

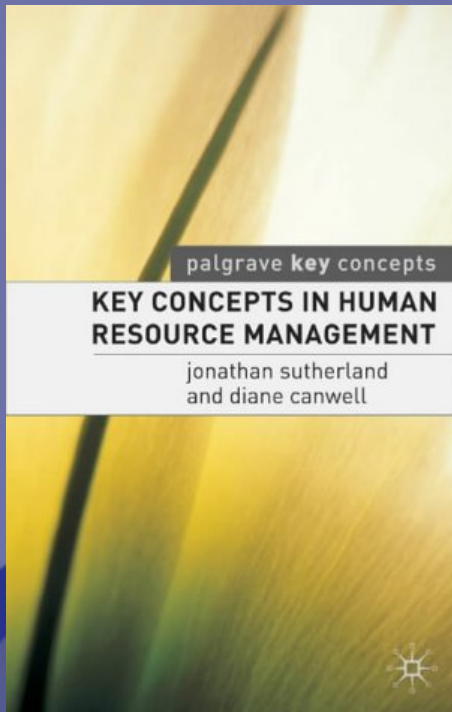
*June 1, 2005*

*BetterManagement Presents:*

# **How to Align Personnel Capability with Business Strategy: Evaluating and Measuring Workforce Capability (Part I)**

**Presented By:  
Otto Laske and  
Steve Stewart  
Laske & Associates**

# FEATURED BOOK

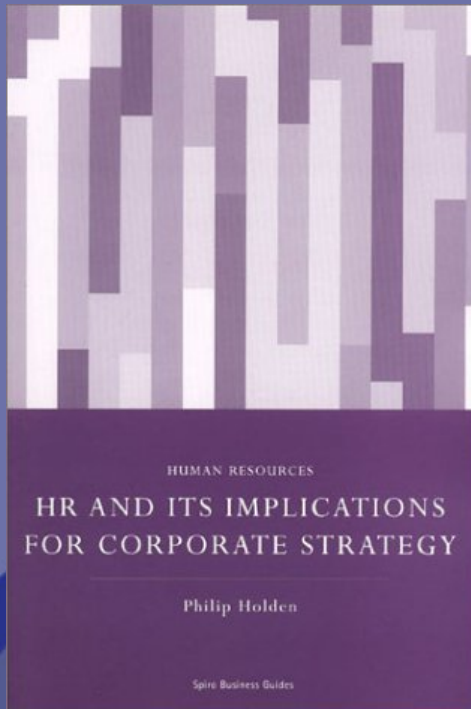


## Key Concepts in Human Resource Management

by Jonathan Sutherland and Diane Canwell

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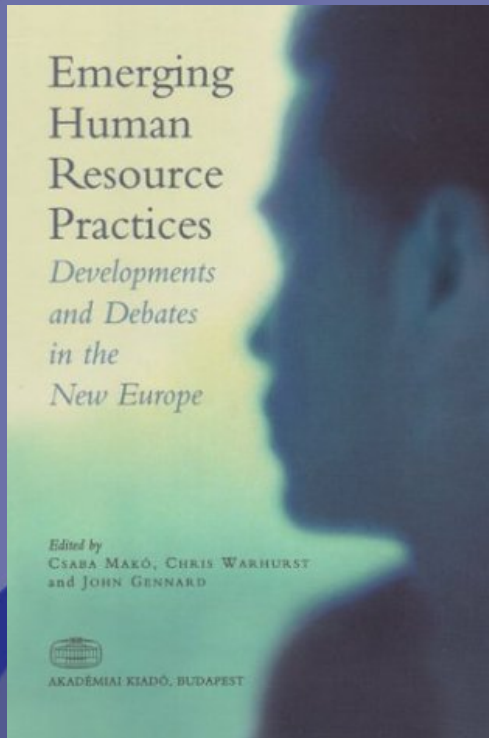


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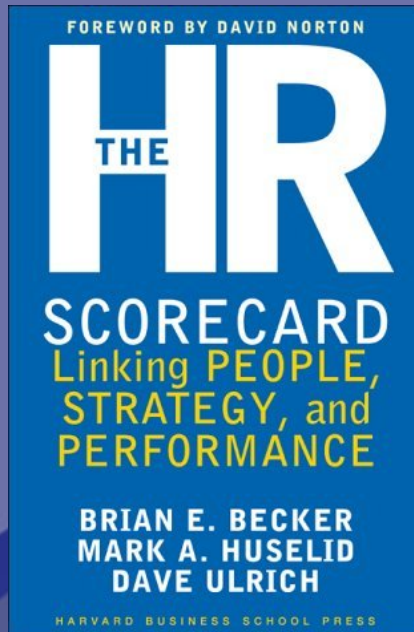


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by Mako Csaba

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## The HR Scorecard

by Brian E. Becker, Mark A. Huselid and  
Dave Ulrich

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# ***BALANCING YOUR SCORECARD:***

## **How to Align Personnel Capability with Business Strategy: Evaluating and Measuring Workforce Capability (Part I)**


Otto Laske, PhD & Steve Stewart, PhD

Laske and Associates LLC

*[www.cdremsite.com](http://www.cdremsite.com)*

*[www.interdevelopmentals.org/leadership.html](http://www.interdevelopmentals.org/leadership.html)*

# *Road Map*

- 
- 1. Objectives**
  - 2. Case Introduction**
  - 3. Competency/Capability Intersection**
  - 4. Measuring Cognitive Development**
  - 5. Measuring Social-Emotional Development**
  - 6. Mapping Capability Levels to Organizational Structure**
  - 7. Future Music – June 23<sup>rd</sup> Webcast**



# Objectives

Using a *Strategic Initiative Example* to:

- Demonstrate that focusing on traditional Competency measures only may mask *Scorecard Imbalances*
- Explain what Capabilities are, and show their impact
- Show how to measure and interpret Capabilities, to determine whether there is *Scorecard Imbalance*

