Competing through Human Capability

Building Culture & Leadership for the Future

Presented by
Dave Ulrich
Rensis Likert Professor, University of Michigan
Partner, the RBL Group
(dou@umich.edu)





Begin with the end in mind



Please follow me on **LinkedIn** to view my regular posts with insights and tips.



@dave_ulrich

To get a copy of these slides, visit our website:

https://www.rbl.net/webinars/human-capability-for-todays-changingbusiness-world







Overall Goals and Agenda

IDEAS

Human Capability for Today's Changing World

IMPACT

Now is the time for human capability

Talent: Getting the best out of your people

Organization: Creating organization capabilities

Leadership: Establishing your leadership brand

Hman Resources: Upgrade HR Department and People





4

Now is the time Today's business context

Emotional/Mental Health











Digital Revolution



Content is king
Under pressure some rocks become dust,
others diamonds





Natural Disasters

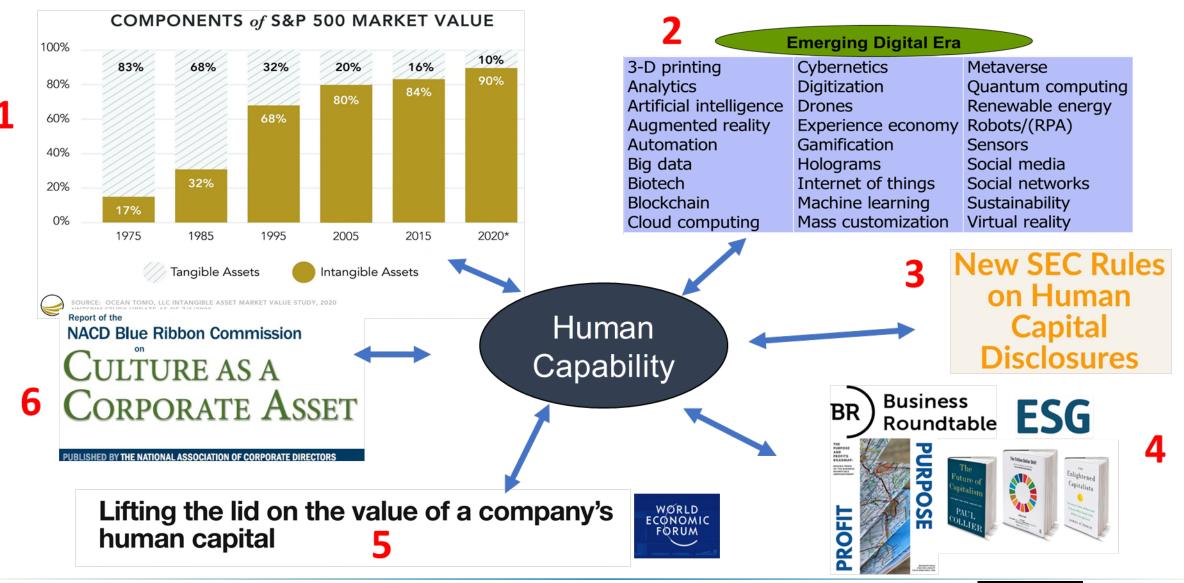




COVID Pandemic

PANDEMIC

Content of the Future of Work







Human Capability Initiatives

Hybrid work

How many of these initiatives have you tried in your organization?

Agile organization

Diversity, equity, and inclusion

Technology:
Digital reinvention
AI, machine learning

Leadership academy

ESG: Social responsibility

Great resignation/ Retain people Distributed leadership

Reskilling Workforce

Leader as meaning maker with emotion

Changing the right culture

HR practices: people, work, accountability, information

Customer focused agenda

Employee

primacy

HR people: competencies

Collaboration/ network/ecosystem

HR transformation

Strategic clarity / Purpose

Employee well being/ experience





Overview of Human Capability

Language in this area is often confusing. We are using the term "human capability" to refer to talent, organization, leadership, and human resources (HR).







Human Capability Initiatives

Hybrid work

How many of these initiatives have you tried in your organization?

academy

Agile organization

Diversity, equity, and inclusion

Technology:
Digital reinvention
AI, machine learning

Leadership Fo

ESG: Social responsibility

Great resignation/ Retain people Distributed leadership

Reskilling Workforce Leader as meaning maker with emotion

Changing the right culture

HR practices: people, work, accountability, information

Customer focused agenda

Employee

HR people: competencies

Collaboration/ network/ecosystem

HR transformation

Strategic clarity / Purpose

Employee well being/ experience





Human capability is everyone's commitment

Line Managers as Builder

- Fully committed (attention)
- Model good experiences
- Be self-accountable and hold others accountable

20 to 25% of your time



Each employee as owner...

