

ORGANIZATIONAL MATURITY RATING (OMR)



SAMPLE COMPANY

2018

SAMPLE SUMMARY REPORT

ORGANIZATIONAL MATURITY RATING

GOALS

1. Provide a unique perspective of company **value creation**, linking effective **human governance** with **higher material value** and **lower risk**
2. Offer the participants **feedback** on the effectiveness of their human governance practice & culture
3. Provide the participants **recommendations** on how to increase utilization of their human capital in order to deliver higher value to business and to the society

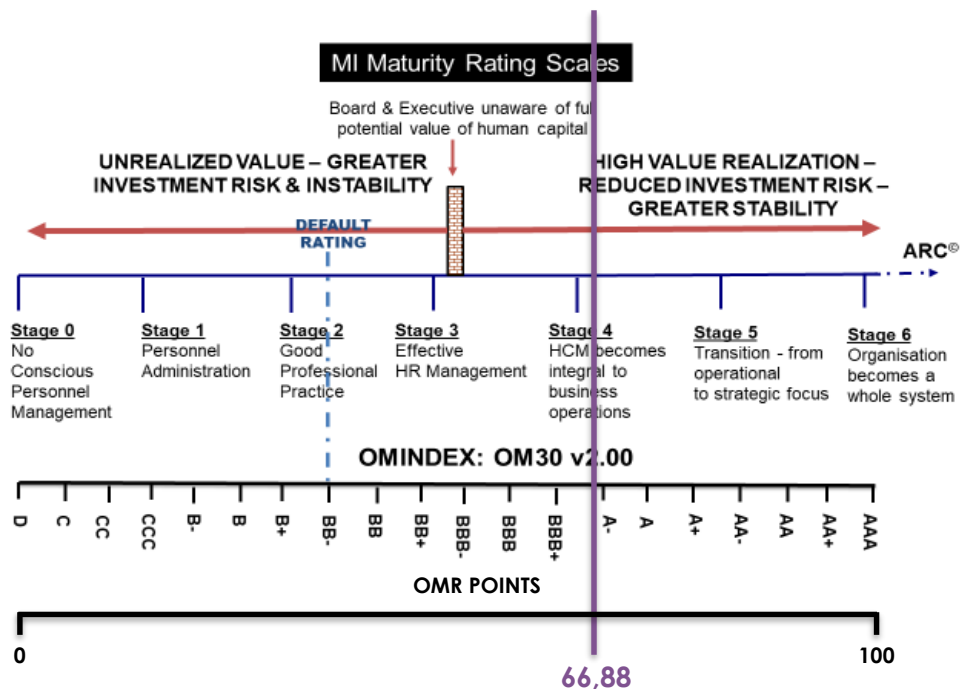
OMR RESULTS

The Organizational Maturity Rating aims to Measure, Monitor and Improve Culture and Human Capital Systems to create Value. Higher rating indicates better alignment of Human Systems to produce value that is sustainable over the long-term at lower risk.

Decide:

- What is your desired 1-year progress?

SAMPLE COMPANY



SAMPLE COMPANY's Organizational Maturity Rating: A-

OMR points **above** BBB+ threshold: 1,88

OMR points **to** A threshold: 3,13

3 STEPS FOR BIGGER PEOPLE-GENERATED VALUE

1. Discuss summary of the rating exercise within your senior leadership team
2. Identify organizational maturity priorities for next steps following your top 3 business priorities
3. Decide what resources you want to allocate for improvements in selected priorities and what are the expected outcomes

OMR RESULTS

STRENGTHS

Reflect:

- How can you keep and further utilize your strengths?

OMR Element		% score of max
5.	Governance	100
7.	Values	100
11.	Mission	100
32.	Authenticity	90
8.	Principles	83
2.	Value	80
3.	Market & Intrinsic value	80
6.	Trust	80
9.	Value potential	80
12.	Accountability	80
14.	Culture	80
18.	Never-ending, continuous improvement	80

IMPROVEMENT OPPORTUNITIES

Decide:

- What is your follow-up priority?

OMR Element		% score of max	OMR points to max
24.	Return on human capital	0	3
10.	Vision	28	1,34
20.	Innovation system	40	2,1
16.	Business planning	50	1,5
17.	Evidence-based management	50	1,5
23.	Identifying the specific value impact expected from human capital	50	2
13.	Strategic cohesion	60	1,2
15.	System	60	1,2
21.	Performance management system	60	1,4
22.	Learning & knowledge	60	1,6
26.	People risk	60	2
28.	Communication system	60	1,2
30.	Stakeholders	60	1,2
1.	Corporate Purpose	67	1
25.	Cooperation	70	1,05

RECOMMENDATIONS

EXAMPLES OF POTENTIAL NEXT STEPS

Decide:

- What is your follow-up priority?
- What resources you want to allocate for improvements in selected priorities and what are the expected outcomes?

