Chapter II

PEOPLE CAPABILITY MATURITY MODEL

– AN OVERVIEW

2.1 Introduction

The People Capability Maturity Model® (People CMM®) is a tool that helps you successfully address the critical people issues in your organization. The People CMM employs the process maturity framework of the highly successful Capability Maturity Model® for Software (SWCMM ®) as a foundation for a model of best practices for managing and developing an organization’s workforce. The Software CMM has been used by software organizations around the world for guiding dramatic improvements in their ability to improve productivity and quality, reduce costs and time to market, and increase customer satisfaction. Based on the best current practices in fields such as human resources, knowledge management, and organizational development, the People CMM guides organizations in improving their processes for managing and developing their workforce. The People CMM helps organizations characterize the maturity of their workforce practices, establish a program of continuous workforce development, set priorities for improvement actions, integrate workforce development with process improvement, and establish a culture of excellence.

The People Capability Maturity Model (People CMM) is a roadmap for implementing workforce practices that continuously improve the capability of an organization’s workforce.
Since an organization cannot implement all of the best workforce practices in an afternoon, the People CMM introduces them in stages. Each progressive level of the People CMM produces a unique transformation in the organization’s culture by equipping it with more powerful practices for attracting, developing, organizing, motivating, and retaining its workforce. Thus, the People CMM establishes an integrated system of workforce practices that matures through increasing alignment with the organization’s business objectives, performance, and changing needs.4

The People CMM was first published in 1995, and has successfully guided workforce improvement programs in companies such as Boeing, Ericsson, Lockheed Martin, Novo Nordisk IT A/S, Tata Consultancy Services, Infosys, Wipro, Techspan etc. Although the People CMM has been designed primarily for application in knowledge intense organizations, with appropriate tailoring it can be applied in almost any organizational setting.5

The People CMM’s primary objective is to improve the capability of the workforce. Workforce capability can be defined as the level of knowledge, skills, and process abilities available for performing an organization’s business activities. Workforce capability indicates an organization’s:

- Readiness for performing its critical business activities,
- Likely results from performing these business activities, and
- Potential for benefiting from investments in process improvement or advanced technology.

In order to measure and improve capability, the workforce in most organizations must be divided into its constituent workforce competencies. Each workforce competency represents a unique integration of knowledge, skills, and
process abilities acquired through specialized education or work experience. Strategically, an organization wants to design its workforce to include the various workforce competencies required to perform the business activities underlying its core competency. Each of these workforce competencies can be characterized by its capability—the profile of knowledge, skills, and process abilities available to the organization in that domain.

The People CMM describes an evolutionary improvement path from ad hoc, inconsistently performed workforce practices, to a mature infrastructure of practices for continuously elevating workforce capability.

The philosophy implicit the People CMM can be summarized in ten principles.

1. In mature organizations, workforce capability is directly related to business performance.

2. Workforce capability is a competitive issue and a source of strategic advantage.

3. Workforce capability must be defined in relation to the organization’s strategic business objectives.

4. Knowledge-intense work shifts the focus from job elements to workforce competencies.

5. Capability can be measured and improved at multiple levels, including individuals, workgroups, workforce competencies, and the organization.

6. An organization should invest in improving the capability of those workforce competencies that are critical to its core competency as a business.

7. Operational management is responsible for the capability of the workforce.

8. The improvement of workforce capability can be pursued as a process composed from proven practices and procedures.
9. The organization is responsible for providing improvement opportunities, while individuals are responsible for taking advantage of them.

10. Since technologies and organizational forms evolve rapidly, organizations must continually evolve their workforce practices and develop new workforce competencies.

   Since the People CMM is an evolutionary framework, it guides organizations in selecting high priority improvement actions based on the current maturity of their workforce practices. The benefit of the People CMM is in narrowing the scope of improvement activities to those vital few practices that provide the next foundational layer for developing an organization’s workforce. By concentrating on a focused set of practices and working aggressively to install them, organizations can steadily improve their workforce and make lasting gains in their performance and competitiveness.

   The P-CMM guides an organization through a series of increasingly sophisticated practices and activities for developing its workforce. These practices have been chosen from industrial experience as those that have significant impact on individual, team, unit, and organizational performance.

   The P-CMM includes practices in such areas as:

   - Work environment
   - Communication
   - Staffing
   - Managing performance
   - Training
   - Compensation
   - Competency development
   - Career development
   - Team building
   - Culture development
When installed, key practices in these areas improve the ability of organizations to attract, develop, motivate, and retain a talented workforce. These practices also help organizations align the performance of individuals and teams with that of units and the organization.

