

**ice.cube**

HUMAN CAPITAL DIAGNOSTIC REPORT

# SAMPLE REPORT

**TABLE OF CONTENTS**

· Introduction .....	1
· Report Notes .....	2
· Executive Summary .....	4
· Action Score Card .....	5
· Holistic High Level View .....	6
· Capability and Effectiveness Highlights .....	7
· Alignment Misalignment .....	8
· Organisation Design .....	9
· Grades, Titles & Pay .....	13
· What's Next .....	16

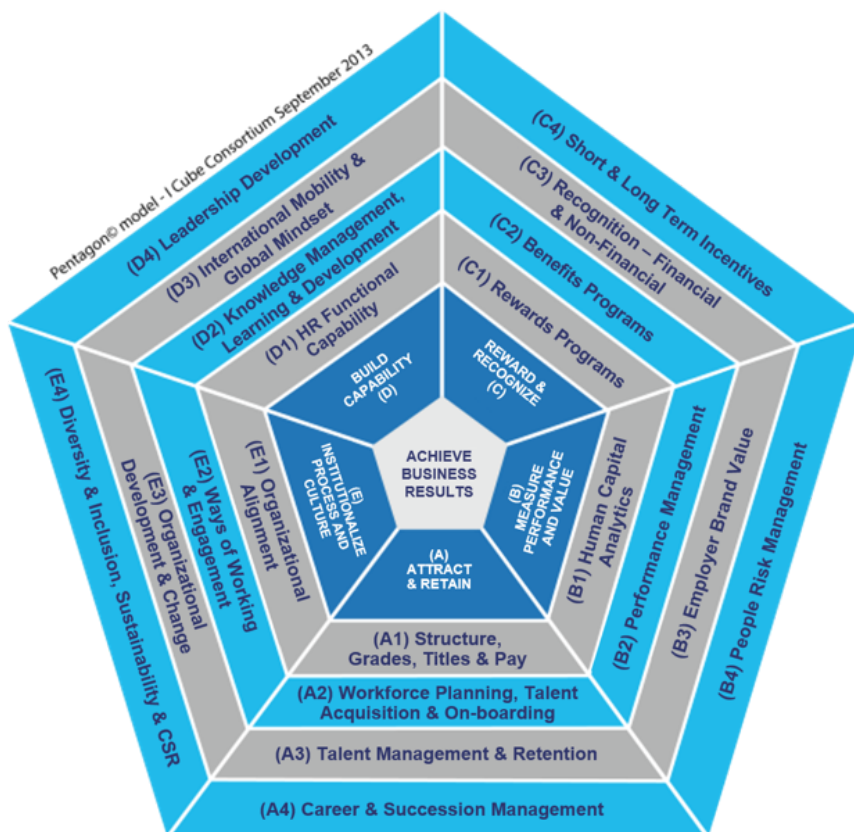
# INTRODUCTION

ice.cube diagnostic tool is built on the Pentagon Model. It was created purely from the point of view of what is functionally important to make people management in an organization capable and effective to drive business performance.

This tool measures the input, i.e. people and people related infrastructure, which goes into building an organization's people management capability; and its commensurate output, i.e. effective performance.

To make the diagnosis practical, but deep, we first identified, and deconstructed all Human Capital Management (HCM) practice areas. Then, we grouped them with research, to form what we call, The Pentagon Model (©2013).

Here, we refer to Human Capital as the accumulation of skills, knowledge, abilities, experience, training, wisdom, expertise and judgement that people bring, which when added to the physical capital invested in by the organization, forms the organization's wealth. Both physical capital and human capital together are directed to achieve the organization's goals. Functionally, this relationship is driven by the business's purpose and culture - both internal and the external (as in social norms), legitimized by policies, practices and other deliberate interventions that the employer puts in place in order to govern and create a sense of predictability of outcomes both for itself and its employees.



The Pentagon Model represents the people management practices within a business organization setting. At the core are 5 dimensions surrounded by 20 components and 30 practice areas. These are layered with 165 themes that form the basis of the questions in the assessment. You may have chosen to complete some or all of them based on your current business needs.