OMR Element	Immediate	Long-term
1. Corporate Purpose	Define societal aspect of COMPANY's purpose	Imprint the societal aspect into COMPANY's shared mindset & culture
10. Vision		Vision beyond 2025?
13. Strategic cohesion	Set-up or better communicate mind-year goals & strategy adjustment process	Create more clarity on business model (s)
15. System		Reflect on the system of customer-centered teams and mitigate associated negatives
16. Business planning	Review the 3 years business plan from people perspective and identify people-related priorities	Review/define COMPANY's 3-years comprehensive HR strategy
17. Evidence-based management	2 hrs session on Evidence-based management mindset & practices & decide on follow-up	
19. Quality system	2 hrs session on Quality systems feedback loops & decide on follow-up	
20. Innovation system	Review organizational improvements suggested by employees in the past 6 months and what happened with them	Set-up a system that would support, evaluate & track organizational improvements & innovation
21. Performance management system	Review of current Performance management practice & definition of expected improvements towards value management	Upgrade of Performance management system for Value management
22. Learning & knowledge	Reflect on current training programs from a value perspective. Set-up a cross-functional best practice sharing routine	Define 1 strategic people development activity & design it, deliver and evaluate it for the business impact.
23. Identifying the specific value impact expected from human capital	Value exercise - what OCRQ business impact would 10 % employee productivity bring?	
24. Return on human capital	Exercise 1 ROI calculation for selected people-related activity/project	
25. Cooperation	Review how the client-centered team can share capacities Review the practice of local P&L "conflicts" with global clients Review the office & distribution issue	Review cross-functional projects and cooperation at the strategic leadership level
26. People risk		Exercise - who has your most valuable role and who generates the biggest value?
28. Communication system		Root-cause analysis of most important communication issues.
30. Stakeholders	Clarify with mother company that compromising on current COMPANY's strategic cornerstones (focus on people, values, culture & delivering strategic service to customers) will limit COMPANY's ability to deliver long term value to the shareholders	

ANALYST NOTES 1/3

Element

NOTES

CORPORATE PURPOSE

Have not found a clearly started purpose.
 Selected employees: 1) To produce more intelligent and beautiful shops. Provide great service to client to have life easier. 2) To help brands to realize their visions. 3) Be the first choice for sustainability of leading brands. 4) Helping our customers to be successful and at the same time doing a lot for development and happiness of our people, doing the things that make sense (we are helping our employees reaching their dreams).
 No societal purpose mentioned.

MARKET & INTRINSIC VALUE

Strong culture, recruiting for values, innovation, customer service in focus, leadership focus, delivering strategic service to customers, creative design approach, excellent employee experience, integrating new technologies.
 Calibrate vs. competitors.

COHERENCE BETWEEN MARKET & HUMAN VALUES

Delivering great value to carefully selected great brands that deliver value to their customers, having employees and their experience/engagement as priority no. 1, treating (potential) suppliers with great respect.
 Although - delivering value to society not mentioned explicitly (Q1, part 2) and therefore difficult to be evaluated

TRUST

Selected employees: What creates trust: very informal & great quality relationships, great team onboarding of new members, we help each other in need, proactive open communication, management gives us space to experiment with our own ideas, they communicate with us frequently, they come to us and ask us, we can raise critical topics, openness among employees and from leadership team, value for customer, knowing people from leadership team on a personal level, people that I couldn't trust are not in the company anymore. People are both very professional and have at the same time excellent people qualities, company cultures & values in real life, that the company is doing well business-wise and has quality references & own brand, people around and especially the superior. Communication & transparency regarding company strategy.
 For improvement: People would like to know more what is decided & be involved in the discussion more earlier (e.g. lifestyle culture). Communication & transparency regarding company strategy (Product Innovation / Customer Experience / Operational excellence). Ability of quicker action, the speed of decision making is sometimes very slow.

VALUES

COMPANY's values stated clearly and logically with behavioral explanations.

PRINCIPLES

Solid & practical explanation of each of the values.
 Question mark - clear connection between values and purpose?
 Selected employees: Values are truly visible in real life around. / Earlier in system where values have been evaluated each 6 months, difference in evaluation of self and manager resulted in development priority, bonus was tied to the evaluation. Now they don't know how the new values will be evaluated and they are happy that there is no previous system - it was very difficult to find answers to that questions and it was slowing them down.

VALUE POTENTIAL

Business strategy build on collective human creation.
 Web statement fits well into the picture.
 Selected employees: Many decisions are done not on just based business numbers but also on big picture and impact on people, decision making is very distributed, people are qualified to make decisions that make sense to them and to learn from experience.