The People CMM has proven popular because it allows organizations to characterize the maturity of their workforce practices against a benchmark being used by other organizations.

Many workforce benchmarks focus on employee attitudes and satisfaction rather than workforce practices. Although attitudes and satisfaction are important predictors of outcomes such as turnover, they do not always provide the guidance necessary for identifying which practices should be improved next. In contrast, the staged framework of the People CMM helps organizations prioritize for their improvement actions. In addition, since the People CMM treats workforce development as an organizational process, improved workforce practices are easier to integrate with other process improvement activities.

2.2 Need for People CMM

The practices required to attract, develop, and retain outstanding talent have been understood for decades. Recruiting for outstanding technical talent is critical, but it is not enough since business knowledge can only be developed within an organization. Thus, the development and coordination of a modern workforce requires an integrated set of practices that address attracting, developing, organizing, motivating, and retaining outstanding individuals.
Over the last several decades, business books and the trade press have flooded managers with workforce practices each demonstrated to produce benefits in at least some applications. These practices include competency-modeling, 360º performance reviews, Web-enabled learning, knowledge management, team-building, cool space, participatory decision making, incentive based pay, mentoring, meeting management, and empowered work. Many of these practices have been actively applied for over a decade. Nevertheless, many organizations have moved slowly on improving their workforce practices.

If these practices have been well known for a decade or more, why have so many organizations failed to implement them? The fundamental impediments have been a lack of management commitment, and a piecemeal, disintegrated approach to adoption. Consequently, the People CMM was designed to integrate workforce practices into a system and involve management early in their deployment. The People CMM presents the development of a capable workforce as a process with well-understood practices that can be implemented in stages as the organization matures.

The P-CMM was developed to apply maturity principles to the development of the workforce. In applying these principles, we are implying that the development of the workforce is a process with practices that can be improved. Further we are implying that principles that have been traditionally used for the improvement of a product can also be applied to the improvement of people. Thus, the P-CMM rests on the premise that people have skills that can be measured and that organizations can continuously improve their processes for developing and organizing these skills.

The P-CMM is the foundation for systematically building a set of tools, including an assessment method, which is useful in understanding an organization’s baseline capabilities to develop its workforce and in charting improvements in an
organization’s workforce practices. Although the P-CMM has been developed with the needs of the software engineering and information systems community in mind, the key practices for developing the workforce can be applied to almost any knowledge-intense job. In fact, most of these practices will apply to jobs throughout an organization. It may be possible for an organization to use the P-CMM and associated assessment instruments to address its capability for developing people in areas outside of software, and to integrate the resulting action plans into an overall plan for revitalizing the organization.

2.3 PCMM Pre-requisites

2.3.1 Management commitment

➢ The top management should agree to the concept and understand the importance of people processes and the need to invest time and resources--financial and people--for the same.

2.3.2 Process orientation

➢ There should be an inherent desire to change and continuously improve. Perpetual improvement of workforce practices ensures organizational success.

2.3.3 Participatory culture

➢ The need to involve people in defining and then continuously and consistently improving organizational and people practices and processes.

2.3.4 External resource

➢ It is also important to have committed and qualified people to hand hold the organization during the entire exercise. This is where consultants and lead assessors really help.

2.3.5 Internal resources

➢ The internal resource should be sensitized and ideally one person from the people development team should be allocated for every 20 employees.
2.4 Definitions of P-CMM Maturity Levels

As all capability maturity models, the People CMM consists of five maturity levels, or evolutionary stages, through which an organization’s workforce practices and processes evolve. At each maturity level, a new system of practices is overlaid on those implemented at earlier levels. Each overlay of practices raises the level of sophistication through which the organization develops its workforce. Within this environment individuals experience greater opportunity to develop their career potential and are more motivated to align their performance with the objectives of the organization.

From the perspective of the People CMM, an organization’s maturity is derived from the workforce practices routinely performed inside it, and the extent to which these practices have been integrated into an institutionalized process for improving workforce capability. In a mature organization, responsible individuals perform repeatable workforce practices as ordinary and expected requirements of their positions. The more mature an organization, the greater its capability for attracting, developing, and retaining the talent it needs to execute its business.