# REPORT NOTES

The ice.cube report details the Capability, Effectiveness and Maturity of each HCM practice area within a dimension. It diagnoses and provides recommendations for each of the completed practices.

So, to get you on board, given below are definitions of some often-used terms in this report.

**Dimension** : Aggregation of several cohesive components that form the human capital management framework. The five dimensions are:

1. Attract and Retain
2. Measure Performance and Value
3. Reward and Recognize
4. Build Capability
5. Institutionalize Process & Culture

**Component** : Collection of cohesive sub-components, as applicable E.g. Workforce planning, Talent Acquisition & Onboarding

**Sub-component** : It is also called a practice area within a component. E.g. Talent Acquisition is a practice area within the component 'Workforce planning, Talent Acquisition and Onboarding'

**Theme** : Is a statement within a practice area. Each statement aims to cover either a philosophy, framework, policy, HR skills & knowledge, process or systems within a practice. They form the building block of assessment.

**Capability** : "Measure of your organization's ability to achieve intended results". (e.g. Recruitment Capability). An adaptation of Maturity model forms the basis of the statements at 3 levels of Capability.

- a. LIGHT PURPLE - Basic
- b. DARK PURPLE - Moderate
- c. GREEN - Evolved

**Effectiveness** : "Degree to which intended results are achieved". An adaptation of Maturity model forms the basis of the statements at 3 levels of Effectiveness.

- a. LIGHT PURPLE - Basic
- b. DARK PURPLE - Moderate
- c. GREEN - Evolved

**Maturity** : "Measure of the combined outcome of Capability and Effectiveness of a people practice that drives the desired outcomes".

**Importance** : "Relative degree of criticality of the component for your business performance".

NOTE: LIGHT PURPLE does not mean "bad" and Green does not mean "good". Read the report in the context of the importance of that practice to the organization in the light of its business agenda. Therefore, e.g. a "Green" capability in a given situation may just be a "nice to have" while a "LIGHT PURPLE" capability in the same situation could be appropriate hence good enough.

### Are the Pentagon Model and ice.cube tool trusty? ... Have they been verified?

The Pentagon Model© was tested with 80+ CEOs, Business leaders and CHROs for its coverage of HCM practice. ice.cube was piloted with 1000 + medium and large companies across 11 countries.

Users verified that this model does indeed cover all HCM touch points in an organization

- 95% of the respondents felt that the coverage is either comprehensive or adequate
- 98% of the users confirmed that their understanding of the statements, self-assessment and final findings in the report are aligned and accurate
- +0.22 is the correlation coefficient between capability and effectiveness across themes. In other words, building the capability in a practice doesn't mean it will be effective commensurately. Other factors matter viz. communication, culture and mindset etc.
- 62% of the users felt that this tool and its recommendations are valuable for their business.

## EXECUTIVE SUMMARY

You have completed diagnosis of 2 practice area(s). Based on the analysis, your organisation's strength(s) and development area(s) (top priority(ies)) in people practice(s) is/are highlighted as under:

### Development area(s) - Top Priority (ies) :

S No.	Practice Area	Maturity Score
1	Organisation Design	1.60
2	Grades, Titles & Pay	3.06