- Be personally accountable for their employee experience
- Be agent to act not be acted upon

HR Professionals roles

- **Architect:** create frameworks, blueprints
- Coach: change behavior/deliver results
- **Design and deliver:** provide integrated, enduring, simple HR solutions for experience
- **Facilitate:** manage the experience process and systems for change







Phases of Human Capability Analytics



Impact (guidance)

Having tailored information about stakeholder impact and predicting what will drive results

Intervention (predictive analytics)

Having information about why the best practices

are the best

PREDICTIVE ANALYTICS

Insight (best practice)

Having information about who is doing the perceived best work



Scorecard/Dashboard (benchmark)

Having information to compare to others based in HR scorecards







Human Capability for Today's Changing World: Start with Results

Employee results

Sentiment (attitude, experience); productivity

Business results

Strategic differentiation; marketplace positioning

most want to improve?

What results do I

Customer results

Customer attitude (net promoter score); customer share

Financial results

Cash flow; investor confidence (price/earnings ratio)

Community results

Social citizenship; Reputation





Human Capability and Stakeholder Results

HUMAN CAPABLILITY

TALENT

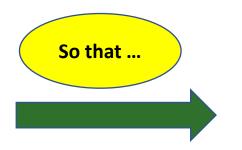
Competence
Workforce
People

LEADERSHIP BRAND
Individual Leaders
Leadership Pipeline

ORGANIZATION

Capability Workplace Process

Human Resource Effectiveness



Because of ...

STAKEHOLDER RESULTS

Employee results

Sentiment (experience); productivity

Business results

Strategic differentiation; market positioning

Customer results

Customer attitude; customer share

Financial results

Cash flow; investor confidence (P/E ratio)

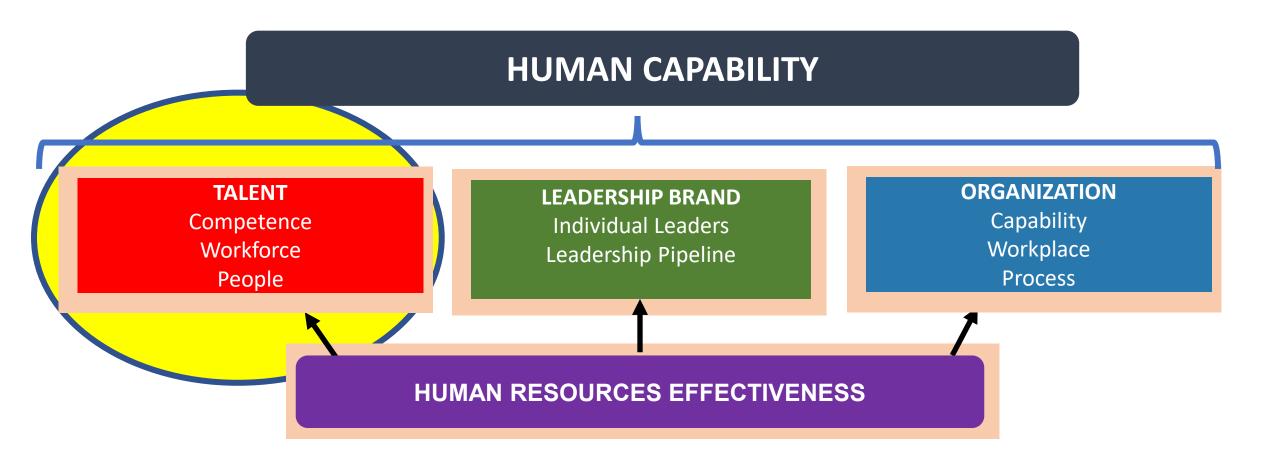
Community results

Social citizenship; Reputation





Overview of Human Capability







Overall Goals and Agenda

IDEAS

Human Capability for Today's Changing World

IMPACT

Now is the time for human capability

Talent: Getting the best out of your people

Organization: Creating organization capabilities

Leadership: Establishing your leadership brand

Hman Resources: Upgrade HR Department and People





Assumption about Talent/People

Our people are our most important asset





Assumption about Talent/People

Our people are our most important asset



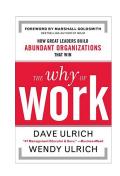
Our people are our customers most important asset

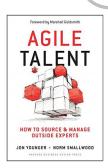




A Talent Formula







Talent =

COMPETENCE (ability to do the work)



COMMITMENT (willing to do the work)



CONTRIBUTION (finding meaning from the work experience)

Bring the right people INTO the organization, move them THROUGH, and move them OUT

Create greater employee emotional response to work as seen in engagement and commitment

- Believe: increase meaning and purpose
- Become: have a growth mindset
- Belong: be part of a community





Talent Menu: 10 Key practices

Competence

Bringing people into, moving them through, removing them from organization



A

Bringing people IN

1. Acquiring Talent: we bring the right people into the organization

B

Moving people THROUGH

- 2. Managing employee performance
- 3. Developing employees
- 4. Managing employee careers and promotions
- 5. Communicating with employees
- 6. Encouraging diversity, equity, and inclusion