ANALYST NOTES 2/3

Element

NOTES

STRATEGIC COHESION

Selected employees: We should be more clear about what is the business model (e.g. Product Innovation / Customer Experience / Operational excellence) . Missing a bit alignment on 1 goal and clear role and contribution of teams to it, teams are more focused on their own goals. Cascading of goals happens in the beginning of the year, 6 months after the focus has changed, not clear whether it has been a conscious move; it would be useful to meet and validate/pivot the plan at least after 6 months. Business intelligence team can create a lot of innovation & value that are in the core of company strategy but it's not in a focus enough, not appropriate resources allocated the team is more disconnected from other teams than necessary.

CULTURE

Culture is integral part of employer branding, recruitment, onboarding & development process (even at the warehouse), performance reviews, office space design. Strong culture is basically felt even from a relatively short interaction with COMPANY's employees.

How is the company pulse/temperature check done?

SYSTEM

DC vs office issues

customer centered teams

NEVER-ENDING, CONTINUOUS IMPROVEMENT

Selected employees, relates as well to Q 20: The never-ending improvement attitude is a lot shared among the people. People are constantly thrown out of comfort zone. Ideas are welcome but not set-up as an expectation that is being regularly evaluated; our ideas are being processed for testing and great ideas are possible to be implemented but that usually takes a long time (e.g. 0,5 year) to get to test and implement, the people in the other dpts sometimes change in the meantime, people sometime lose motivation to bring new initiative. We can be better in know-how sharing, best practice sharing, some mistakes are being repeated, not all team leaders are capable on conscious reflection on past projects. Innovation is more based on individual attitude and approach of people, it is not a managed process so here is a space for improvement. To improve - to analyze better where things are not working well and to define and implement improvement initiatives - that should be a standard of managerial work, do this as a consciously managed activity across the company. Our not sufficient discipline is a barrier here.

INNOVATION SYSTEM

The client teams are working based on the design thinking methodology that has potential for feeding the innovation system.

Selected employees: Innovation is more based on individual attitude and approach of people, it is not a managed process so here is a space for improvement. On the other hand, it is in line with proactivity aspect of COMPANY's culture which is right.

LEARNING & KNOWLEDGE

Selected employees: People have vast opportunities to experiment, learn & grow. In general, training & development is supported a lot by the company. There is focus to deliver tailor-made programs. The training itself is very interesting & useful. Better focus on learning implementation would help. The development results are partly covered by development and coaching discussions but otherwise are not being really evaluated. There is a need for managed long-term development program (especially for the non-managerial level), know-how sharing, significant know-how left with some senior people.

ANALYST NOTES 3/3

Element

NOTES

COOPERATION

Selected employees: Office & distribution issue that is being solved but there is a little progress and there is unpleasant tension in the cooperation that creates some client quality issues (this is viewed differently - as mostly solved already - from DC representative's perspective). Client team are built around particular client with different needs, the business teams have different goals and priorities; better can be sharing some capacities across teams. Some projects across departments are difficult to follow through. In general, open communication works, important discussions are taking place. Very positive is that we can discuss issues with each other across the company openly. Some things on managing and cooperating globally are not defined yet and it creates some issues. When there is a global client with local teams P&L, significant energy is spent on clarifying where the margin goes that could be spent somewhere else. What would help would be to use more what happens with really big projects - account manager would invite cross-functional team after new tender has been won to great joint cross-functional alignment and project plan, to allocate resources. Value impact - productivity, not finishing on last possible moment, client would get a unified package from all COMPANY parts. Much better capacity planning and less stress. Less extra costs.

ORGANIZATIONAL AGILITY, ADAPTABILITY AND FLEXIBILITY

Selected employees, relates as well to Q 20: The never-ending improvement attitude is a lot shared among the people. People are constantly thrown out of comfort zone. Ideas are welcome but not set-up as an expectation that is being regularly evaluated; our ideas are being processed for testing and great ideas are possible to be implemented but that usually takes a long time (e.g. 0,5 year) to get to test and implement, the people in the other dpts sometimes change in the meantime, people sometime lose motivation to bring new initiative. We can be better in know-how sharing, best practice sharing, some mistakes are being repeated, not all team leaders are capable on conscious reflection on past projects. Innovation is more based on individual attitude and approach of people, it is not a managed process so here is a space for improvement. To improve - to analyze better where things are not working well and to define and implement improvement initiatives - that should be a standard of managerial work, do this as a consciously managed activity across the company. Our not sufficient discipline is a barrier here.

STAKEHOLDERS

Customers and employees in true center of focus and actions.
 Selected employees: Some innovation initiatives are not followed because of the quarterly reporting numbers. Mother company focused on stakeholder value, quarterly numbers & profitability. With Mother company sometimes there are more logical decisions coming. There has always been client first, with Mother company there is more focus than before on operational excellence and margins. Is not a current danger but might force more for short term decisions.
 Another employee's perspective: So far has no experience with Mother company having negative influence on COMPANY's business decisions. If the business will face some issues, we will still see how they really approach our autonomy and way of doing our business. Appreciates a lot the autonomy COMPANY has..