The People CMM is a process-based model which assumes that workforce practices are standard organizational processes that can be continuously improved through the same methods that have been used to improve other business processes. The People CMM is constructed from workforce practices and process improvement techniques that have proven effective through application in many organizations. The only unique characteristic of the People CMM is its staged framework for introducing and steadily improving successful workforce practices.
Figure depicts the five maturity levels of the P-CMM. Each maturity level provides a layer in the foundation for continuous improvement of an organization’s workforce practices. In maturing from the Initial to the Managed level, the organization installs the discipline of performing the basic practices.

In maturing to the Defined level, these practices are tailored to enhance the particular knowledge, skills, and work methods that best support the organization’s business. In maturing to the Predictable level, the organization develops competency-based, high-performance workgroups and empirically evaluates how effectively its workforce practices are meeting objectives. In maturing to the Optimizing level, the organization looks continually for innovative ways to improve its workforce capability and to support individuals in their pursuit of professional excellence.

Figure 2.1: the five maturity levels of PCMM$^{10}$
2.4.1 Maturity Level 1 – The Initial Level (Inconsistent management)

At the Initial level, the performance of workforce activities is inconsistent. The organization typically provides forms for activities such as performance appraisals or position requisitions, but offers little guidance or training in conducting the activities supported by these forms.

Typically managers have not been trained in performing most of their workforce responsibilities, so their ability to manage those who report to them is based on previous experience and their personal “people skills.” These organizations are not necessarily abusive or inconsiderate. Their problem is that they do not have the ability to systematically develop the competitive capability of their workforce. In the worst circumstances, managers in Level 1 organizations do not accept developing the members of their unit as a primary personal responsibility. They perform workforce activities such as interviewing job candidates or conducting performance appraisals with little preparation, often resulting in poor staffing decisions or disgruntled employees. The human resources department too often imports practices and applies them with little analysis of their effectiveness. Individuals in most Level 1 organizations do not take workforce practices seriously, since they do not believe the practices have much relation to their real work and level of contribution to the organization. The workforce capability of a Level 1 organization is unknown, since there is little effort to measure or improve it. Individuals are motivated to pursue their own agendas, since there are few incentives in place to align their motivations with the business objectives of the organization. Turnover is high when people feel there are better working conditions or growth potential in another organization.
2.4.2 Maturity Level 2 – The Managed Level (People management)

The workforce practices implemented at the Managed Level focus on activities at the unit level.

The first step toward improving the capability of the workforce is to get managers to take workforce activities as high priority responsibilities of their job. They must accept personal responsibility for the performance and development of those who perform the unit’s work. The practices implemented at Maturity Level 2 focus a manager’s attention on unit-level issues such as staffing, coordinating commitments, providing resources, managing performance, developing skills, and making compensation decisions. Building a solid foundation of workforce practices within each unit provides the bedrock on which more sophisticated workforce practices can be implemented at higher levels of maturity. An important reason for initially concentrating on practices at the unit level is founded on the frequent failure of organization-wide improvement programs. These programs often fail because they were thrust on an unprepared management team. That is, managers were struggling with problems that were not addressed by organizational changes. They often lacked the experience and skill needed to implement sophisticated practices. Consequently, Maturity Level 2 focuses on establishing basic practices within units that address immediate problems and prepare managers for implementing more sophisticated practices at higher levels. It is difficult to implement organization-wide practices if managers are not performing the basic workforce practices required to manage their units. Focusing at the unit level first also establishes a foundation in managing performance that can be enhanced with more sophisticated practices at higher levels. If people are unable to perform their assigned work, sophisticated workforce practices will be of little benefit to individuals or the organization. In a Maturity Level 2
organization, managers are vigilant for any problems that hinder performance in their units. Frequent problems that keep people from performing effectively in low-maturity organizations include:

- Work overload
- Environmental distractions
- Unclear performance objectives or feedback
- Lack of relevant knowledge, or skill
- Poor communication
- Low morale

The effort to ensure that workforce practices are performed in each unit begins when executive management commits the organization to continuously improve the knowledge, skills, motivation, and performance of its workforce. Executive management manifests these commitments in policies and provides the resources needed to support unit-level implementation of basic workforce practices. Executive management reinforces this commitment by performing basic workforce practices with their immediate reports and by subsequently holding all managers accountable for the performance of workforce practices within their respective units.