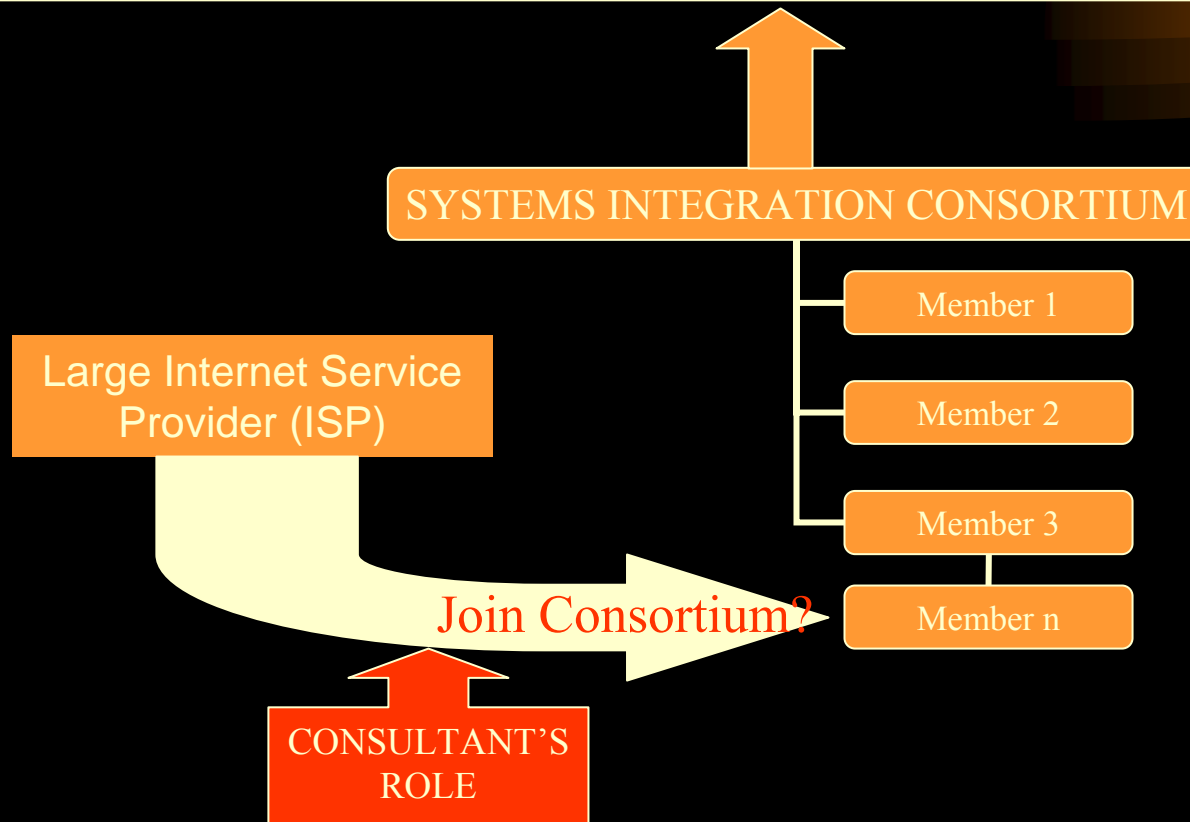
# *Case Introduction*



# *Example Strategic Initiative:*

## *A Consortium Building a Large Internet Banking Product*


Large U.S. Banking Client – Goal: Streamline Banking Operations



# *Client's Strategic Job Family*

- **Central Consortium Coordinator**
- **6 Middle Team Managers**
- **6 Software Engineering Teams, with expertise ranging from design to testing**
- **Chief Technology Officer**
- **Chief Financial Officer**
- **HR Personnel to pursue additional hiring**

# *Central issue: Can the ISP deliver on time, within budget?*



## Questions:

- Do we have the competencies?
- Do we have the capabilities for optimal use of competencies?
- What capabilities underlie competencies?
- What is our portfolio of performance measures?
- What new performance measures do we need?
- **What capability measures do we need?**

# *Competencies Considered Crucial*

**We assessed and measured:**

- **Corporate Culture Index – ‘Need/Press Fit’ between Self & Corporate Behavioral Expectations**
- **Job Satisfaction Index**
- **Technical Know-How – Software Design, Testing, & Integration**

# *Other Factors Considered*

- **Technical Teams:**

- ✓ **Geographically distributed**
- ✓ **Virtual**
- ✓ **Teams of different competency levels**

- **Technical Team Managers**

- ✓ **Team leaders centrally located**
- ✓ **Competencies not optimally matched (with responsibilities)**
- ✓ **Team leaders personally at odds with each other**



## *Capabilities Measured*

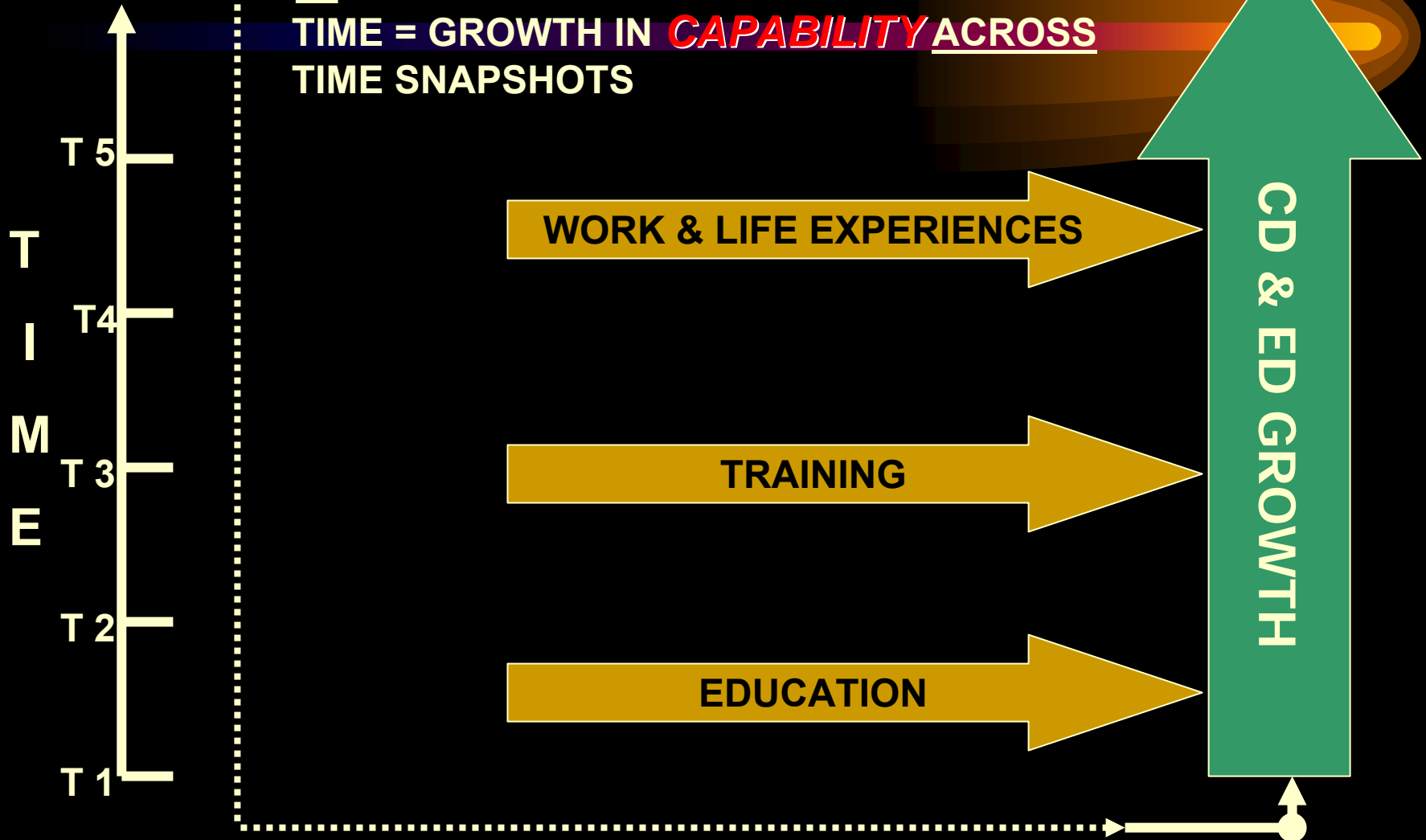
- **Cognitive Grasp & Reach** – Attributes of general cognitive development (CD)
- **Social - Emotional Grasp** – Attributes of general social – emotional development (ED)

