

## Twelve organisational capabilities

Adapted from: Human Resource Alignment Scorecard, Copyright © 2003 by Ulrich, Wilhelm and Solow

1. Review the twelve capabilities.
2. Assess your current level of capability using the criteria listed in column two (and/or adapting and adding to these as appropriate)
3. In the light of your business strategy, your operating environment, and your model highlight those that are priorities going into the future.
4. Add in any capabilities that your organisation needs that are not on this list. (Include organisational indicators).
5. Using your organization systems model (that has the organisational elements you are interested in) as a guide develop a list of actions that you will need to take to increase capability

**Example:** using Nadler & Tushman's model which has the organizational elements – work, people, formal organization, informal organization.

To develop the talent capability we need to:

Work- enable people to take short term and project based work without jeopardising their career path.

People – enhance our mobility policies and get many more types of flexible working contracts available

Informal organization – introduce and use collaboration technology to sharing skills where people learn from each other

Formal organization – review the requirement that people cannot jump grades/levels

Organisational capability definitions	Current State: Organisational indicators (how we know we're capable)	What we have to do to increase capability
<b>1. Talent</b>		
The ability of an organisation to ensure competent (right people, right job, right time) and committed people throughout the organisation. Talent ensures that organisations have the know-how and willingness to deliver on strategy	We have all the critical skills we need to achieve our strategy. We continuously grow/develop the talent we have. We attract the additional talent we need. We retain our best talent. Formal succession planning processes exist and are followed. Critical jobs can be filled from within the organisation Our people do "whatever it takes" to get the job done	
<b>2. Speed</b>		
Move quickly into new markets, introduce new products or	Information moves quickly across internal and external boundaries A new product/market development process	

<p>services faster than competitors, reduce cycle time on administrative systems, process information quickly</p>	<p>exists and is utilized. Our people act as soon as the minimum required information is available. Process improvement processes (Six Sigma, lean mfg. etc.) are utilized throughout the organisation. Organisation changes direction/focus quickly based on new information. Over time, our organisation is perceived by our customers as moving faster than our competitors. Our Information Systems efficiently and effectively transfer information across the organisation.</p>	
<p>3. Innovation</p>		
<p>Create new ways of doing things; be first to market in your industry; have reputation for industry innovation</p>	<p>Generate significant revenue from products or services introduced in the last three years. Encouragement of prudent risk taking Employees make presentations at professional conferences; are published in relevant professional journals. We have a continuous stream of new ideas ("pipeline is full") Perceived by marketplace as the industry leader.</p>	
<p>4. Learning</p>		
<p>Learn from successes and failures; generate and generalize ideas for individuals, teams and organisations; track extent to which ideas are shared across boundaries</p>	<p>"We learn continuously – from our successes and failures." Our organisation systematically acquires, integrates, diffuses, and uses knowledge and learning. Formal knowledge sharing/best practices system exists and is utilized. Learning opportunities are provided to every employee, and every employee is expected to take advantage of them.</p>	

	<p>Constantly sensing our external environment</p> <p>Benchmarking our competition/best in class companies to search for new ideas</p>	
<b>5. Accountability</b>		
<p>Demonstrate a performance orientation; be disciplined in delivering what we promise to employees, customers, and investors; define and meet measurable standards; allocate rewards based on performance; provide clear and consistent feedback</p>	<p>Roles and responsibilities are clearly defined, understood, and acted on. Individual performance is measured against expectations</p> <p>People take responsibility for their own actions and results</p> <p>Employees take the needs of other employees, customers, and other stakeholders into account in their daily actions.</p> <p>The organisation does not tolerate poor performance</p>	
<b>6. Efficiency</b>		
<p>Improve efficiency and cost reduction through productivity, capital investments, and processes; track cost of operations vs. competitors and vs. self over time, get the greatest amount of quality output with the least amount of input</p>	<p>Has an annual goal for productivity improvement</p> <p>The productivity improvement goal is a stretch</p> <p>There are consequences for not reaching the goal</p> <p>People are rewarded (or not) for improving efficiency constantly</p> <p>Inefficient operations are not tolerated or continued</p>	
<b>7. Collaboration</b>		
<p>Create synergy among the different parts of our business; make the "whole more than the sum of the parts;" track performance of alliances, joint ventures, or shared service operations; efficiency of shared operations; and ability to leverage across units</p>	<p>Seek to collaborate on major issues</p> <p>Utilize cross-functional, cross-boundary teams.</p> <p>Organisation "over-communicates" across all boundaries</p> <p>Reward people for collaboration</p> <p>Good at optimally sharing scarce resources</p> <p>Effectively utilize "combinations" (JV's, M&amp;A's, other alliances, licensing agreements, etc.)</p>	

8. External sensing		
<p>The ability of an organisation to link external stakeholders (suppliers, government, community, investors etc.) in ways that reflect the external view inside the organisation. ES ensures that the organisation continues to add value to multiple constituents</p>	<p>Constantly work to create a boundaryless organisation Open communication across all existing boundaries Attentive to all relevant news, market changes and regulatory changes Sustain relationships which provide continuous relevant information Be willing to share information to get information</p>	
9. Customer responsiveness		
<p>The ability of the organisation to identify customers and form partnerships with those targeted customers. Customer responsiveness ensures that organisations focus on customer share not market share.</p>	<p>Structure and maintain long term customer relationships Regularly collect data from our customers regarding their wants and needs, and our performance relative to them. Internal success measures are directly linked to customer satisfaction. External constituents are involved in key internal business processes. The ultimate (external) customer is considered in all activities.</p>	
10. Shared mindset		
<p>The ability of the organisation to create an identity in the minds of the best customers that translates to customer experience and employee behaviours.  Shared mindset ensures that the firm brand in the mind of the best customers translates to culture and behaviours of employees inside the company.</p>	<p>Employees live the values of the organisation. Decisions made by employees are based on a shared mindset. Employees are expected to act consistently with the shared mindset. Employees consistently and correctly articulate the organisation's identity and unique value proposition. The shared mindset is the culture.</p>	
11. Leadership		
<p>Identifies the attributes and results of the leader of the future at all levels and states these as a leadership brand;</p>	<p>There is a consistent and apparent 'brand' of leadership exhibited. Leadership causes the organisation to achieve its strategy. Leaders are desired by other</p>	

<p>assesses leaders against the brand and invests in ways to build the leadership brand. Tracks back-up in key positions, leadership quality, bench, respect of leaders, and followership.</p>	<p>organisations; and if they leave they are successful. Employees are aligned behind the organisation's goals. Leaders devote significant resources to developing other leaders in the organisation.</p>	
<p><b>12. Productivity improvement</b></p>		
<p>Maximise utilisation of organisation's resources. Achieve quality output with minimum input.</p>	<p>Every organisational unit works to a productivity measure. The organisation sets year-on-year productivity improvement goals. Employees continuously strive to work smarter not harder. The product/inventory turns faster than our competitor's. The organisation has a recognised process for identifying and eliminating variation and non-value added work.</p>	