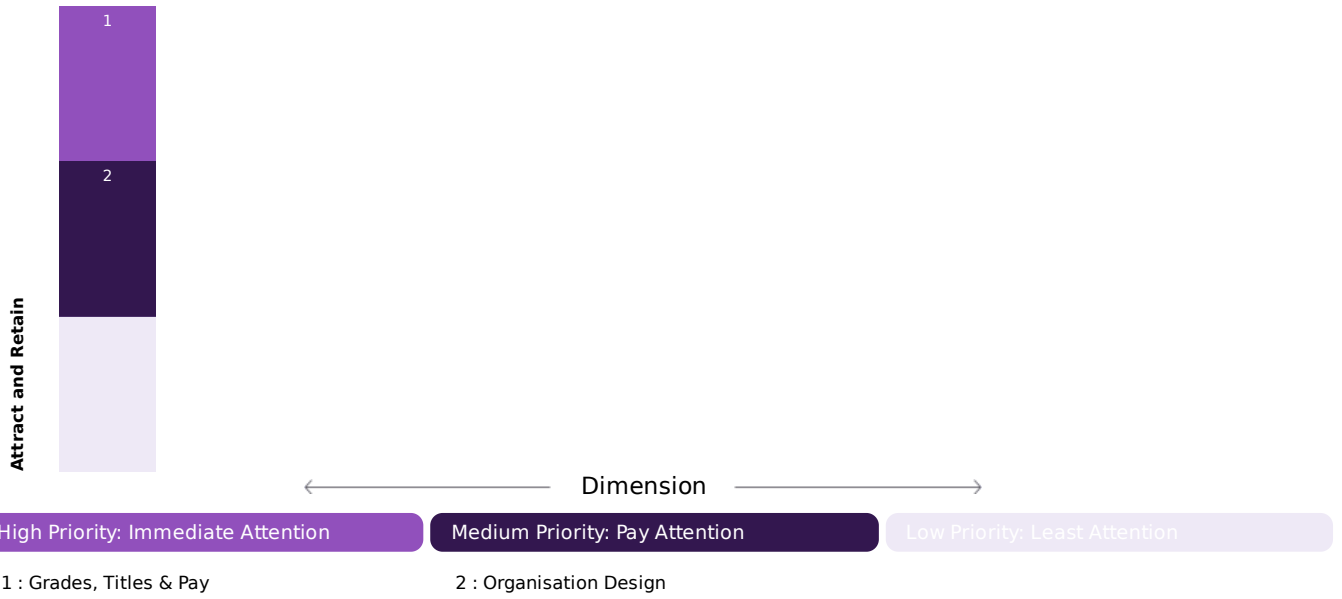
Development area(s) indicate that you need to pay immediate attention to identify specific actions, relevant solutions & implement them with speed and success measures. They are critical to your business and can create high value. Specific recommendations and indicative measures of success are outlined in the analysis for each practice in the report below.

The Action Score Card in the following page organizes the HCM Practices under 3 categories such as '**High Priority**', '**Medium Priority**' and '**Low Priority**' for you to initiate appropriate actions.

# ACTION SCORE CARD

All the practice areas are stacked in the order of high to low priority, based on maturity scores and Importance, as rated by you for your business.

For the practices that require immediate attention, it is recommended that you identify appropriate solutions, implement and measure outcomes.



# HOLISTIC HIGH LEVEL VIEW

The pentagons in the following pages are a pictorial representation of the current state of your organization. They draw your attention to the desired focus on **Maturity Index** (Figure 1.0), **Capability** (Figure 1.1) and **Effectiveness**(Figure 1.2)

These visuals will help you identify which components are performing exceptionally well, ● (Green) which are performing moderately ● (Dark Blue) and find those that are delivering below expected standards ● (Light purple).

Components that you rated as 'Most Important' are depicted with a star (\*). For example, a star embedded in a ● 'Light purple' component in the diagram below requires highest attention. Similarly, a star embedded in a ● 'Green' indicates that you are strong in that component that you specified as being most important.

## MATURITY

- High Maturity
- Medium Maturity
- Low Maturity
- Not Diagnosed
- ☆ Most Important