# *Competency/Capability Interface*



# Competence & Capability Interface

$\Sigma$  OF **COMPETENCY** INCREASES WITHIN  
TIME = GROWTH IN **CAPABILITY** ACROSS  
TIME SNAPSHOTS

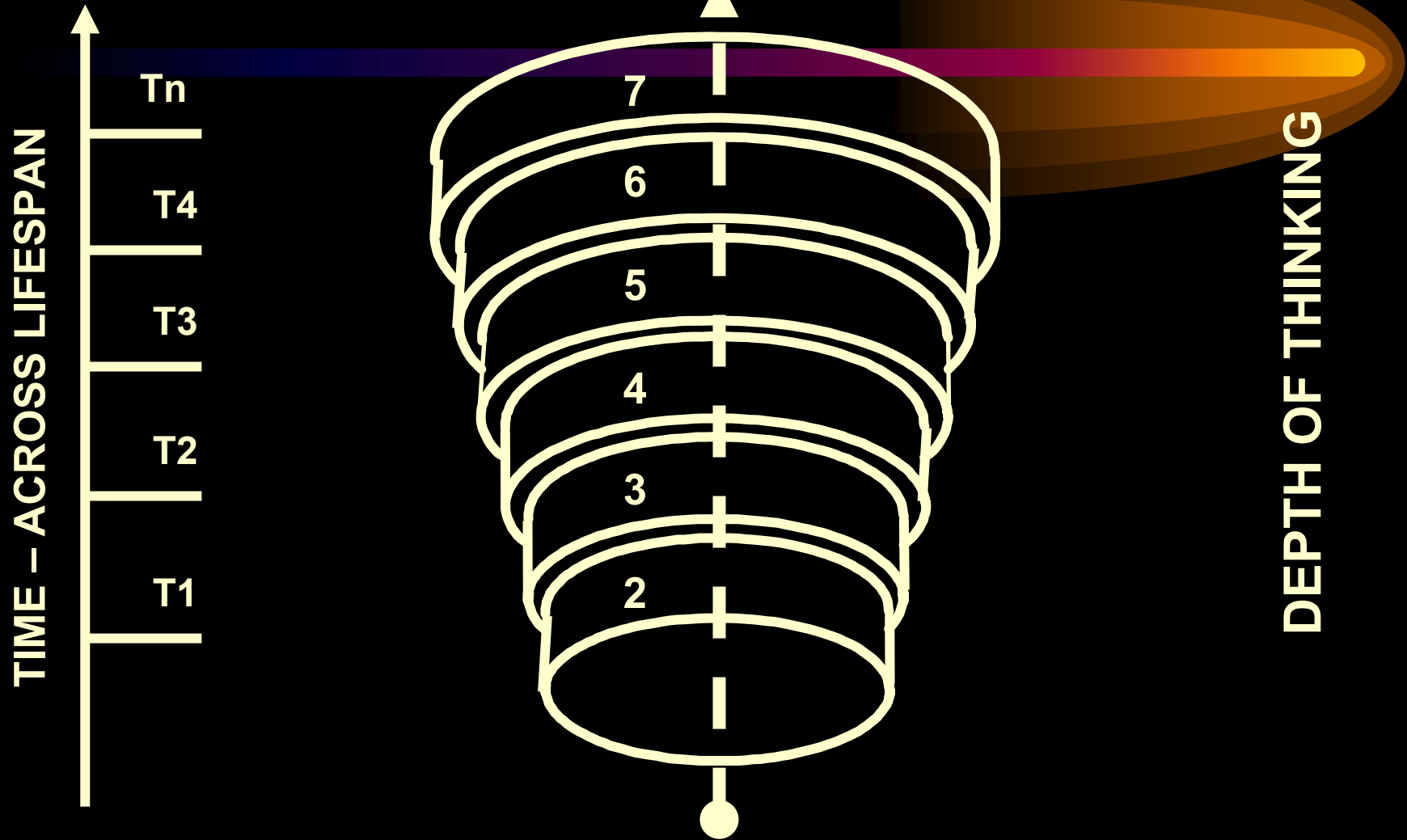


# *Measuring Cognitive Development*



# *Levels of Cognitive Development – CD*

BREADTH of THINKING



# *Measuring Cognitive Development*

- **CAPACITY** = *Available Working Space* =  $\Sigma$  of Depth & Breadth

- **ACTIVE PROCESSES** (In Workspace)

