

DEVELOPING AND MANAGING HUMAN CAPITAL.

As a leader, we are all concerned with productivity and output. It drives our teams and our organizations. As leaders, we are therefore constantly strategizing on how to close the gap between organizational requirements and the current readiness of our staff members.

The process of measuring human capital readiness starts with identifying the competencies required by individuals performing each of the critical internal processes in the organization's strategy map. It is the responsibility of the Executives and Senior Management of any organization, to determine what the organization's 'Strategy Map' is (also linked to the Organizational Balanced Score Card)– what are their CSF's (critical success factors) and how does that link into the rest of the operation? Strategic job families, as named by Kaplan and Norton, are the positions / functions in which employees with these critical competencies can have the biggest impact on enhancing these critical internal processes. Competency profiles describe these job requirements in considerable detail and it is therefore advisable to ensure that your organization has competency profiles for each position. These competency profiles are also referred to as individual Performance Balanced Score Cards. An assessment process, in turn, defines the current capabilities of the organization in each of the job families along dimensions established in the competency profiles. The difference between the requirements and the current capabilities represents a 'competency gap' that defines the human capital readiness of the organization. It is therefore imperative for the organization to launch human capital development programmes to eliminate the gap. This is also where the WSP (Workplace Skills Plan) and the extensive research that precedes it, is of

considerable value to the HR Business Partner. Coaching and Mentoring and the value it can add to a successful outcome, is also enormous!

All jobs are important to the organization; otherwise we wouldn't hire and pay someone to perform that task! Many jobs / functions, however, provide basic capabilities and requirements, but not distinctive ones that create differentiation. Whilst managers and leaders must develop the potential of everyone in their team, they must also realize and recognize that some jobs / functions have a much greater impact on the organizational strategy than others.

Assessors can assist organizations in assessing the current capabilities and competencies of the employees through a variety of approaches to evaluate and assess individual performance and potential. Because of its importance, assessing strategic readiness of employees should be treated differently from the routine Performance Management process used when doing appraisals.

For many organizations, clearly articulating their strategies through the structured discipline of a strategy map is a new experience. The strategy, focusing on major areas of change and development within the organization, often reveals that several strategic job clusters or job families don't currently exist in the organization.

The strategy map adds focus to human resources functions, i.e. recruiting, training and career planning, which develop the organization's human capital. Without the guidance of a strategy map, most HR development programmes attempt to meet the needs of all employees, and therefore under invest in the jobs / functions that really make a difference. By focusing human capital investments and development programmes on the relatively small number of employees in strategic jobs, organizations can achieve breakthrough performance faster and less expensively than by diffuse HR spending.

In effectively managing human capital, the latter must be aligned to the strategy of the organization if it is to gain value from its employee competencies. The strategy map identifies the critical few internal processes that create and can be responsible for differentiation. When this is in place, the HR Business Partner can develop competency profiles for the strategic job families and apply standard assessment approaches to measure human capital readiness and strategic competency gaps. The gaps set the agenda for human capital development programmes that will increase the organization's strategic human capital readiness.

Managing talent in your organization is imperative for survival; it is a complete process and it starts with recruiting the right person for the right function according to the strategic map of CSF's. The Balanced Score Cards must be in place and clear expectations set.

We can assist you with this complete process. Please contact Lydia at lydia@tmsgauteng.co.za

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