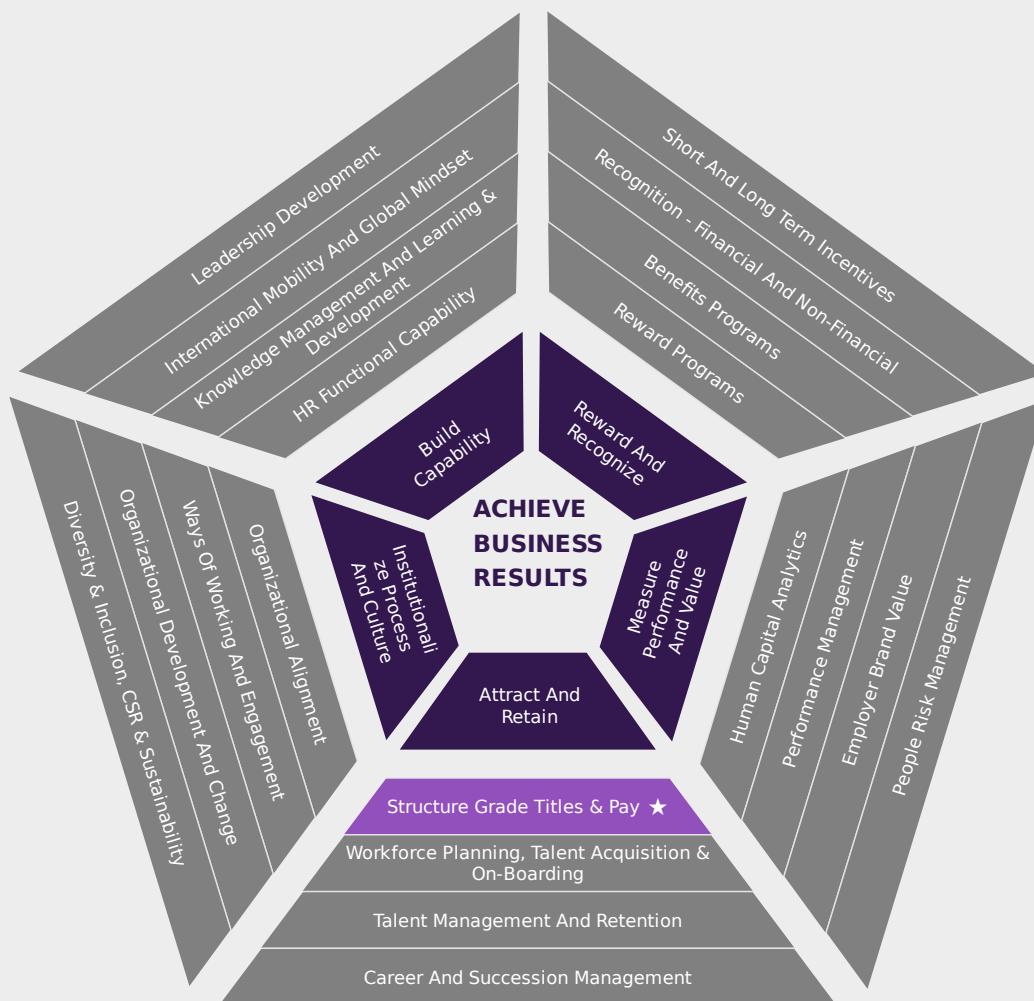


Figure 1.0



CAPABILITY

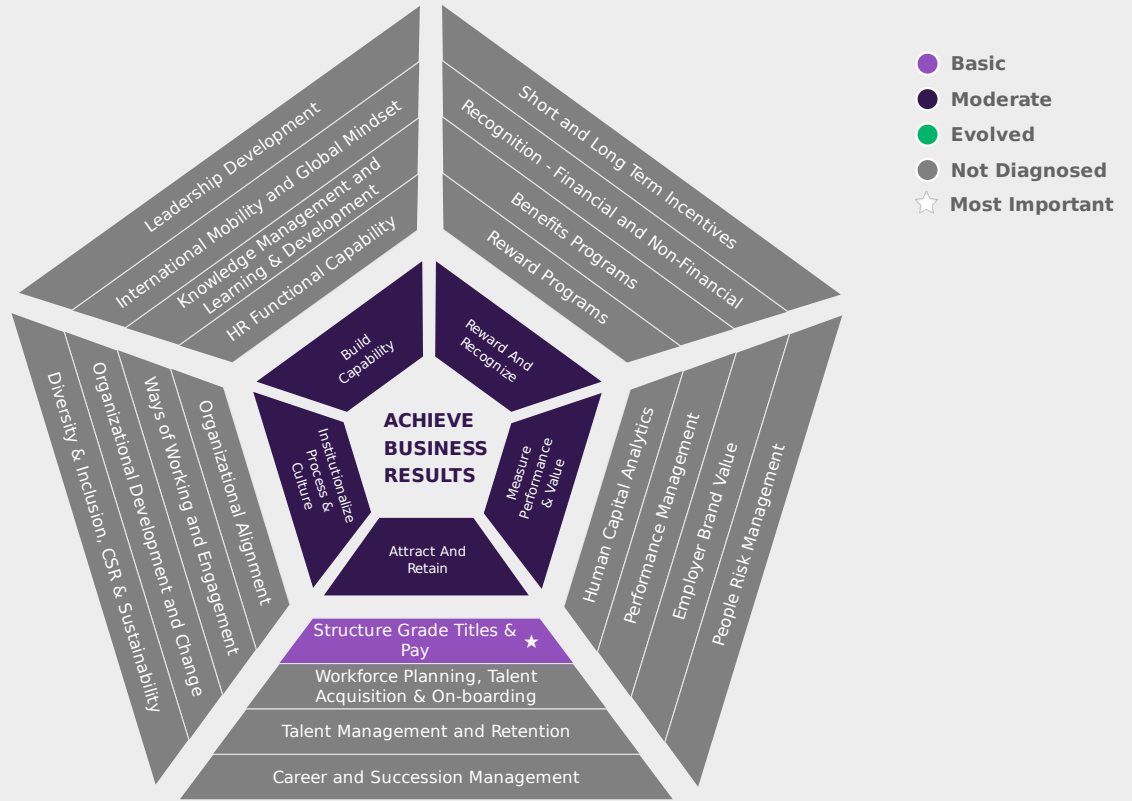