Through policies and accountability, executive management communicates that managers are to accept personal responsibility for ensuring that workforce practices are implemented effectively within their units. Individuals responsible for performing workforce practices are expected to develop repeatable methods for activities such as interviewing job candidates or providing performance feedback. Although managers or groups may differ in how they perform workforce activities, those working within a unit are able to develop consistent expectations about how they will be treated. In addition, the regularity with which practices are performed in each
unit, regardless of the method or style, is the first step in creating greater consistency across the organization.

The responsibilities for workforce practices at Maturity Level 2 could be performed by team leaders, human resources specialists, trainers, peers, managers or others depending on how responsibilities are allocated within the organization. As an organization achieves Maturity Level 2, units become stable environments for performing work. Units are able to balance their commitments with available resources. They can manage their skill needs, both through acquiring people with needed skills and through developing the skills of those already in the unit. Managers are focused on managing individual performance and coordinating individual contributions into effective unit performance. At Maturity Level 2, an organization’s capability for performing work is best characterized by the capability of units to meet commitments. This capability is achieved by ensuring that people have the skills needed to perform their assigned work and that performance is regularly discussed to identify actions that can improve it.

One of the first benefits organizations experience when they implement improvements guided by the People CMM is a reduction in voluntary turnover. At Maturity Level 2, the People CMM addresses one of the most frequent causes of turnover, poor relations with their boss. When people begin to see a more rational work environment emerge in their unit, their motivation to stay with the organization is enhanced. As their development needs are addressed, they begin to see the organization as a vehicle through which they can achieve their career objectives.
2.4.3 Maturity Level 3 – The Defined Level (Competency management)

Organizations at the Managed level find that although they are performing basic workforce practices, there is inconsistency in how these practices are performed across units and little synergy across the organization. The organization is not capitalizing on opportunities to standardize its best workforce practices, because it has not identified the common knowledge and skills needed across its units and the best practices to be used for developing them. The organization is motivated to achieve the Defined level in order to gain a strategic competitive advantage from its core competencies.

The primary objective of the Defined Level is to help an organization gain a competitive advantage from developing the various competencies that must be combined in its workforce to accomplish its business activities. These workforce competencies represent critical pillars supporting the strategic business plan, since their absence poses a severe risk to strategic business objectives. In tying workforce competencies to current and future business objectives, the improved workforce practices implemented at Maturity Level 3 become critical enablers of business strategy.

At the Defined level, the organization begins to adapt its workforce practices to the specific nature of its business. By analyzing the skills required by its workforce and the business functions they perform, it identifies the core competencies required to perform its business. It then adapts its workforce practices to develop the specific knowledge and skills that compose these core competencies. The organization identifies best practices in its own workforce activities or those of other organizations and tailors them as the basis for adapting its workforce practices. It analyzes its business processes to determine the core competencies involved in its work and the
knowledge and skills that constitute these competencies. The organization then develops strategic and near-term plans for developing these competencies across the organization. A program is defined for systematically developing core competencies, and individuals’ career development strategies are planned to support competency development for each individual. The organization administers its workforce practices to develop and reward growth in its core competencies and to apply them to improve performance.

A common organizational culture can develop at the Defined level, because the organization becomes focused on developing and rewarding a set of core competencies. This culture places importance on growing the organization’s capability in its core competencies, and the entire workforce begins sharing responsibility for this growth. Such a culture is reinforced when workforce practices are adapted to encourage and reward growth in the organization’s core competencies. This culture can be enhanced by establishing a participatory environment where individuals and groups are involved in decisions regarding their work. The workforce capability of organizations at the Defined level is based on having a workforce that possesses the basic knowledge and skills to perform the core business functions of the organization. Knowledge and skills in the organization’s core competencies are more evenly spread across the organization. The organization has improved its ability to predict the performance of its work activities based on knowing the level of knowledge and skills available in its workforce. Also, it has established a foundation on which continuous development of knowledge and skills can be built.
2.4.4 Maturity Level 4 – The Predictable Level (Capability management)

An organization at the Defined Level has established an organizational framework for developing its workforce. At the Predictable Level, the organization manages and exploits the capability created by its framework of workforce competencies. The organization is now able to manage its capability and performance quantitatively. The organization is able to predict its capability for performing work because it can quantify the capability of its workforce and of the competency-based processes they use in performing their assignments.