C

FLOW of people from organization

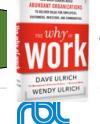
- 7. Retaining the best employees
- 8. Managing departing employees

D Commitment

9. Improving and tracking employee engagement

E Contribution

10. Creating a positive employee experience





Caution: Beta test

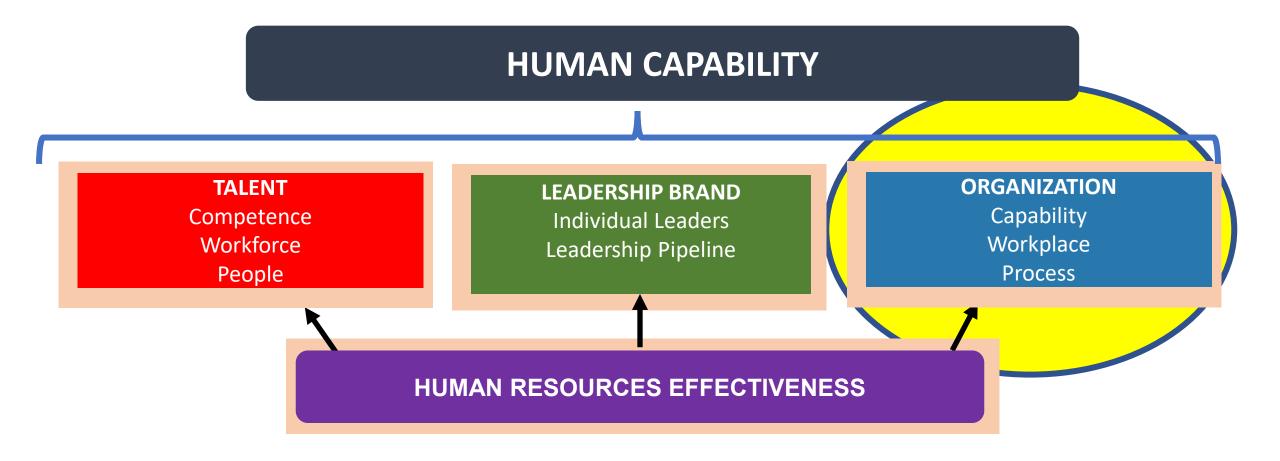
Guidance: Talent Pathway Impact

Talent Pathway			fer? points)				
(10 dimensions)	Α	В	С	D	E	F	G
	Global Mean	St. Dev.	Employee	Strategy/	Customer	Financial	Social
	(n = 609)			Business			Citizenship
1. Talent Acquisition	3.45	0.68	25.81	37.07	21.64	4.68	21.85
2. Manage Employee Performance	3.28	0.76	5.97	6.52	6.44	2.96	6.53
3. Develop Employees	3.08	0.85	5.29	5.65	5.60	19.23	10.94
4. Encourage Diversity, Equity, Inclusion	3.22	0.78	3.50	2.63	3.65	7.39	14.59
5. Manage Careers and Promotions	3.07	0.82	6.60	19.43	9.06	6.25	5.73
6. Communicate with Employees	3.31	0.82	7.80	5.78	7.73	4.10	17.84
7. Retain Best Employees	2.72	0.86	3.39	2.53	7.06	2.45	5.28
8. Manage Departing Employees	3.15	0.75	6.86	4.66	6.79	25.05	3.99
9. Track Employee Engagement	3.26	0.85	27.48	7.75	14.42	4.16	6.55
10. Create Positive Employee Experien	3.35	0.83	7.31	7.98	17.62	23.75	6.71
	R2	•	0.43	0.42	0.39	0.11	0.17





Overview of Human Capability







Overall Goals and Agenda

IDEAS

Human Capability for Today's Changing World

IMPACT

Now is the time for human capability

Talent: Getting the best out of your people

Organization: Creating organization capabilities

Leadership: Establishing your leadership brand

Hman Resources: Upgrade HR Department and People





The importance of organization in our lives

What do all of the following have in common?

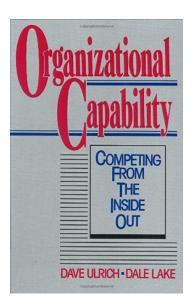
- Clothes we wear
- Food we eat
- Houses we live in
- Buildings where we work and learn
- Technology devices we use to communicate
- Televisions we watch
- Movies that entertain us
- Cars we drive
- etc.