Figure 1.1

EFFECTIVENESS

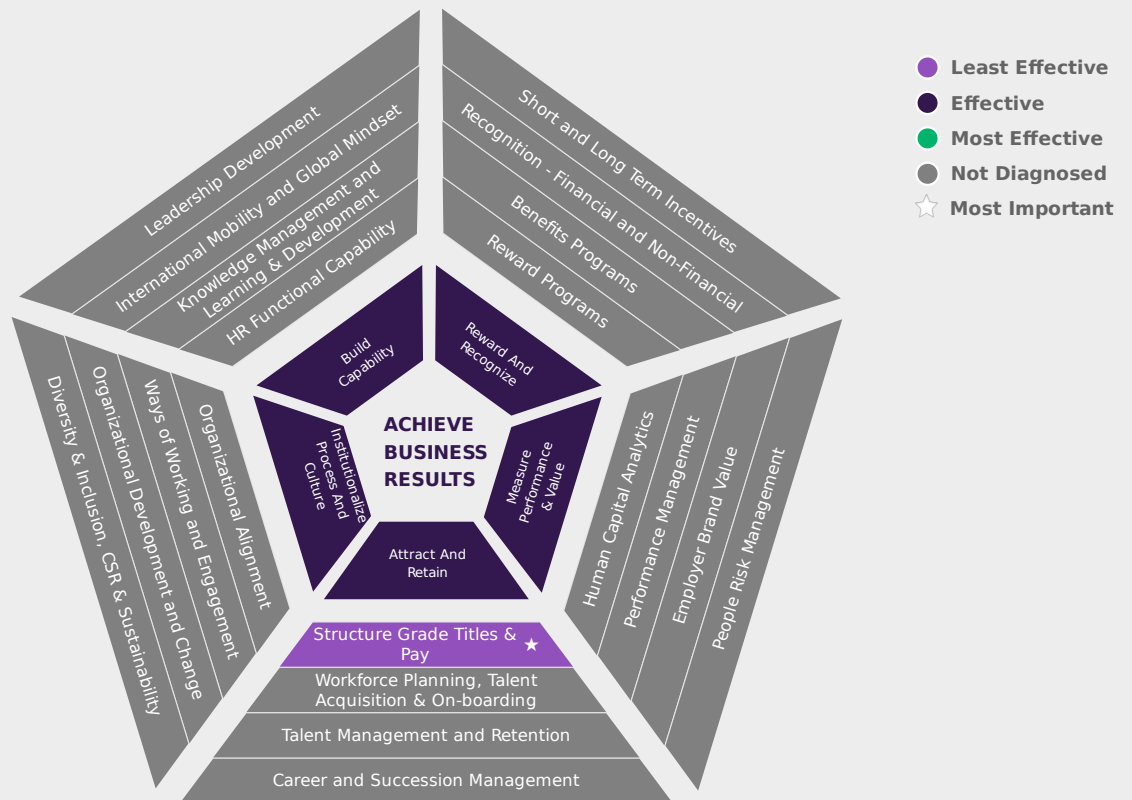
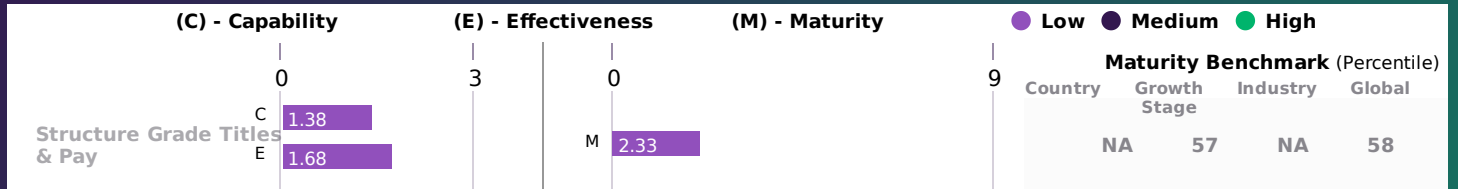


