, for example, that justice will be served by rewarding persons “in accord with their contributions relative to their level in the organization.”

As I understand Welch’s starting point, the corporation’s job is “winning.” No doubt, a corporation has to survive and meet its obligations, even a Catholic corporation, but is “winning” the only goal? Since Leo XIII’s encyclical on work-related issues, Rerum Novarum, CST has struggled with the justice issues of the relationship between the employer and the employee, the purpose of the corporation and the meaning of justice. Among the many strands
of CST, several principles stand out in response to Welch’s model. Although always recognizing the right of private property, Catholic institutions possess the responsibility to serve the common good. Justice includes understandings of distributive justice, commutative justice and legal justice. In their book, *Managing as if Faith Mattered*, Helen J. Alford and Michael J. Naughton argue that “managers need to be ‘entirely possessed by justice.’” Acknowledging the dignity of each worker, CST witnesses to the critical conclusion that workers are not commodities and can not be used as such in the pursuit of profit. Rather they are part of a larger partnership with the employer to make the best use of the resources of the corporation while not compromising the employee’s dignity. CST also stresses that work helps each employee seek individual fulfillment while holding employers responsible to contribute to that end.

Although Welch’s strategy calls for intensive training and education for workers, it does not appear that the training serves to distinguish issues of justice in the workplace, encourage worker participation in governance or enable human potential, except to how it encourages employee effectiveness in Welch’s model. Moreover, to establish a system whereby 10% of the workforce is “culled” each year suggests that workers are commodities, to be sheared off with little thought of consequences for the individuals, consequences for the families and their communities. Additionally, the 10% rule appears to neglect the individual circumstances of whether the person truly is a failure or whether other reasons such as poor management, poor placement in a job that does not fit the skills and gifts of the individual, or temporary factors that might have inhibited work in a particular year are to blame. Moreover, as workforces become more diverse, determining why 10% fail becomes more difficult. An employee’s skills could be hidden due to cultural, language, or experiential differences leading to both a loss of potential resources for the employer and potential discriminatory treatment through the discharge of the employee.

Welch may have answers to each of those concerns, but perhaps we should look where we agree. Training and education are important under both models. But how does learning happen in an environment where 10% are culled each year? How does learning and collegiality flourish where “winning” is the only mission-related goal. By incorporating mission-related education with the twin goals of developing human potential and encouraging the institution to contribute to the common good will best serve the employer and our society.

**Craig:** Gary, I believe by incorporating Welch’s model, you fall into the trap of simply seeking to “enhance faculty and staff effectiveness in their current positions and prepare those with potential for future additional responsibilities.” Both are admirable and necessary goals. But, I suggest an institution’s mission that includes principles found within CST cannot stop there. CST calls for encouraging greater understanding of our responsibility to the common good, developing strategies for understanding distributive justice in an American workplace dominated by individualism and collaborating with managers and employees to go beyond just “winning,” but participating in the challenges and diversity of God’s creation.

**Mary:** This conversation feels to me more like a dilemma than a debate; a quandary between two competing “rights.” On one hand, Gary presents Jack Welch’s differentiation process as a reasonable and practical way to motivate, reward and recognize high performers who are productive, effective and active contributors to the success of an organization. The 20-70-10 formula provides a clear-cut structure and process for allocating resources to those employees who, as a result of their hard work, are provided learning opportunities that benefit both the individual and the organization. The individual increases their knowledge and advances professionally while the organization thrives due to the achievement of talented and engaged human resources.

On the other hand, Craig suggests, development of performance management, staffing and compensation structures and practices in the Catholic corporation must be informed by CST principles that consider issues of purpose, justice, human dignity and democracy.

In a Catholic higher education environment, sound business practice and principles of CST must both be weighed when developing strategies and operational structures for human resources. Best practice must be fully integrated into creative, flexible and durable sets of policies, procedures and training that respond to external pressures of the business environment while at the same time foster tolerance for failure,
promote human development, encourage collaboration and most importantly, develop organizational and individual behaviors that are consistent with the human and moral factors Craig mentions.

This integrated or holistic approach to business management presents us with an adaptive challenge. How do organizations thrive and sustain themselves in the competitive marketplace and create workplace environments that honor “the diversity of God’s creation?” This question encourages us to respond ethically, as well as practically, with methods and approaches that are both technical and adaptive---challenging us to hold the tension between art and science, faith and reason, leadership and management, rather than accepting one solution over the other.

Within Catholic higher education, where education equals empowerment and our institutional missions are reflective of our history, values and direction, we are in a unique position to articulate a vision for learning and performance that supports the full development of human potential in the workplace and provides structures and systems for reward, recognition, termination and transfer that are fair, transparent, sound and consistent with our moral and business standards.

Our newly formed training and development area at DePaul University develops and designs employee training curricula informed by principles of CST, human development and best practice. Not only are employees developed in the skills, knowledge and abilities that help them to do their jobs well, but our training programs also emphasize continuous learning, community life and collaboration. Every learning objective is aligned to the values that are characteristic of our Vincentian roots, the attitudes reflected in our institutional mission statement and the behaviors we encourage and expect in our service to students, to each other and to the community.

This framework served as a foundation for the development and delivery of a performance management and appraisal program we recently offered to managers and employees. In addition to offering content in university policy and procedure and best practice in performance appraisal and management, we created a learning environment where employees reflected upon the mission, developed personal and professional development goals tied to university and departmental objectives, assessed their management behavior within the organizational value system, and worked independently and collectively to establish performance goals tied to core competencies assessed through our performance management system.

Robert Greenleaf, in his seminal work, The Servant as Leader, wrote: “The first order of business is to build a group of people who, under the influence of the institution, grow taller and become healthier, stronger, more autonomous....If a better society is to be built, one that is more just and more loving, one that provides greater creative opportunity for its people, then the most open course is to raise both the capacity to serve and the very performance as servant of existing major institutions by new regenerative forces operating within them.”

We work in an environment where we possess not only the capacity, but also the authority to consider and create new human resource systems that grow human potential, strengthen institutional performance and improve student lives and civil society. Perhaps, if we recognize this privilege, our quandary changes from: “How do organizations thrive and sustain themselves in the competitive marketplace and create workplace environments that honor “the diversity of God’s creation?” into: “How do I create workplace environments that honor “the diversity of God’s creation and sustain myself and others in the competitive marketplace?”

As always, we invite our readers to enter into this dialogue by sharing their thoughts and experiences, as well as their practical and effective solutions, on any of the topics we address in our columns. To facilitate this, we have a blog – [http://hr-forum-ccu.blogspot.com/](http://hr-forum-ccu.blogspot.com/) where readers can comment on this column or any of our past columns. We encourage your feedback to begin our collective attention to these issues.

We would like to post links to your mission statements as well as HR and compensation philosophy documents if you would like to share them with our readers. This will permit a fuller discussion of how mission and CST enters into the employment process. Please let us know if you would like us to link to any of your institution’s documents.

The opinions expressed in this column are ours alone and do not represent DePaul University’s.