The framework of workforce competencies enables the organization to better exploit the capabilities of its workforce. There are at least three ways in which this framework can be exploited. First, when competent people perform their assignments using proven competency based processes, management trusts the results they produce. This trust enables the organization to preserve the results of performing competency-based processes and develop them as organizational assets to be reused by others. In essence, people trust the asset because they trust the methods through which it was produced. When these assets are created and used effectively, learning spreads more rapidly through the organization and productivity rises when reuse replaces redevelopment. Second, this trust also gives managers the confidence they need to empower workgroups. Managers will transfer responsibility and authority for committed work into workgroups only if they believe the members of the workgroup are competent to perform the work and use processes that have been proven effective. When the organization achieves Maturity Level 3, the conditions required for empowering competent people, effective processes, and a participatory environment are established. In achieving Maturity Level 4, management senses less risk in empowering workgroups and is willing to delegate increasingly greater levels of
authority for managing day-to-day operations and for performing some of their own workforce practices. Increasingly free of managing operational details, managers at Maturity Level 4 are able to turn their attention to more strategic issues. Third, when the workforces have mastered their competency-based processes, the organization is able to integrate different competency-based processes into a single multidisciplinary process. At Maturity Level 3, individuals performing different competency based processes manage their mutual dependencies by defining points of coordination. However, their competency-based work is performed largely in isolation of each other’s competency-based processes. However, when competency-based processes have been institutionalized, the organization can begin integrating different competency-based processes into a multidisciplinary process that better integrates the work of several workforce competencies. An example would be the integration of software and hardware design processes into a single product design process where the different competency-based processes are interwoven at every point where they share a potential dependency. Such multidisciplinary processes have proven to accelerate business results.

In addition to exploiting the possibilities enabled by the competency framework, the organization begins to manage its capability quantitatively. Within each unit or workgroup, the performance of competency-based processes most critical for accomplishing business objectives is measured.

These measures are used to establish process performance baselines that can be used for managing competency-based processes and assessing the need for corrective action. The work groups’ members have immediate data for evaluating their performance and deciding on the need for corrective actions. The immediate
availability of process performance data also contributes to the rationale for empowering workgroups to manage their business activities.

The organization uses the data generated by competency-based processes to establish process capability baselines for its critical competency-based processes. These baselines can be used for planning, for targeting improvements, and for predicting the organization’s capacity for work. The organization evaluates the impact of workforce practices and activities on the capability of competency-based processes and takes corrective action when necessary. Process capability baselines and associated analyses are used as inputs for workforce planning.

The combined availability of workforce capability baselines and process capability baselines for competency-based processes enables both unit and organizational performance to become more predictable. These data allow management to make more accurate predictions about future performance and better decisions about tradeoffs involving workforce capability or process performance issues. The quantitative management capabilities implemented at Maturity Level 4 provide management with better input for strategic decisions, while encouraging delegation of operational details to those at lower organizational levels.

2.4.5 Maturity Level 5 – The Optimizing Level (Change management)

At the Optimizing level, there is a continuous focus on improving individual competencies and finding innovative ways to improve workforce motivation and capability. The organization supports individuals’ effort toward continuous development of personal competencies. Coaches are provided to support further development of personal or team competencies. Data on the effectiveness of workforce practices are used to identify needs for innovative workforce practices or technologies. Innovative practices and technologies are evaluated and the most
promising are used in exploratory trials. Successful innovations are then transferred into use throughout the organization. The workforce capability of Optimizing organizations is continuously improving because they are perpetually improving their workforce practices. Improvement occurs both by incremental advancements in their existing workforce practices and by adoption of innovative practices and methods that may have a dramatic impact. The culture created in an optimizing organization is one in which all members of the workforce are striving to improve their own, their team’s, and their unit’s knowledge, skills, and motivation in order to improve the organization’s overall performance. The workforce practices are honed to create a culture of performance excellence.

2.5 Process Area

Each maturity level of the People CMM, with the exception of the Initial Level, consists of three to seven process areas. Each process area (PA) identifies a cluster of related practices that, when performed collectively, achieve a set of goals considered important for enhancing workforce capability. Each process area organizes a set of interrelated practices in a critical area of workforce management, such as staffing, compensation, or workgroup development. Each of these areas constitutes an important organizational process. The process areas at each level of maturity create an inter-linked system of processes that transform the organization’s capability for managing its workforce.

Process areas identify the capabilities that must be institutionalized to achieve a maturity level.