Figure 1.2

# ALIGNMENT AND MISALIGNMENT

The score card below, pictorially depicts the maturity levels of various practice areas and the degree of alignment or misalignment between their Capability and Effectiveness.



## DIAGNOSIS TO ACTION

This section gives detailed analysis and recommendation for each of the practice areas you have chosen.

### ORGANISATION DESIGN

OVERALL SCORE

Capability : **1.00**

Effectiveness : **1.60**

Maturity : **1.60**

Structure - refers to the purpose of the business structure, hierarchy and decision-making work flows, clarity of authority, roles & responsibilities, span of control, amongst other things - from a policy, process and people management aspect of the business. By design, it is about the integration of people management with core business processes, technology and systems. The classic model, which is still largely in practice, involves layering the organization hierarchically where length of hierarchy (number of layers), breadth of reporting (span of control) and levels of authority & decisions, assume significance. A well-defined structure with Grades/Bands, Titles and Roles & Responsibilities coupled with delegation of authority, helps keep the organization agile to change, improves internal & external response time and quality of decision making

The following score card depicts the Capability, Effectiveness and Maturity of various themes under the practice area. The Score Card also gives bench marks in percentile for your country, growth stage, industry and at global level.

# ORGANISATION DESIGN

OVERALL SCORE

Capability : **1.00**

Effectiveness : **1.60**

Maturity : **1.60**



# Organisation Design

## Analysis

It seems that Organisation Design in your organization is not adding much value to the business as the overall maturity of the processes is low

It is important that you pay attention to improve this practice as it is likely to impact other practice areas such as

- Grades, Titles and Pay
- Talent Acquisition
- Culture & Ways of working

Hence there is still scope for improvement and you may want to analyse and identify specific areas to improve and contribute to business goals

OVERALL SCORE

Capability : **1.00**

Effectiveness : **1.60**

Maturity : **1.60**

## RECOMMENDATIONS

- Determine the right Organisation Structure by developing a robust framework aligned to your business goals and strategy.
- Design / Re-design your organization structure by following steps:
  - Define Business case for next level design
  - Articulate design principles and key success factors
  - Develop next level design options Use Accountability Mapping (RACI Analysis) to test and validate options
  - Agree upon High level structure (roles, accountabilities, KPIs, competencies)
  - Conduct organizational impact analysis
  - Finalise next level structure
  - Develop transition plan
  - Implement next level structure
- Conduct a Job evaluation to ensure that all jobs in the organization are grouped and stacked according to the value they bring to business.
- Review descriptions of roles across the organisation to ensure there are no overlaps, and authority, responsibility, accountability is clearly defined as well as communicated to role holders.
- Review and Re-design your organization structure while taking the following factors into consideration:
  - Business Environment (Stable versus Rapidly changing)
  - Business Strategy (Diversification versus Consolidation)
  - Technology (Complex versus Simple)
  - Human Resources (High skill versus Low skill)
  - Size of the organization (Large versus Small)
- Define or re-define the process and guidelines for making decisions on grades, titles & pay Communicate the process to all managers for better understanding and action
- Identify and implement technology tools and simulators that can guide your managers while they make decisions on grades, roles, titles and pay.

