

## Which is Most Important for Future Success? Employee Skills or Capabilities?

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There has been a lot of chatter in both the trade and popular press about how U.S. workers must be reskilled in order for the U.S. to remain competitive in the rapidly changing future. According to research from the American Workforce Policy Advisory Board, 7 million workers will require “full-blown” reskilling if they hope to remain employable. And, according to the Society for Human Resource Management ([SHRM](#)), “more than 70,000 organizations in the U.S., including colleges and universities, nonprofits, public-private consortia, and foundations, are tackling the skills gap.” SHRM also admits that “the skills gap is so pervasive that no single solution will mitigate its impact.”

Skills are a moving target. “Skills themselves are becoming less central to creating the type of value that will differentiate a company,” according to a [Deloitte Center for the Edge](#) publication from 2019.

Companies and individuals must move past a mindset of acquiring specific skills. Skills alone won’t allow a business to identify and address new opportunities. “For that, companies need attributes such as creativity and imagination, critical thinking and emotional intelligence,” says the Deloitte report.

### Focus on capabilities

In your own career you’ve experienced that skills are ever-



evolving, for instance computer modeling has replaced hand drawings and in the very near future [3D printing](#) will replace trades and craftsmanship. People can and will learn skills as they are needed (you’ve mastered a smart phone without having to take a class, right?), what truly sets an individual or company apart is the ability to develop capabilities.

The construction industry is a perfect example of the need to develop capabilities because the rules of the game can change on a nearly daily basis given supply issues, changes in weather, or stop-work orders for various reasons.

Capabilities are the capacity to do something – such as being able to learn new skills and adapt to changing conditions. Capabilities transcend specific skill sets. Skills become obsolete, but capabilities endure beyond any technological

advance or marketplace shift and allow us (individuals and organizations alike) to remain competitive.

In focusing on capabilities, Dr. Keith Plemmons, an industry and education professional, shared, “The importance of employee skills or abilities will vary from one organization to another. So, each company must understand the specific capabilities it needs to drive its operational performance and fulfill its strategic aspirations. Companies that don’t do this struggle and decline.”

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## How to develop capabilities?

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As a leader, what are some ways you can develop your employee’s capabilities? And which capabilities are important? According to the Deloitte report, capabilities that should be developed include:

### EMOTIONAL INTELLIGENCE

Emotional intelligence is strongly associated with job performance and job satisfaction. Developing it in others involves asking them questions that cause them to reflect on their actions or reasoning, such as “I noticed you snapped at Jane when she asked you to review her work. Are you angry with her?”

### TEAMING

Many individuals are taught from a young age to work to be the best rather than to work for the greater good. Developing teaming capabilities involves many skills such as listening, asking good questions, being open to new ideas, understanding that conflict is natural and often leads to better outcomes, and working collaboratively.

### SENSE-MAKING

Sense-making involves thinking about processes or experiences, developing hypotheses, testing/executing, and refining. There are two ways that sense-making can be developed in the workplace: One is to make after-action-reports a regular process at the conclusion of projects to allow all individuals to identify what worked, what didn’t work, and what they would do differently in the future, and the second is

journaling. Peter Drucker, known as the “father of management thinking,” suggested journaling as a way to identify what you’ve learned as you are coming up in your career. He is said to have kept a journal every year of things he learned or did, and questions he had, and regularly reviewed them to help him understand his own evolution in thinking and capabilities.

### CRITICAL THINKING

Developing critical thinking in individuals involves many of the capabilities already addressed. Ask questions. Work in groups. Brainstorm. Connect different ideas. Encourage decision making and reflection on the outcomes of the decision.


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## Leadership and capabilities go hand in hand

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Skills are tangible and often demonstrable (he is an accurate surveyor) while capabilities are more cerebral and character driven. This is especially important at the leadership level where one’s technical skill is not as important as the ability to think big-picture and lead others through trust.

The good news is that capabilities can be cultivated without a huge capital investment. It comes down to an organization’s culture – it’s willingness to allow time for questioning, learning, testing, and reflection.

Is it time for your organization to redefine what a “skilled” employee looks like? 



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## About the Author

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Dr. Nanette Miner is a leadership development and workplace-learning strategy consultant. Through her firm, [The Training Doctor](#), she has revolutionized the way that individuals are prepared for leadership roles in their organizations. Rather than a chosen few, her process is aimed at ensuring everyone in the company has the skills and business acumen of a leader. This approach ensures both immediate and long-term return-on-investment (ROI) for an organization.

She has written articles for *Chief Learning Office magazine*, *Forbes*, and *MBA World* and is a frequent guest on workplace training and career podcasts and talk radio such as *Inc. Radio* and *America's Workforce Radio*.

Nanette regularly speaks at industry conferences and corporate learning events on how to integrate leadership capabilities throughout an organization. An author of eight books, her most recent is *Future-Proofing Your Organization*.

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