

Creating Value Workers Within Organizations

By Michael Vaughan

 **THE REGIS COMPANY®**

Executive Summary

If your organization is like most, it's challenged to do more with less and to implement efficiencies on a broad scale. At the same time, many industries are confronted with a shortage of top talent, encouraging companies to grow intellectual capital from within their current workforces. For these reasons and others, there's an urgent need to push workers beyond average performance and teach them how to add appreciable value to organizations.

Most employees, no matter how smart and capable, do not grasp the complex interdependencies – or system dynamics – at work in their organizations. This is not due to the lack of communications, process flows, or training. This lack of understanding happens because we live and work in a world that is changing quickly and is difficult for us to get our heads around.

Understanding the true nature of system dynamics requires a new way of thinking. Employees at all levels must think differently about their jobs, the organization, and the markets they serve. This type of thinking does not come from slogans or internal communications or from traditional training. It develops through learning, trying, reflecting, and trying again. It is the type of thinking that helps individuals understand cause and effect, short- and long-term delay results, unintended consequences, and interdependencies of the system within which they work. This thinking has become essential to an organization's – and an individual's – enduring value.

How do we understand the patterns of thought that differentiate those who add value in a dynamic world from those who merely perform their job responsibilities? How do we teach employees to navigate the complex, dynamic nature of businesses? We try to teach through training, but most training is ineffective.

Over the course of 100 simulated events, The Regis Company has documented patterns of thought that helped us identify individuals who added substantial value in unique situations. We call them Value Workers because their value is continuously greater than their cost to the organization.

The content of this white paper covers:

- **Defining the Value Worker**
- **The Enduring Contributions of Value Workers Within Organizations**
- **Staying on the Value Continuum Path**
- **Why Traditional Training Falls Short**
- **The Role of Simulations in Creating Value Workers**

Defining the Value Worker

The patterns of thought that emerge among teams who perform successfully in their simulations have been termed Value Workers. As individuals Value Workers have developed the abilities to make better decisions and solve problems collaboratively in dynamic and complex situations. They are equipped to unlearn and relearn quickly as they encounter new and changing situations.

The following characteristics comprise our description of Value Workers:

- Ask good questions to identify the viability of their ideas and the ideas of others
- Think systemically about change and seek to establish a shared vision
- Are mindful about their actions and outcomes
- Draw connections from seemingly disparate sources of information
- Maintain a big-picture mindset, and avoid jumping from one problem to another
- Pay attention to patterns and behaviors that help them form a framework for understanding problems
- Are willing to suspend their judgment long enough to hear other perspectives
- Don't see failure as something to avoid, and tend to make more decisions
- Surface, collaboratively, their own limiting beliefs and those of the team

The Enduring Contributions of Value Workers Within Organizations

We created the Value Continuum model to examine the phases that exceptional thinkers and doers go through in their careers.

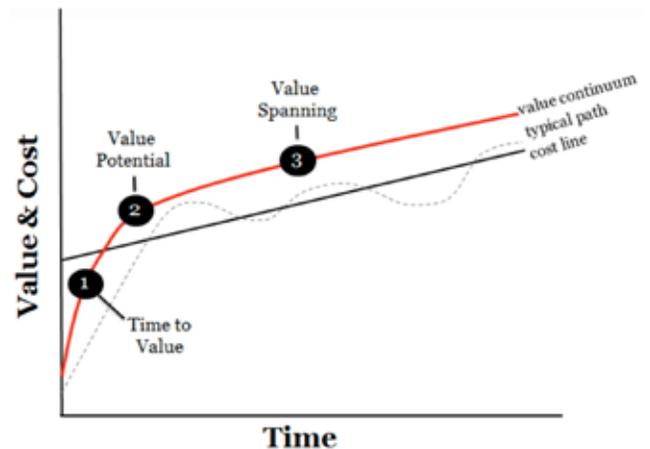


Figure 1. Value Continuum Model

The graph depicts the ratio of value produced by an employee to the costs of employing him or her. When the labeled paths are above the cost line, the value of an employee is greater than the cost of that employee. First, notice the typical path – a dashed line beginning with a gradual climb that transforms into an oscillating pattern around the cost line. The upward swings are often due to a change in role or a switch to a new company – employees work harder, bring new skills, or are freshly excited about their jobs. The low points are often a result of a market or organization shift and an individual's inability to adapt. In other words, the situation changed and the individual was not equipped to unlearn old habits and learn new ways of thinking. The Value Continuum path – the solid line – shows an accelerated climb that remains well above the cost line. This path represents an individual whose value is continuously greater than his cost to an organization, i.e., the Value Worker.

Most individuals do not make it onto the preferred Value Continuum path. While it is natural to face some fluctuation as new scenarios arise and new processes

must be created, every dip in an employee's cost/value association affects the company's bottom line. The individuals a company needs are not those who require frequent training on minute changes in processes to overcome the latest dip. The Value Workers are those who encounter changing scenarios and adapt.

The numbers on the Value Continuum graph show various points during an individual's career development. Through effective learning solutions, an organization has the opportunity to improve an employee's value in each of these realms.