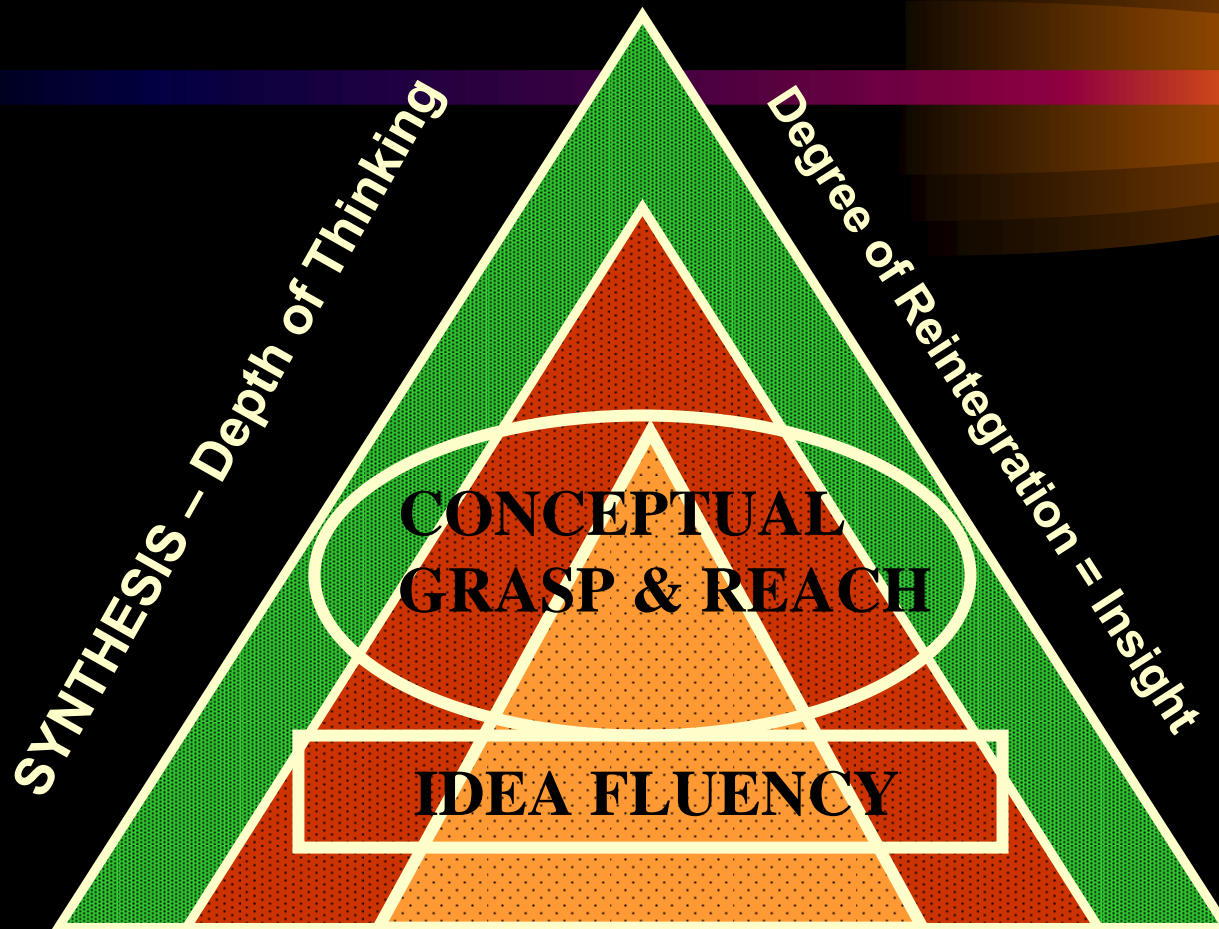
**ANALYSIS** - How clearly we discriminate concepts

**SYNTHESIS** - How skillfully we combine concepts

**REINTEGRATION** - How well we reorganize & combine concepts to form new ones

- **IDEA FLUENCY** = *Capacity x Active Processes*

# *Dimensions of Cognitive Development Measured*



**A'HA**



# *Cognitive Development Measure*

## *Summary*

CD is all about:

- **COGNITIVE ‘GRASP’ & ‘REACH’**  
The SIZE of one’s mental working space = Breadth x Depth of thinking
- **IDEA FLUENCY – ‘PRODUCTIVE THINKING’**  
“Extent of actively processing in work space” is a *f* of Analysis x Synthesis x Reintegration
- **QUANTITATIVE MEASURES:**
  - **Systems’ Thinking Index (STI) – Actual Workspace**
  - **Growth Index (GI) – Future Potential Performance**

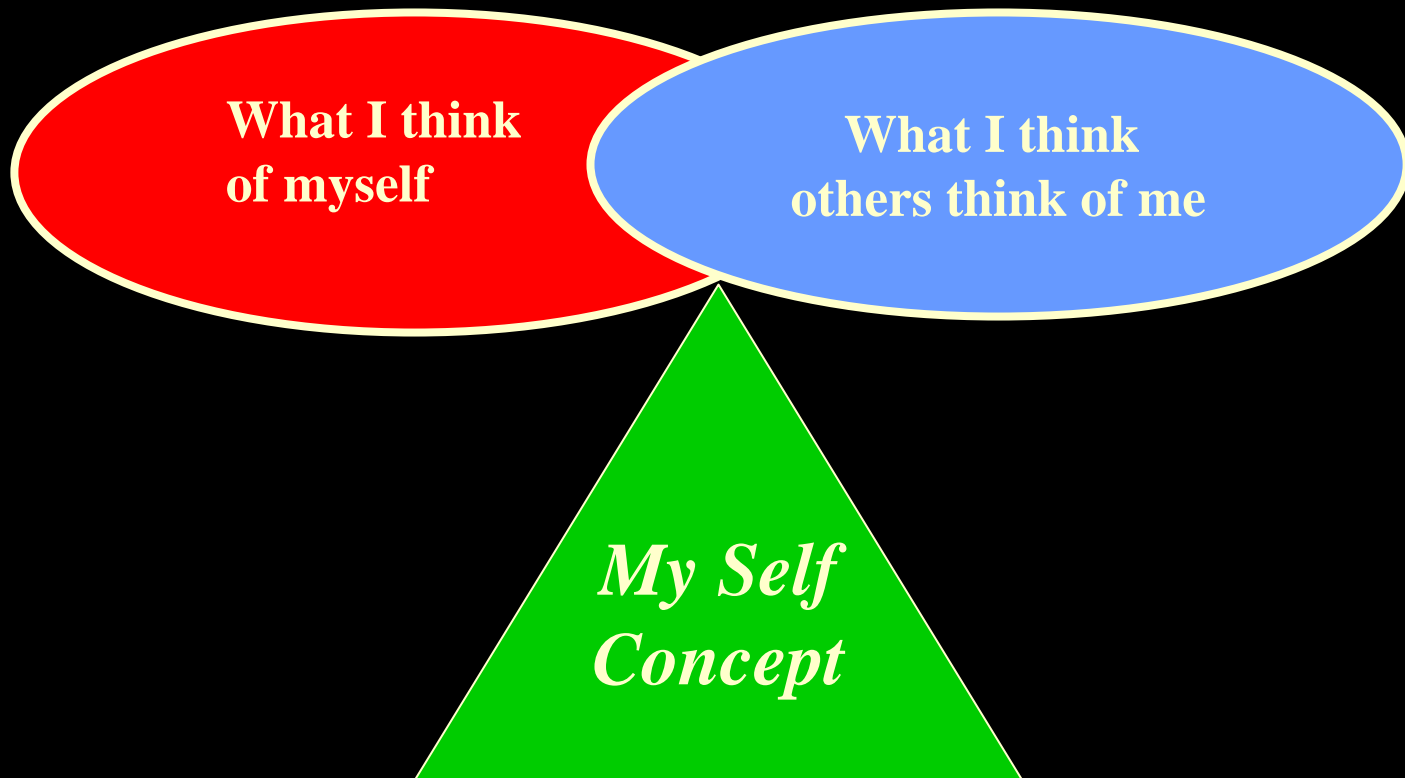
# *Measuring Social-Emotional Development*