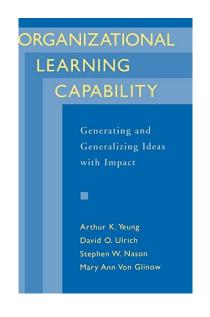


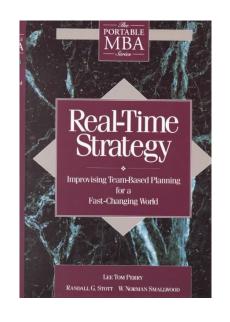


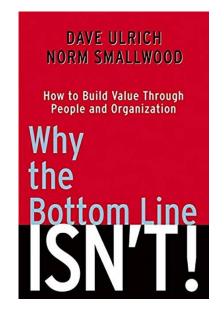


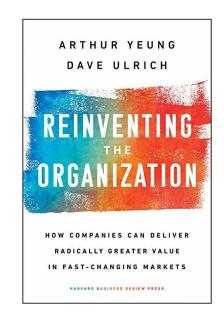
Dave Ulrich and Colleagues books on organization

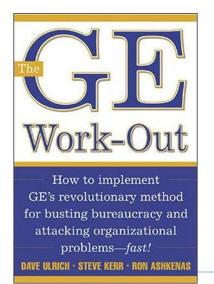


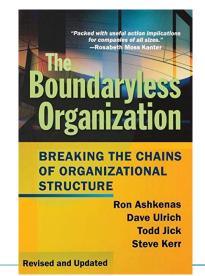


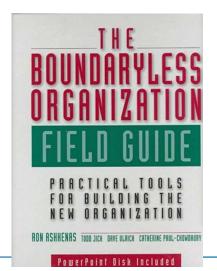


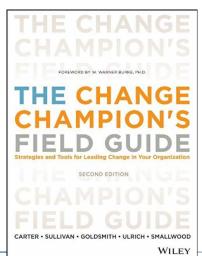


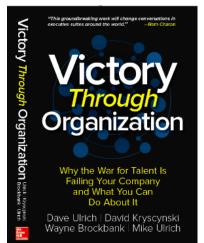










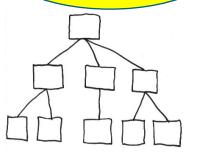


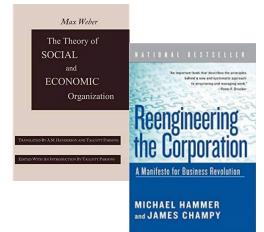




Evolution of organization form

Hierarchy/
Bureaucracy
(Roles, rules)

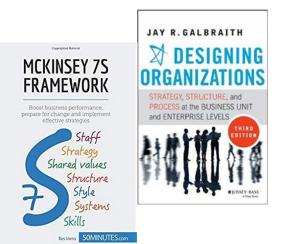




Systems

(Alignment)



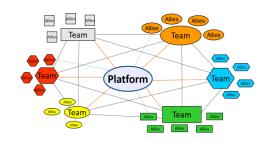


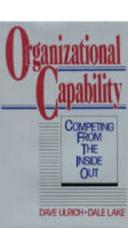
Capability

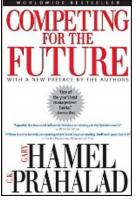
(Identity)

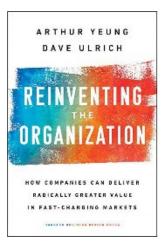














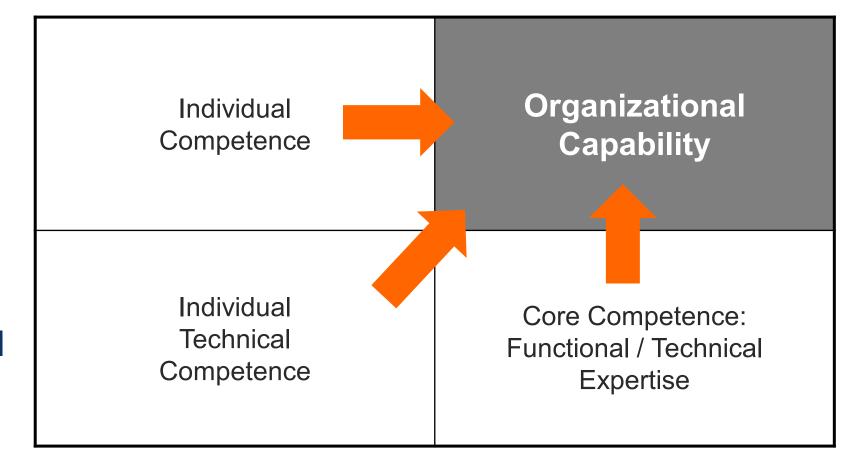


Defining Capability

Capability: what are we known for and good at?

Social

Technical



Individual

Organizational





What Organization Capabilities Matter to Us?