1. *Time to Value*: This represents the time it takes for an individual to get to a point at which his value is greater than his cost. Students coming out of college typically cost more than the value they provide. The employees who learn to become exceptional thinkers cross the time-to-value threshold more quickly. At this point, organizations have an opportunity to implement new ways of learning that accelerate the development of higher-level thinking and shorten the time until an employee contributes value.
2. *Value Potential*: This represents the value that an individual brings to the organization as new situations emerge over the course of a career. It also shows the potential value an individual can offer an organization at any one point. Instead of oscillating above and below the cost line, an expensive and demoralizing impact, the opportunity is to develop an individual's ability to think creatively, critically, and systemically. This will result in individuals who can learn, unlearn, and relearn quickly, thus maintaining a steady path on the Value Continuum.
3. *Value Spanning*: This represents the extended value that an individual brings to the organization and to society. Value Workers affect not just their organization, but also the world

around them. As an individual's potential increases, his ability to span divisional, organizational, geographical, and cultural boundaries improves and extends out into society. The opportunity here is to broaden employees' perspectives by helping them understand how their individual actions influence the larger system within which they live and work. The result is a Value Worker whose value affects the whole of society.

The Value Continuum Path and The Thinking Effect

Studying Value Workers made us increasingly curious about the skills of these individuals and the best methods for developing these skills. We questioned the tug of war between the mere development of important skills and the ability to adeptly apply those skills. We wondered how people can apply the skills of a Value Worker to any situation, whether making a critical decision about the direction of the business or solving a team dynamic issue. Finally, we investigated the idea of feedback. Assuming employees could develop the skills and apply them to any situation, how do they get feedback to further refine the skills?

Our years of working with a range of clients in a variety of simulations have helped us answer these questions and expand our understanding of the Value Worker. Those employees who stay on the Value Continuum path take part in a virtuous cycle of improving their thinking, applying it to any situation, and learning from the outcome. We have labeled this cycle *The Thinking Effect*. As an individual goes through these phases, he develops his capacity to learn and, in turn, expands his ability to add value to emerging situations. The Thinking Effect is both an internal journey on which an individual embarks alone and a collective process an organization can jump start for its employees. The most powerful aspect of The Thinking Effect is that everyone can learn to participate in it.

Why Traditional Training Falls Short

Can traditional training teach people to make the leap from task-oriented employee to Value Worker? Despite the large amount of money organizations spend on training, most of it is ineffective, which bewilders training departments and executives alike. With so many resources invested in addressing these issues, there has been little improvement in the way we make decisions, solve problems, or collaborate. The reason, as Albert Einstein pointed out, is, “We cannot solve our problems with the same thinking we used when we created them.” Most of us still learn to think in a linear fashion and continue with this technique throughout our lives. If we hope to remedy situations that linear thinking has created, we must approach these issues with a different mindset.

Most training revolves around teaching participants *what to think*, not *how to think*. The *what to think* educational model prepares individuals to function primarily inside of known and predictable situations – an important skill, but not enough. This approach produces a large number of linear thinkers throughout the world and provides insight into why more and more employees are ineffective in an increasingly complex world.

The majority of training models and technologies are based on the premise that knowledge is power. Training focuses on transmitting information from teacher to student with the idea that the mere accumulation of knowledge will equip the student to function effectively in the world. Sage-on-the-stage workshops and basic e-learning courses reinforce a model built around filling students’ minds with information. When taking a closer look at how the brain is wired, how adults learn, and what creates sustainable change, though, it becomes apparent that the mainstream models are missing the mark.

The Role of Simulations in Creating Value Workers

Well-designed simulations are both emotionally engaging and intellectually challenging. They immerse participants in difficult situations where they have a stake in the outcome. By customizing simulations to organizations – using organization-specific data, linguistics, competitors, challenges, and more – the scenarios are as close real world as possible. Participants are allowed to explore without the risk of real-world consequences. Carefully constructed immersive simulations accurately mirror organizational systems dynamics. Participants see the effects of their decisions systemwide and build on those choices from one challenge to the next. Over the course of the simulation, participants expand their thinking, internalize lessons, adapt to changing circumstances based on the bigger perspective, and learn *how to think*. In short, they become Value Workers.

Summary

We believe organizations must move from the linear approach of telling employees *what to think* to systemic learning, in which employees learn *how to think*. While traditional knowledge-based training may create adequate task-oriented employees, customized simulations transform participants’ thinking and fundamentally improve the way they approach complex challenges.

The Thinking Effect has the power to sustain an individual along the Value Continuum to the point where his or her value spans beyond the boundaries of the organization. This new way of thinking will improve decision making and collaboration, affecting an individual’s and an organization’s ability to solve problems and generate value.

About the Author

Mike Vaughan is the managing director and president of The Regis Company, and the author of *The Thinking Effect: Rethinking Thinking to Create Great Leaders and Valuable Workers*. (TheThinkingEffect.com) as well as *The End of Training: How Simulations are Reshaping Business*. The Regis Company is one of the top leadership development consulting firms, specializing in customized, immersive simulations for Fortune 500 clients and government agencies.

mvaughan@regiscompany.com
303-526-3005



Creating great thinkers and leaders

info@regiscompany.com
RegisCompany.com

Denver, Colorado Headquarters
433 Park Point Drive
Golden, CO 80401-7004
303.526.3005

Chicago, Illinois Office
1415 W. 22nd Street, Tower Floor
Oak Brook, IL 60523
773.868.4148

Washington, D.C. Office
303.526.3005, ext. 114