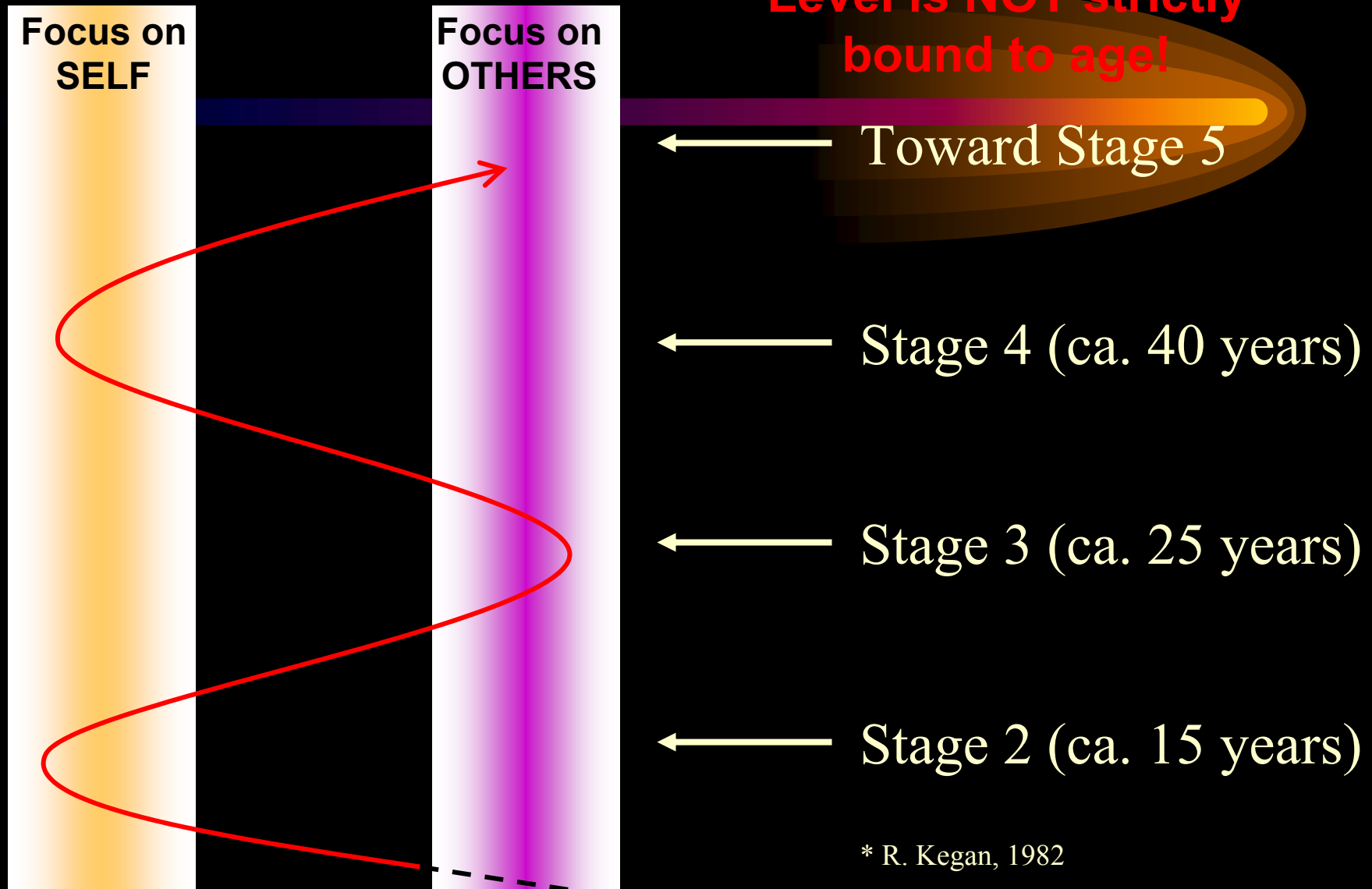
# *Social-Emotional Development – Central Issues*