AUTHENTICITY

Company purpose, culture, values and principles experienced in every-day life.
 Selected employees: I can go and work together on things for the client that I enjoy and are together added value for the client. I can do things not just for short-term business but what makes sense to me. We are helping our customers to be successful and at the same time doing a lot for development and happiness of our people, doing the things that make sense (we are helping our employees reaching their dreams).

OMR ELEMENTS 1/2

Element

EXPLANATION

1. CORPORATE PURPOSE

Does the organization have a clearly stated purpose? Does the purpose of societal value have clear primacy in this organization?

2. VALUE

Does the organization define 'value' and is it reconciled with MI's OCRQ definition?

3. MARKET & INTRINSIC VALUE

What are the primary determinants of the company's ability to sustain its present value today into the foreseeable future?

4. COHERENCE BETWEEN MARKET & HUMAN VALUES

To what extent is the organization's business and/or operating model predicated on reconciling its (market) value with changing societal values?

5. GOVERNANCE

Does anyone on the Board or one of its committees, or the Executive, hold specific responsibility for human governance?

6. TRUST

To what extent are the leadership and management team trusted by customers, employees, and other key stakeholders?

7. VALUES

Have at least 3 core values been expressed by the organization?

8. PRINCIPLES

Name up to 3 of the most important principles espoused and adhered to by the organization.

9. REALIZATION OF VALUE POTENTIAL FROM HUMAN CAPITAL.

To what extent does the organization seek to maximize the value it generates from all of its human capital – both directly employed and within its supply chain and wider society?

10. VISION

How far into the future does this organization see and mentally plan?

11. MISSION

Identify the top, specific priority that must be achieved within 3 to 5 years.

12. ACCOUNTABILITY

What are the Board and CEO accountable or responsible for?

13. STRATEGIC COHESION

To what extent do leadership, management and staff understand and work cooperatively towards a coherent set of strategic goals?

14. CULTURE

What evidence is there that the Board recognizes and understands the importance of organizational culture and is it being monitored effectively?

15. SYSTEM

To what extent does your organization operate as a coherent and cohesive whole system?

16. BUSINESS PLANNING

To what extent are improvements in the organization's capability in human capital management specifically factored into its current business plan?

17. EVIDENCE-BASED MANAGEMENT

Is the core management, decision-making process evidence-based in principle and practice?

OMR ELEMENTS 2/2

Element

EXPLANATION

18. NEVER-ENDING, CONTINUOUS IMPROVEMENT

To what extent is the philosophy and practice of never-ending improvement embedded throughout the whole organization?

19. QUALITY SYSTEM

Does the organization have a quality system and, if so, to what extent is it applied?

20. INNOVATION SYSTEM

Does the organization have a system to measure the rate of innovation of the entire workforce (including suppliers) and, if so, to what extent is it applied?

21. PERFORMANCE MANAGEMENT SYSTEM

Is there a performance management system in place and is it widely and effectively followed to continuously improve TSV?

22. LEARNING & KNOWLEDGE

To what extent is this a learning organization that continuously and expeditiously aims to acquire and apply knowledge, expertise and experience to continuously create more value and reduce risk?

23. IDENTIFYING THE SPECIFIC VALUE IMPACT EXPECTED FROM HUMAN CAPITAL

To what extent are business improvements based on linking human capital to the 4 value variables OCRQ?

24. RETURN ON HUMAN CAPITAL

Has the organization adopted a discipline of linking human capital directly to financial returns by completing an ROI calculation?

25. COOPERATION

To what extent is the organization characterised by willing, active and enthusiastic cooperation all the way from leaders and managers to the most junior job roles and suppliers?

26. PEOPLE RISK

To what extent does the organization have a comprehensive system for measuring and assessing the current level of human capital management risk within the organization?

27. REMUNERATION & REWARD

Does the organization adopt and adhere to a clear set of key principles to underpin its remuneration and reward policy and link it directly to TSV?

28. COMMUNICATION SYSTEM

How much importance does the organization attach to communication and is there a system in place to ensure it is working?

29. ORGANIZATIONAL AGILITY, ADAPTABILITY AND FLEXIBILITY

How well does the organization adapt to changing market conditions with a minimum of risk, cost and business disruption?

30. STAKEHOLDERS

Whose interests, among all of the organization's specific stakeholder/s, appear to be afforded primacy?

31. DECISION MAKING ENVIRONMENT

To what extent would you describe high level decision making in your organization as collegiate?

32. AUTHENTICITY

The size of the gap between the organization's statements, external communications and claims of success, relative to the reality found in the evidence.

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