MANAGERS WHO KNOW HOW TO ACHIEVE standout results don’t rely on just their capabilities—they also rely on their capacity for inspiring and motivating others. Capability represents knowledge honed by experience. The value of capability includes its role in shortcutting decisions: We don’t have to reinvent the wheel if we know of something that has worked before.

But capability is just the beginning. In the ongoing development of leaders, the importance of experience is that it can enable us to explore a deeper question, and capability can stimulate heightened performance when matched with enhanced capacity.

Capacity is the inner game of managing, of being able to see the obvious and do it, knowing that you are tapping a profound intelligence that often manifests in perfectly timed action. It means discovering our inner voice by understanding human functioning—first in ourselves, then in others. Work becomes a thing of beauty when experience (prior knowledge) is seasoned with insight—capability in service of expanded capacity.

For a real-life example of how a base of knowledge—some capability, if you will—helps people engage their innate capacities, let’s meet Tanya, a newly minted HR manager. She recently called Bob because she was worried about an upcoming meeting with a departmental employee, Bill. Bill was very disruptive. He came to work late, missed assignments, and was rude to co-workers. The problem was that this came while also producing the best work of anyone in the section—when he chose to get down to the task at hand. Though his irksome manner earned him the nickname “Mr. Trouble” among his co-workers, Bill enjoyed a privileged position with the boss, who was too distant to see the negative impact Bill had on staff morale.

Tanya knew that everyone on her new team was intently watching her performance—that this one meeting was going to “make or break” her reputation, and she would be living with that consequence for a long time to come. So Bob could hear the tenseness in her voice when he took her call.

“Tanya, what’s up?” Bob inquired. She began pouring out the story, spiraling into worry that she was in over her head and had no idea how to fix the employee’s
behavior. She felt that the only way to keep her stature as a manager was to fire him—an outcome that was sure to cost her with the boss. The words rushed out and Bob could feel her disorientation.

In a capability conversation, Bob would have talked about strategies for handling difficult conversations, including perhaps such tactics as proactive listening, constructive feedback, and even the legal steps necessary to termination.

Instead, Bob framed a capacity conversation, starting with a simple question: “Tanya, it seems like you are letting your fear and imagination cloud your gut instincts and common sense. What would it take for you to turn your back on feeding that mental chatter and just be present with me right now?”

The phone grew silent. Then Tanya laughed—a rich, resonant laugh from the soul.

“Thanks,” she said, “I remember now that quiet space in my mind that feels so good. I guess I can find a way to resolve this problem if I just remember that all of us, including Mr. Trouble, have the ability to find their common sense when their mind is calm.”

Bob ran into Tanya several weeks later and asked what happened with Mr. Trouble. Tanya said, “It was really surprising. He came into my office very agitated; I could tell that his mind was racing. So I sat quietly, offered him a cup of coffee, which I got myself. Both of us just sat sipping our drinks. And in a few minutes I could feel him relax as we connected. I guess he may have been afraid, too. Then it occurred to me to ask him if he was happy at work. He said, no, that he hated coming through the front door every morning even though he loved the sense of accomplishment from the assignments. That provoked my curiosity, so I asked him why.

“What he said blew me away—‘I hate being around people!’ From that point it took us only a few minutes to conclude that the best option was to work from home, something I could agree to if he became an independent contractor so that he would be in compliance with policy. The whole thing took just 30 minutes, and everyone was so pleased with the outcome.

“Best of all, Mr. Trouble has been doing even better work since he started working from home and feeling less pressure.”

Capability provides the tools that allow us to use our capacities—to put our common sense, wisdom, and creativity in the service of our aspirations.

Both are valuable management assets, yet capability is easier to quantify because it is measurable and tangible, which also makes it easier to reward. Virtually all new managers believe that if they only “knew more” or “could borrow someone’s experience” they would be able to handle the job easily. Yet the most important resource, common sense, is available 24 hours a day, seven days a week. We are suggesting that sustained achievements are possible only when we drop our fanatic dependence on accumulated knowledge. We know that can be very difficult. But as an oft-quoted Chinese proverb says, “Insanity is repeatedly doing the same thing in the same way and expecting a different result.” New approaches and new solutions require fresh thinking—in other words, insight.

Knowledge and other forms of capability are acquired and individual to each person. Insight and other forms of capacity are innate and universal. Together, capability and capacity make a virtuous circle at the core of inspired and inspiring leadership.

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