**Why do I do what I do? – For whom?**

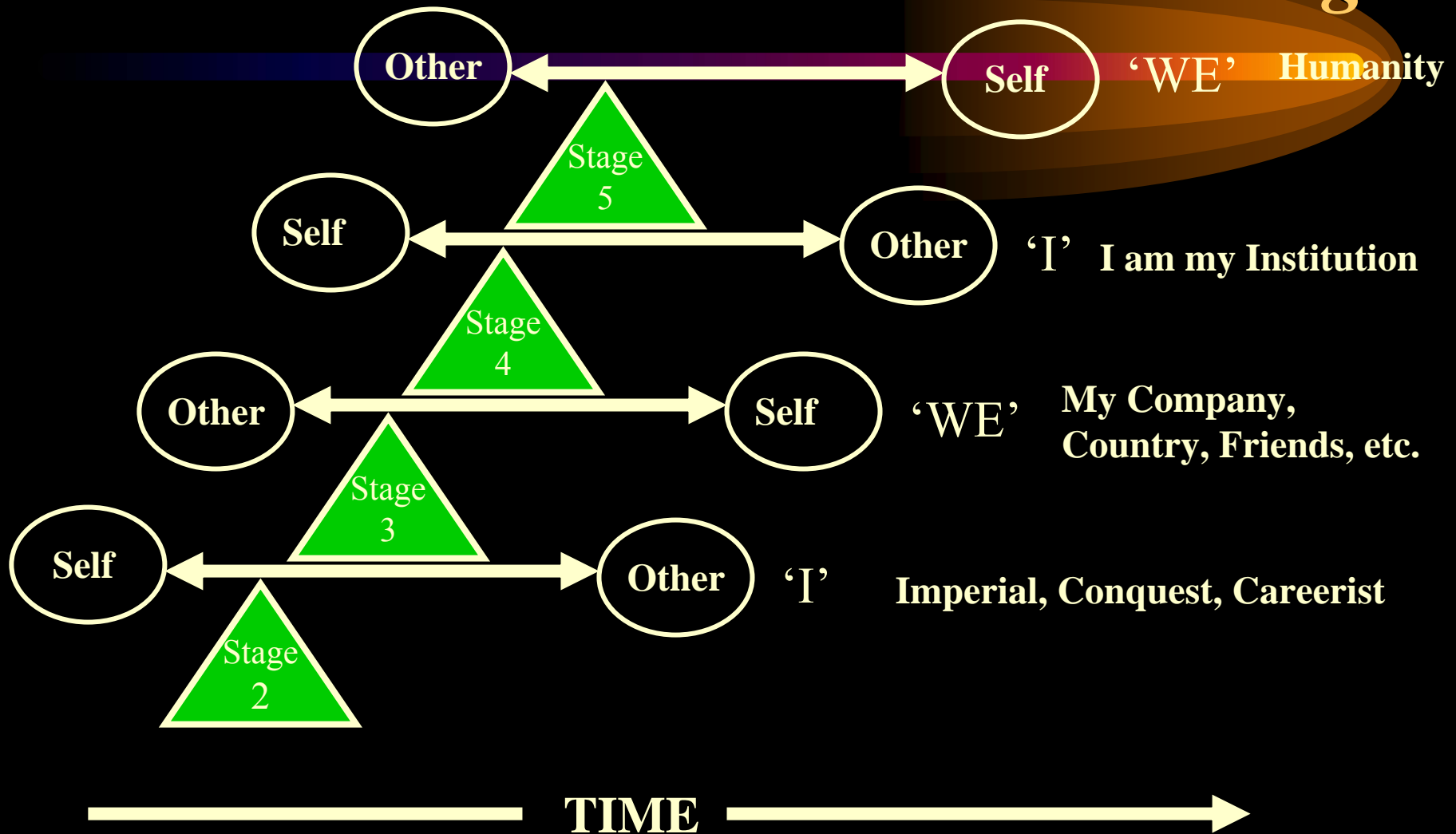
**What do I value?**




# *Levels of Social-Emotional Potential \**



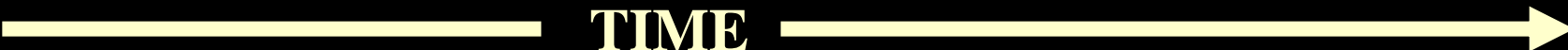
# *Social-Emotional Development – Adult Stages*



# *Social-Emotional Development – Adult Stage Portraits*

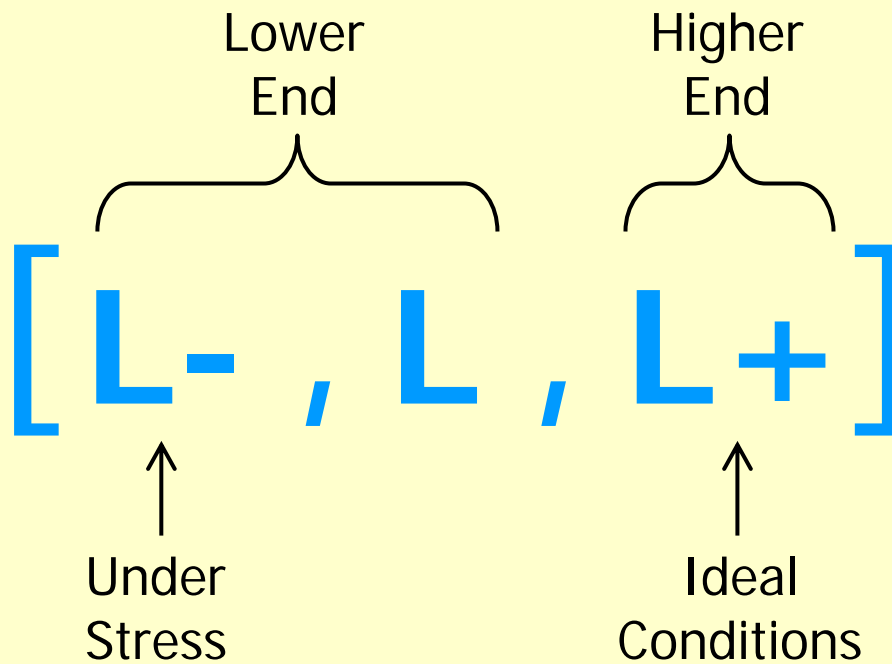


<b>VALUES:</b>	'Law of Jungle'	Community	Self-Determined	Humanity
<b>Organizational: Orientation</b>	Careerist	Good Citizen	Organizational Leader	System's Leader
<b>Communication:</b>	Unilateral	Exchange 1:1	Dialogue	True Collaboration
<b>Need to Control:</b>	Very High	Moderate	Low	Very Low
<b>Self-Awareness:</b>	Low	Moderate	High	Very High
	Stage 2	Stage 3	Stage 4	Stage 5

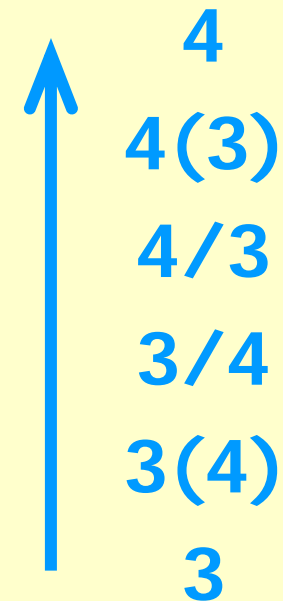
 **TIME**

# *Social-Emotional Development – Range of Levels*

*Distribution of levels: Nobody makes meaning on a single level, but acts from a Center of Gravity (L), risking regression (L-1) and open to surpassing self (L+1)*



Progression  
between levels (e.g.):





# *‘Risk-Clarity-Potential Index’ (RCP) Example: How ‘Firm’ is my ‘Center-of-Gravity?’*



\* In this ‘RCP,’ P=potential outweighs R=risk, the main level being expressed clearly