They describe the practices that an organization should implement to improve its workforce capability. The process areas within each of the five maturity levels of the P-CMM are displayed in Figure 2.212.
2.6 The Process Areas of the People CMM

2.6.1 The Initial Level – Maturity Level 1

There are no process areas at the Initial Level of maturity. Although workforce practices performed in Maturity Level 1 organizations tend to be inconsistent or ritualistic, virtually all of these organizations perform processes that are described in the Maturity Level 2 process areas.

Some of these processes are legally mandated. Organizations that do not achieve the goals of each of the Maturity Level 2 process areas are performing as Maturity Level 1 organizations.

2.6.2 The Managed Level – Maturity Level 2

To achieve the Managed Level, Maturity Level 2, managers begin performing basic people management practices such as staffing, managing performance, and
making adjustments to compensation as a repeatable management discipline. The organization establishes a culture focused at the unit level for ensuring that people are able to meet their work commitments. In achieving Maturity Level 2, the organization develops the capability to manage skills and performance at the unit level.

The process areas at Maturity Level 2 are Staffing, Communication and Coordination, Work Environment, Performance Management, Training and Development, and Compensation. These six process areas are briefly described in the following paragraphs. High-level relationships among these process areas are depicted in Figure 2.3.

Figure 2.3: Relationship among Maturity Level 2 Process Area
2.6.2.1 Staffing

The purpose of Staffing is to establish a formal process by which committed work is matched to unit resources and qualified individuals are recruited, selected, and transitioned into assignments.

Staffing is positioned as the primary process area at Maturity Level 2 since staffing decisions provide an organization’s greatest opportunities to influence performance. All other practices designed to improve the capability of the workforce must start from the baseline of talent brought into positions within the organization. Managers take responsibility for recruiting talent for open positions and they coordinate with organizational recruiting activities, both internally- and externally-focused. A formal selection process is developed to ensure thorough and fair evaluation of the skills and other qualifications of each candidate. Mechanisms are established for transitioning people into new positions, among assignments, or if necessary, out of the organization.

2.6.2.2 Communication and Coordination

The purpose of Communication and Coordination is to establish timely communication across the organization and to ensure that the workforce has the skills to share information and coordinate their activities efficiently.

Communication and Coordination establishes the initial basis for developing and empowering workgroups. This process area establishes a culture for openly sharing information and concerns across organizational levels and among dependent units. Prior to having the defined processes that aid the development of workgroups at Maturity Level 3, workgroup performance depends on people having the skills required to coordinate their activities and manage shared dependencies. Prior to the availability of defined processes, the interpersonal communication and coordination
skills need to be developed to provide a foundation for the structured development of workgroups at higher levels.

### 2.6.2.3 Work Environment

The purpose of Work Environment is to establish and maintain physical working conditions and to provide resources that allow individuals and workgroups to perform their tasks efficiently without unnecessary distractions.

The work environment must be managed to ensure it supports the committed work of those in the organization. This process area focuses on both the resources provided for performing work, and the physical conditions under which the work is performed. Management must balance expenditures on resources and environment with justifications based on the work being performed. Managers monitor resource needs and environmental conditions that affect their unit and mitigate those problems judged to present serious risks to health, safety, or efficiency.

### 2.6.2.4 Performance Management

The purpose of Performance Management is to establish objectives related to committed work against which unit and individual performance can be measured, to discuss performance against these objectives, and to continuously enhance performance.

The primary focus of performance management is on the continual discussion about the performance of work to identify ways to improve it. Discussions of performance focus not only on the individual, but also on work processes, resources, and any other issues that can be addressed to improve performance. The discussion of performance occurs in the context of measurable objectives those individuals or workgroups are trying to achieve in their work. These objectives are linked to
committed work. The role of performance appraisal is primarily to record the results of performance for use as input to decisions about adjustments to compensation, personal development planning, staffing, promotion, and other workforce activities. Performance problems are managed and outstanding performance is recognized.

2.6.2.5 Training and Development

The purpose of Training and Development is to ensure that all individuals have the skills required to perform their assignments and are provided relevant development opportunities.

The primary focus of Training and Development is on removing the gap between the current skills of each individual and the skills required to perform their assignments. Each unit develops a training plan to ensure that all individuals have the skills required by their assignment. Once individuals have the necessary skills to perform current assignments, they may focus their development activities on other objectives.

2.6.2.6 Compensation

The purpose of Compensation is to provide all individuals with remuneration and benefits based on their contribution and value to the organization.