How effectively do we current perform on each of the following twelve capabilities				ffecti w; 5-		Most Critical 2-3 in next 3 years	
	The first and the surface performs on such as the following throng supulmination.					5	
1.	Talent: We attract, motivate, develop, and retain talented and committed people at all levels of the organization.(workforce, competence, people)	0	0	0	0	0	
2.	Agility: We make change happen fast (change, adaptability, flexibility, cycle time).	0	0	0	0	0	
3.	Strategic Clarity: We create a shared agenda and broad commitment and engagement around our strategy (strategic unity, purpose, new rules of the game, mission, vision).	0	0	0	0	0	
4.	Customer Centricity: We foster strong and enduring relationships of trust with target customers (NPS, market share, customer share, customer intimacy).	0	0	0	0	0	
5.	Right Culture: We create and embed the right culture throughout the organization (shared mindset, firm identity, values).	0	0	0	0	0	
6.	Collaboration: We work together to make the sum more than the parts (teamwork, cross functional, alliances, coordination).	0	0	0	0	0	
7.	Social Responsibility: We establish a strong reputation for managing planet, philanthropy, people, and political agendas (e.g., CSR, ESG, social citizenship, triple bottom line).	0	0	0	0	0	
8.	Innovation: We create and deliver new products, services, business models, and ways of working that are commercially successful (product creation, curiosity, knowledge management)	0	0	0	0	0	
9.	Efficiency: We reduce the costs of our business activities (standardization, reengineering processes, streamlining).	0	0	0	0	0	
10.	Accountability: We set and meet commitments on time and within budget (execution, discipline, high performance orientation).	0	0	0	0	0	
11.	Information/Analytics: We acquire, analyze, and apply information to improve decision making (predictive analytics, dashboards, scorecards).	0	0	0	0	0	
12.	Leverage technology: We exploit and apply latest technological trends (digital age, AI, machine learning, internet of things).	0	0	0	0	0	





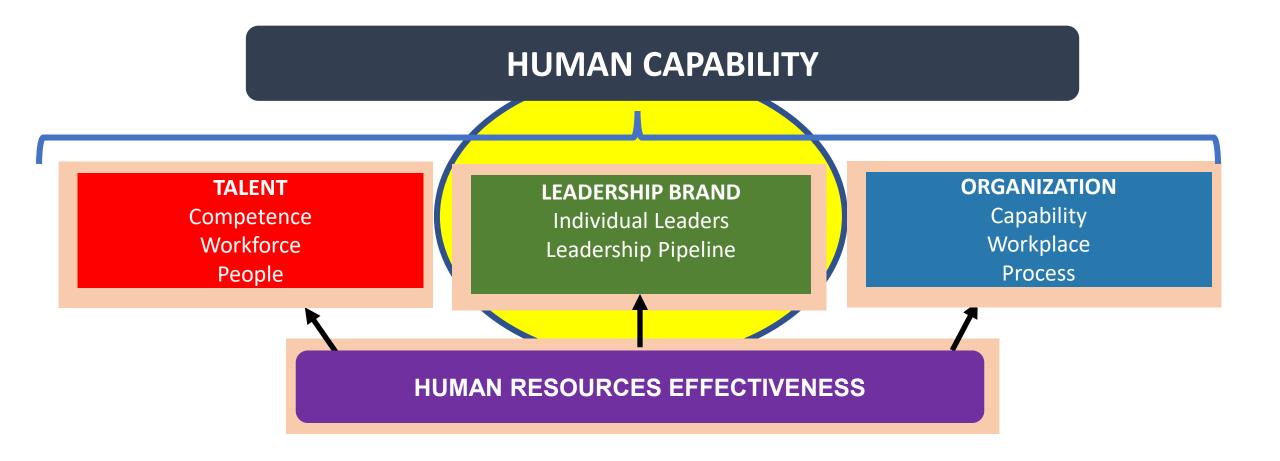
Guidance: Organization Capability Pathway Impact

Organization			What guidance can we offer? (relative impact on divide 100 points)							
	Α	В	С	D	E	F	G			
Capabilities (12 dimensions)	Global Mean (n = 632)	St. Dev	Employee	Strategy/ Business	Customer	Financial	Social Citizenship			
1. Talent	3.41	0.74	17.50	6.66	4.71	5.74	11.25			
2. Agility	3.27	0.85	10.28	12.66	9.11	9.01	3.59			
3. Strategic Clarity	3.45	0.80	11.37	24.67	21.12	25.06	6.14			
4. Customer Centricity	3.56	0.79	7.91	12.14	26.81	14.13	2.92			
5. Right Culture	3.33	0.86	12.59	7.31	6.70	5.43	5.10			
6. Collaboration	3.41	0.80	7.51	5.55	5.24	4.52	3.66			
7. Social Responsibility	3.37	0.90	4.09	3.36	3.50	4.33	44.80			
8. Innovation	3.10	0.82	4.99	5.99	6.84	5.75	4.19			
9. Efficiency	3.20	0.81	5.98	5.85	3.65	8.93	5.17			
10. Information	3.18	0.82	5.27	5.49	5.10	6.14	4.29			
11. Accountability	3.20	0.81	6.72	6.11	4.39	6.84	2.76			
12. Leverage Technology	3.03	0.92	5.79	4.22	2.85	4.11	6.14			
	R2	2	0.31	0.44	0.41	0.28	0.5			