# *Mapping Capability Levels to Organizational Structure*

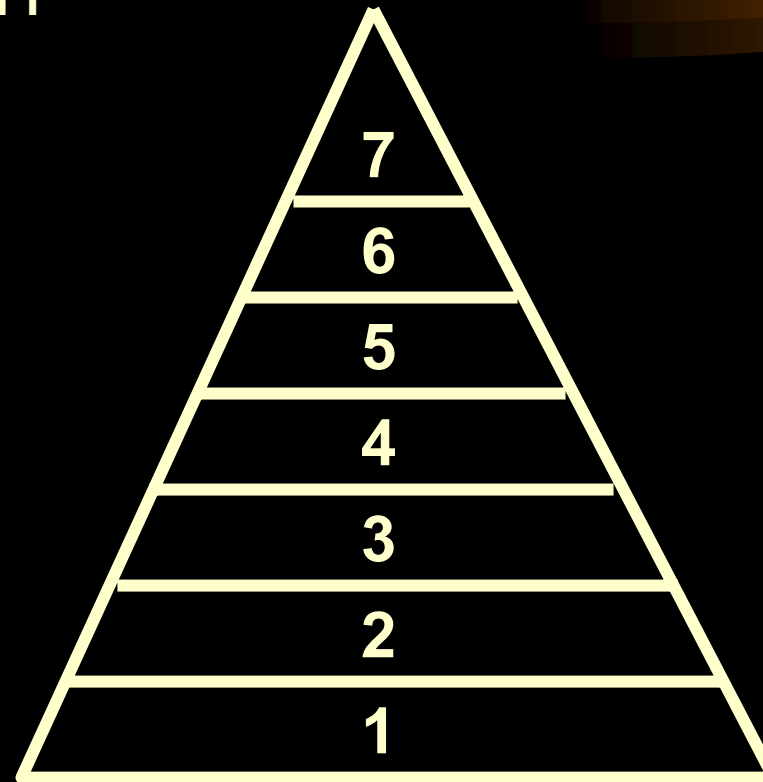


# *Humans Tend to Structure Organizations Hierarchically to Their Own Native Capabilities*

Accountability  
Architecture =  
Levels of WORK  
COMPLEXITY

Capability  
Architecture = Levels of  
Actual & Potential CD &  
ED

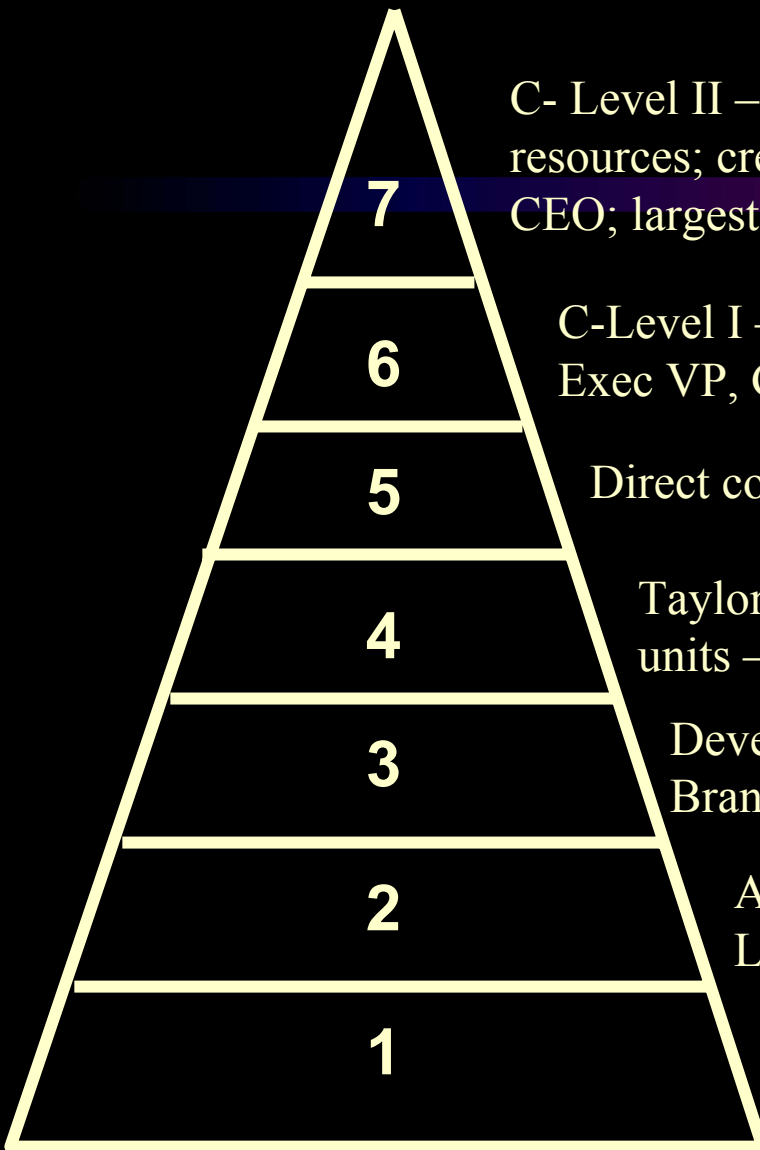
Levels Of LEADERSHIP



Levels of HUMAN CAPABILITY

STRUCTURE OF ORGANIZATIONS

# *Levels of Cognitive Development (CD) & the Structure of Organizations*



7 C- Level II – create complex systems; organize acquisition of resources; create policy; structure outside world-views – global CEO; largest time horizon

6 C-Level I – oversee & run global operations; Exec VP, Global Operations

5 Direct complex systems – SBU CEO

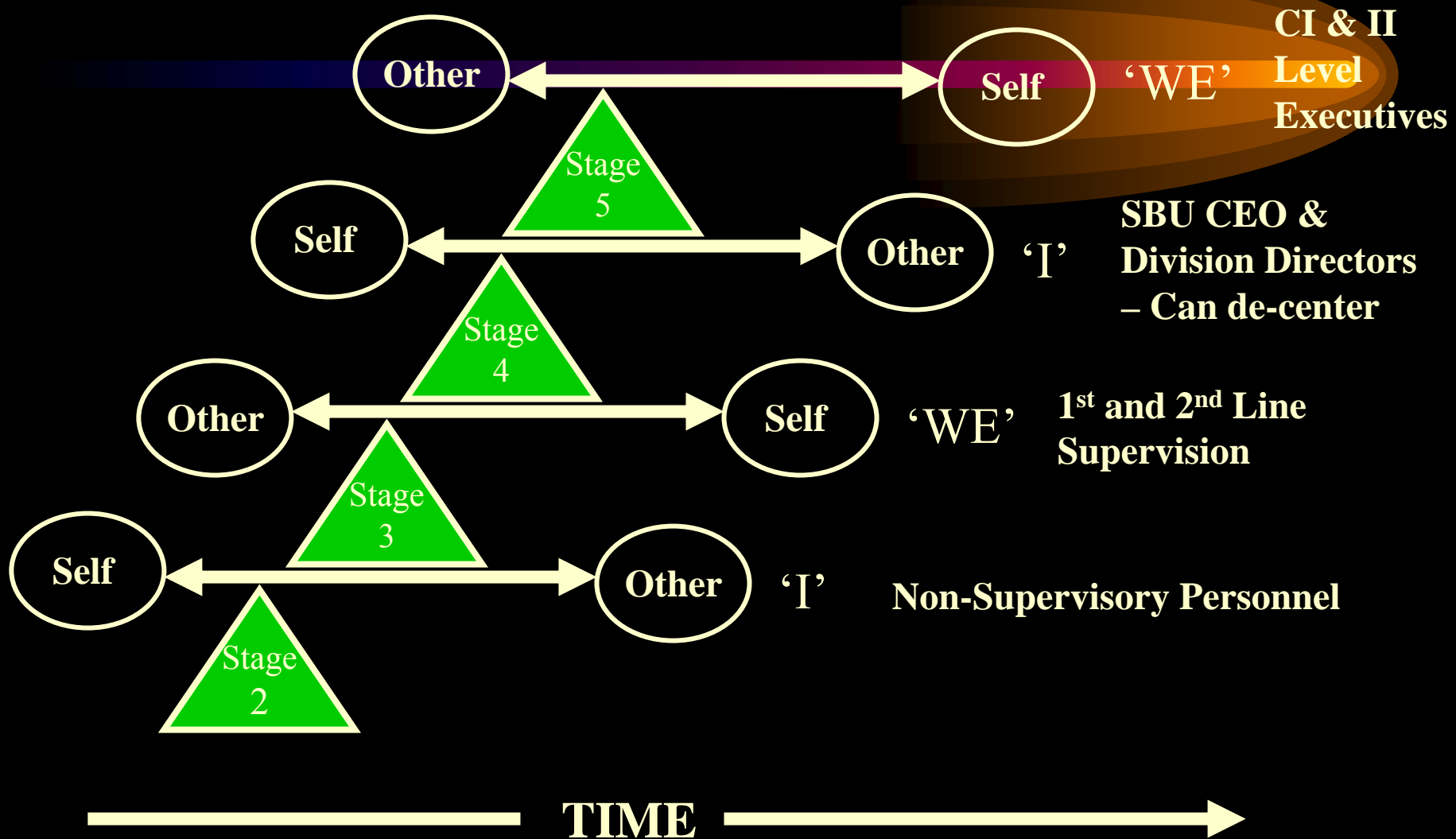
4 Taylor resource allocations to interdependent subordinate units – Division Director