## RECOMMENDATIONS

- Measure and optimize the following metrics to enhance the effectiveness of your organizational structure:
  - Span of Control (number of reportees by role)
  - Number of layers in structure - top to bottom (7 layers is ideal)
  - Ratio of supervisors/managers to employees
  - Ratio of Teeth to Tail Ratio (customer facing to support staff)
  - Ratios by business lines • Function staffing breakdown
  - Time taken to make decisions in the organization • Number of decisions by senior management versus other levels
- Empower your managers with adequate authority in their roles and coach them on responsibilities and decision making.
- Carry out external benchmarking to identify and implement best practices to empower managers to make decisions on roles and responsibilities

# DIAGNOSIS TO ACTION

## GRADES, TITLES & PAY

OVERALL SCORE

Capability : **1.75**

Effectiveness : **1.75**

Maturity : **3.06**

An organization categorizes jobs, job families and related responsibilities across levels with bands or grades, to bring internal & external equity and parity. This helps in distinguishing the structure based on roles, responsibilities, accountabilities and deliverables. Young and stable organizations are moving away from too many layers with grade/band structure. Titles are largely considered as identities, either internal or external focused. Grades and titles help in linking appropriate compensation schemes, incentives or rewards

The following score card depicts the Capability, Effectiveness and Maturity of various themes under the practice area. The Score Card also gives bench marks in percentile for your country, growth stage, industry and at global level.

# GRADES, TITLES & PAY

OVERALL SCORE

Capability : **1.75**

Effectiveness : **1.75**

Maturity : **3.06**





# Grades, Titles & Pay Analysis

It seems that the policies, processes and systems of Grades, Titles & Pay in your organization are perhaps adding value to the business.

As you have rated this practice area as 'Most Important', It is critical that you pay immediate attention to improve this practice as it is likely to affect your overall business operations besides impacting the following practice areas:

- Organisation Design
- Talent Acquisition
- Rewards

OVERALL SCORE

Capability : **1.75**

Effectiveness : **1.75**

Maturity : **3.06**

## RECOMMENDATIONS

- Develop a business aligned robust framework to determine the right grades, titles and pay.
- Conduct a job evaluation to ensure that all jobs in the organization are stacked according to the value they bring to business.
- Track the following metrics to measure success of your current grades, titles and pay structure:
  - Distribution of employees by band / grade
  - Number of employees at the maximum of bands / grades
  - Average Cost Rate by band / grade
  - Gap between internal and external pay by band / grade
  - Market Compensation Ratio by role and individual
- Track the following metrics to measure success and enhance effectiveness of your pay scale / structure:
  - Average Cost Rate by pay scale
  - Distribution of employees by pay scale
  - Number of employees at the maximum of pay scale
  - Gap between internal and external pay by pay scale
  - Market Compensation Ratio by role and individual
  - Number of Offer decline cases due to pay mismatch
  - Number of exit cases due to pay mismatch
  - Attrition rate due to compensation, title related reasons
  - Market trends on titles
- Carry out external benchmarking re-design the grades, titles and pay structure of your organisation to ensure it is competitive enough to attract and retain talent.

## WHAT NEXT

Our practitioners can support you to gain further insights into the diagnosis that helps in the following:

1. Facilitate a strategic roadmap with specific actions.
2. Share analytics, where applicable, that provide inter-relationships between different practices. You would also learn which processes are likely to positively impact the maturity of other processes. These analytics support to identify and implement customized solutions.

Feel free to connect with us on [talktous@solvecube.com](mailto:talktous@solvecube.com) and an expert will get in touch soon.