Overview of Human Capability







Overall Goals and Agenda

IDEAS

Human Capability for Today's Changing World

IMPACT

Now is the time for human capability

Talent: Getting the best out of your people

Organization: Creating organization capabilities

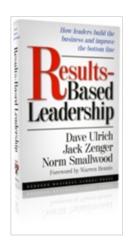
Leadership: Establishing your leadership brand

Hman Resources: Upgrade HR Department and People

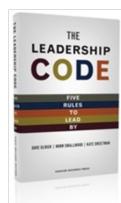




Creating leadership capability



Effective Leadership





Leadership Attributes

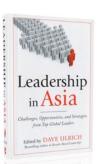
X

BECAUSE OF

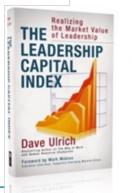
Stakeholder Results

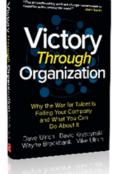






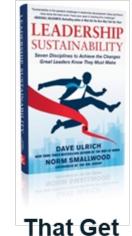






WENDY ULRICH

Investors Organization

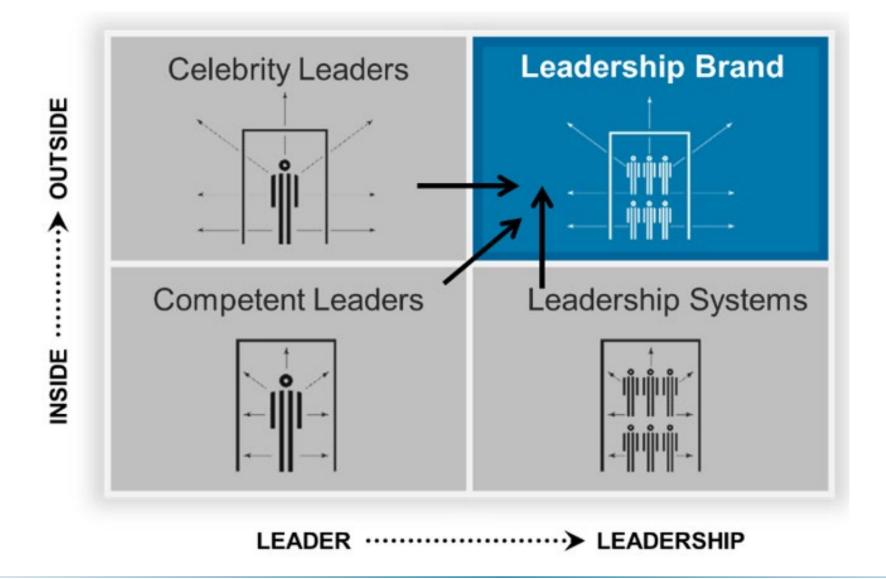


That Get Implemented





Leadership brand combines inside/outside and leader to leadership







HOW TO BUILD LEADERSHIP CAPABILITY: Elements of Leadership Brand

To address these broader business issues, the best companies for building results based leadership capability integrate these six elements:









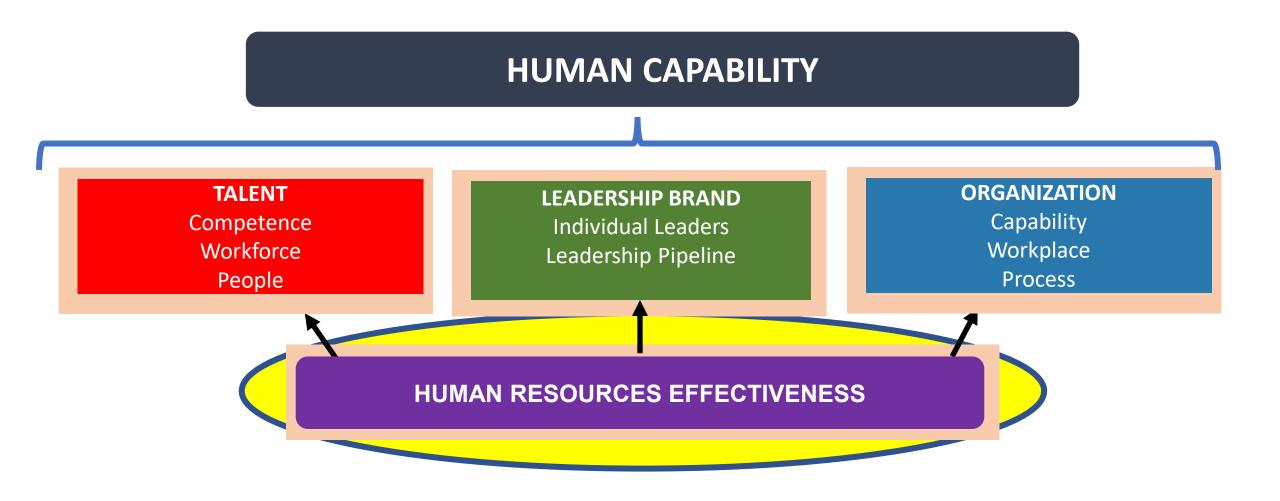
Guidance: Leadership Brand Impact

Caution: Beta test LEADERSHIP BRAND (6 dimensions)	Α	В	What guidance can we of grelative impact on divide 100 p						
	Global Mean (n = 846)	St. Dev.	Employee	Strategy/ Business	Customer	Finance	Social Citizenship		
1. Clarify Business Case for Leadership	3.23	0.86	33.10	27.38	30.37	28.34	30.36		
2. Define What Leaders Know and Do	3.17	0.94	17.42	16.35	20.07	14.56	15.06		
3. Assess Leaders and Leadership	2.91	0.95	13.05	11.36	9.52	9.85	9.98		
4. Develop Leaders and Leadership	2.95	0.91	11.88	12.57	8.99	10.91	17.08		
5. Measure Impact of Leaders	2.47	0.98	7.99	7.91	8.69	10.44	7.86		
6. Ensure Reputation	2.89	0.97	16.56	24.44	22.37	25.90	19.67		
	R	2	0.25	0.28	0.23	0.15	0.26		





Overview of Human Capability







Overall Goals and Agenda

IDEAS

Human Capability for Today's Changing World

IMPACT

Now is the time for human capability

Talent: Getting the best out of your people

Organization: Creating organization capabilities

Leadership: Establishing your leadership brand

Hman Resources: Upgrade HR Department and People





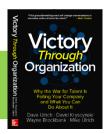
HR Department Evolution

HR criteria and assessment



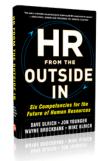
Victory through Organization

Does HR create sustainable organization capabilities?



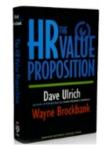
HR Outside In

Does HR deliver value to customer and investor?



HR Value Proposition

Does our HR department deliver value?



HR Transformation

Does our HR department change to meet needs?



HR Design

Do we have the right HR organization?







HR Domains Overview

HR Domains	Question	Pick
1: HR Reputation	What is the HR department known for by stakeholders?	
2: HR Customers	Who are HR's customers?	
3: HR Purpose	What is our HR mission? Why do we exist?	
4: HR Design	How is the HR department organized?	
5: Human capability	How does HR facilitate the right human capability for the business?	
6: HR analytics	How can HR access information to make better decisions?	
7: HR practices	How do we create and deploy HR practices?	
8: HR Professionals	What do HR professionals need to be, know, and do to be effective?	
9: HR Relationships	How does HR go about doing its work?	





HR Domains Overview

HR Domains	Actions
1: HR Reputation	Evolve HR department identify from efficiency to practice to strategy to outside in
2: HR Customers	Serve internal (employee, manager) and external (customer, investor) stakeholders
3: HR Purpose	Define who we are (role), what we contribute (human capability), and why
4: HR Design	Organize HR by specialist, generalist, and digital services
5: Human capability	Deliver innovative solutions in talent, leadership, and organization
6: HR analytics	Evolve analytics from benchmarking to best practice to predictive analytics to impact through guidance
7: HR practices	Innovate, align, and integrate people, performance, information, and work practices
8: HR Professionals	Upgrade competencies of HR professionals to deliver value
9: HR Relationships	Build positive relationship within HR and between HR and all stakeholders





Guidance: HR Domain Impact

HR Effectiveness (9 dimensions)		What guidance can we offe (relative impact on divide 100 point					
www.rbl.ai	Α	B St. Dev.	С	D	E	F	G
	Global Mean (n = 799)		Employee	Strategy/ Business	Customer	Financial	Social Citizenship
1. HR Reputation	3.13	0.83	24.13	16.03	20.22	14.41	14.47
2. HR Customers	3.37	0.67	6.55	9.46	7.82	6.45	13.13
3. HR Purpose	3.42	0.74	12.30	16.21	12.09	14.71	10.92
4. HR Design	3.17	0.81	6.72	9.89	6.57	9.24	8.85
5. Organization Capability	3.17	0.84	8.80	8.12	11.31	10.32	9.66
6. HR Analytics	2.87	0.89	5.31	6.35	5.10	9.50	16.94
7. HR Practices	2.99	0.86	7.46	7.62	7.13	12.42	7.69
8. HR Professionals	3.26	0.74	10.62	9.34	8.08	7.65	7.23
9. HR Relationships	3.31	0.74	18.11	16.97	21.66	15.31	11.11
	R2	2	0.22	0.26	0.19	0.17	0.17