3 Develop & execute plans to implement policy/missions – Branch Chief, Second Line Supervision

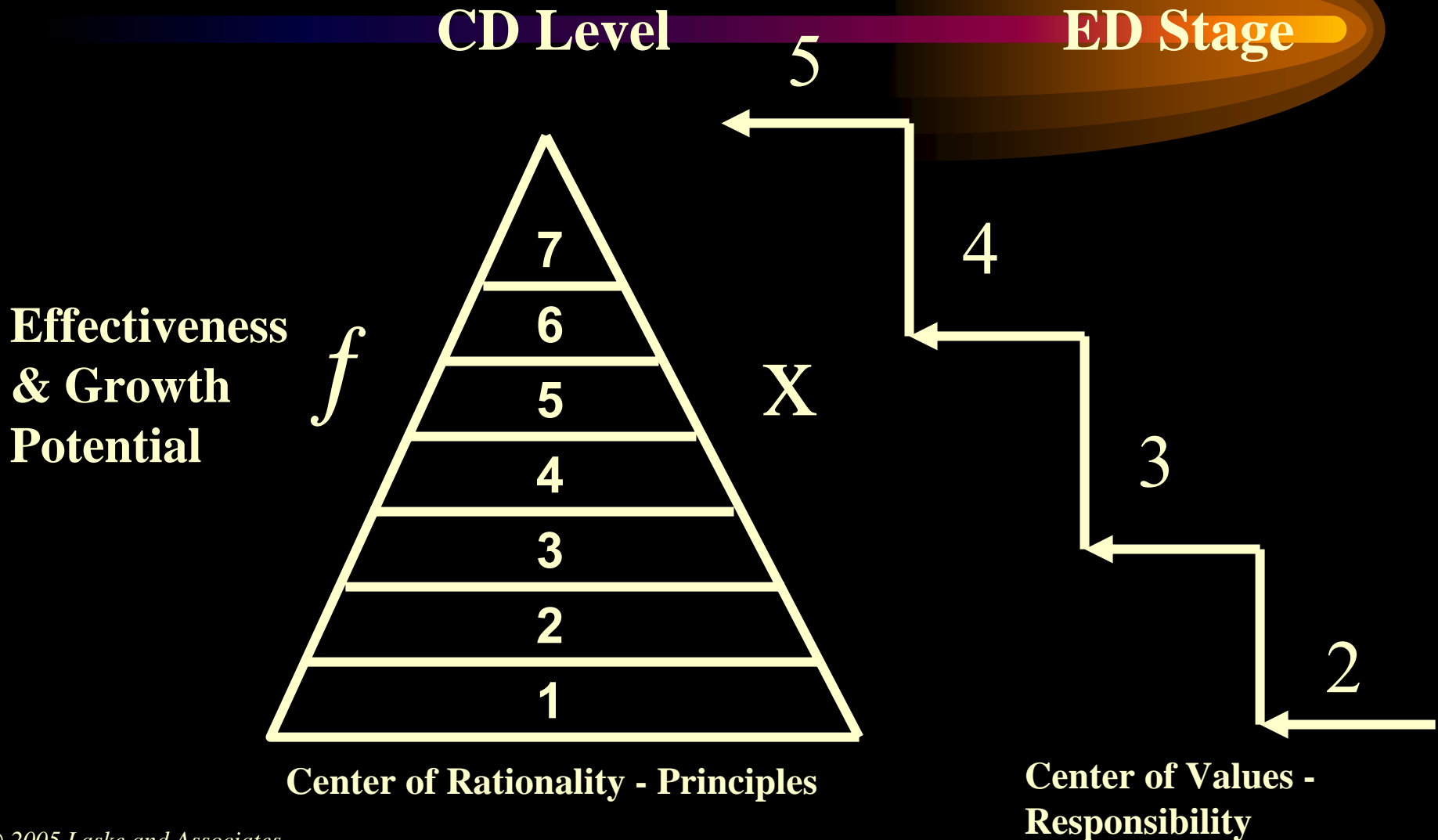
2 Anticipate/solve current, immediate problems – First Line Supervision

1 Manual & clerical work; smallest time horizon

# *Stages of Social Emotional Development (ED) & the Value Structure of Organizations*



# *Cognitive x Social-Emotional Development = Potential Effectiveness & Growth Potential*



# *Future Music – June 23<sup>rd</sup> WebCast*



# *Summary & Transition to June 23<sup>rd</sup>*

## *WebCast*

### **Summary:**

**We introduced an actual case to show:**

- **The difference between traditional competency measures & Capability measures**
- **What the Capabilities are & their measurement characteristics**

### **June 23<sup>rd</sup> WebCast – We will show:**

- **How Capabilities, not traditional competencies, determined strategic outcome**
- **How assessment outcomes from Capability metrics are interpreted**
- **What trade-offs can be made to overcome Capability gaps**
- **Research to support the case study – So What?**



**Were your learning objectives  
met for this seminar?**

**Yes, my objectives were exceeded.**

**Yes, my objectives were met.**

**No, my objectives were not met.**

# ***LASKE & ASSOCIATES LLC & Center for Executive & Organizational Growth***

**Specialists in Capability Assessment**

**Human Capability Development Specialists**



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**What gets measured, gets managed!**