CO-SPONSORS

















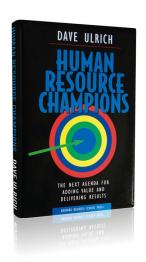


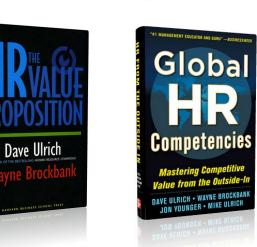


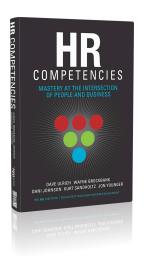
HR Competence Study (HRCS) History: 1987 to 2021

Impact

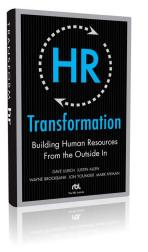
- 5 PhD dissertations
- 7 books
- 100s of articles and HR transformations
- 1,000s of presentations
- 10,000s of 360s
- 100,000s of HR professional development

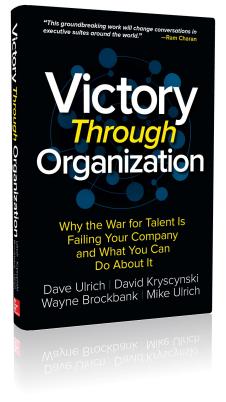
















HRCS round 8: Participant Demographics

Study Participants

Global norms are based on the overall mean from the following respondents:

Total # of

Respondents:

28,627

Organizations:

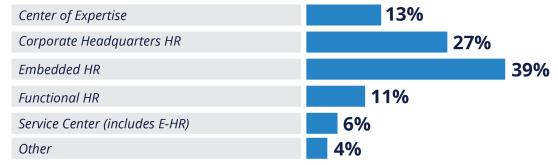
1,013



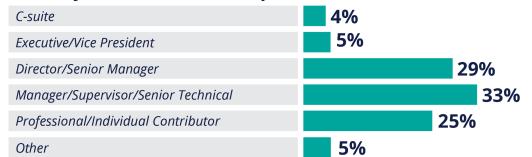




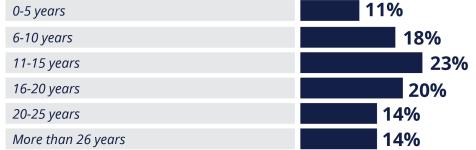




Primary Level of HR Participant



Total Tenure of HR Participant

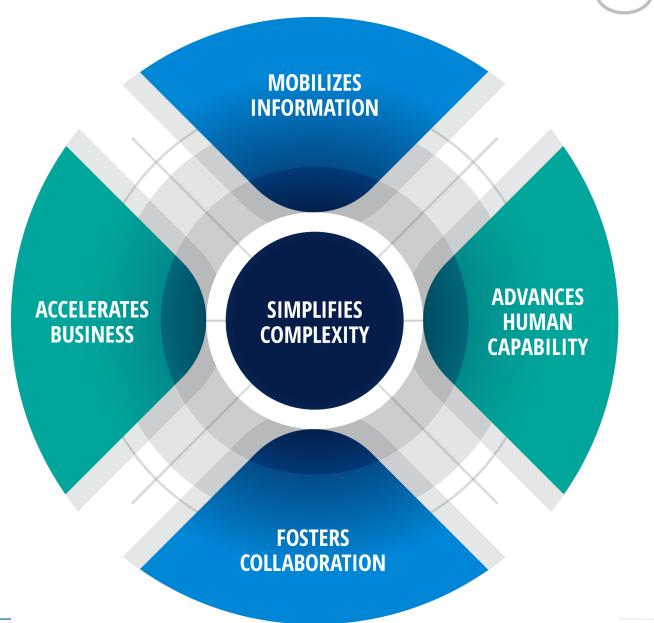






HRC²S 2021: Round 8 Overall HR competency model









Overall Goals and Agenda

IDEAS

Human Capability for Today's Changing World

IMPACT

Now is the time for human capability

Recognize the importance of human capability to respond to business context

Talent: Getting the best out of your people

Invest in the competence, commitment, and contribution of our people

Organization: Creating organization capabilities

Define, audit, and improve the key organization capabilities

Leadership: Establishing your leadership brand

Create a leadership brand that reflects promises made to customers

Hman Resources: Upgrade HR Department and People

Upgrade your HR department and professionals to create value





Questions/Takeaway:

What is something you heard that will help you be more effective?







Let's Stay Connected!



Please follow me on **LinkedIn** to view my regular posts with insights and tips.



@dave_ulrich

To get a copy of these slides, visit our website:

https://www.rbl.net/webinars/human-capability-for-todays-changingbusiness-world