The organization must formulate a compensation strategy that motivates and rewards the skills and behaviors the organization considers vital to its success. Compensation represents the only process area at the Managed Level whose execution is coordinated by actions at the organizational level. Compensation must be coordinated primarily through centralized activity in order to establish a sense of equity in the system. Once the workforce perceives the system to be equitable, it can be adjusted to motivate the development of needed skills and better alignment of individual performance with that of the workgroup, unit, or organization. Periodic
adjustments to compensation are reviewed to ensure they are equitable and consistent with the organization’s strategy and plan.

2.6.3 The Defined Level – Maturity Level 3

To achieve the Defined Level, Maturity Level 3, the organization identifies and develops the knowledge, skills, and process abilities that constitute the workforce competencies required to perform its business activities. The organization develops a culture of professionalism based on well-understood workforce competencies. In achieving Maturity Level 3, the organization develops the capability to manage its workforce as a strategic asset.

The process areas at Maturity Level 3 are Competency Analysis, Workforce Planning, Competency Development, Career Development, Competency-Based Practices, Workgroup Development, and Participatory Culture. These seven process areas are briefly described in the following paragraphs. High-level relationships among these process areas are depicted in Figure 2.414.

![Figure 2.4: Relationships among Maturity Level 3 process areas](image-url)
2.6.3.1 Competency Analysis

The purpose of Competency Analysis is to identify the knowledge, skills, and process abilities required to perform the organization’s business activities so that they may be developed and used as a basis for workforce practices.

The organization maintains descriptions of knowledge, skills, and process abilities composing each workforce competency in a repository. These descriptions are periodically reassessed to ensure they remain current with the organization’s technologies and business activities. The work processes used by capable individuals in each workforce competency are defined and updated as necessary. Competency information regarding an individual’s capability in the workforce competencies relevant to their work or career is collected and maintained. From this competency information, resource profiles of the organization’s level of capability in each of its workforce competencies can be determined.

2.6.3.2 Workforce Planning

The purpose of Workforce planning is to coordinate workforce activities with current and future business needs at both the organizational and unit levels.

Workforce planning ties the organization’s workforce activities directly to its business strategy and objectives. Through workforce planning, the organization identifies the workforce it needs for its current and future business activities and plans the actions to be taken to ensure the required workforce is available when needed. Strategic workforce plans provide those responsible for workforce activities in units with a reference for ensuring that they perform their responsibilities with an understanding of how the unit’s workforce activities contribute to the business.
2.6.3.3 Competency Development

The purpose of Competency Development is to constantly enhance the capability of the workforce to perform their assigned tasks and responsibilities.

The workforce competencies identified in Competency Analysis and the needs identified in Workforce planning provide the foundations for the organization’s competency development program. Graduated training and development opportunities are designed to support development in each of the organization’s workforce competencies. Individuals actively pursue competency development opportunities that support their individual development objectives. The organization uses the existing experience in its workforce as an asset for developing additional capability in each of its workforce competencies through practices such as mentoring. Mechanisms are established to support communication among the members of a competency community.

2.6.3.4 Career Development

The purpose of Career Development is to ensure that individuals are provided opportunities to develop workforce competencies that enable them to achieve career objectives.

A personal development plan is created and periodically updated for each individual. Opportunities for training and other career-enhancing activities are made available. Progress against individual development plans is tracked. Graduated career opportunities and promotion criteria are defined to motivate growth in the organization’s workforce competencies. Promotion activities are performed on a periodic and event-driven basis. Individuals are periodically counseled about career options, and opportunities for advancement are communicated to them.
2.6.3.5 Competency-Based Practices

The purpose of Competency-Based Practices is to ensure that all workforce practices are based in part on developing the competencies of the workforce.

The staffing, performance management, compensation, and related workforce practices established through performing the activities of process areas at the Managed Level need to be adjusted to support the organization’s focus on developing workforce competencies. Workforce activities that had focused primarily on unit concerns at the Managed Level are re-oriented by adjusting them to include concerns that are strategic to shaping the organization’s workforce and the workforce competencies needed in the workforce. As a result of incorporating an organizational orientation in the performance of workforce activities, the performance of activities should become more consistent across units.

2.6.3.6 Workgroup Development

The purpose of Workgroup Development is to organize work around competency-based process abilities.

As used in the People CMM, a workgroup is a collection of people who work closely together on tasks that are highly interdependent to achieve shared objectives. Work and workgroups are designed to maximize the interdependency of tasks within the workgroup and to minimize dependencies with other workgroups. Workgroups tailor competency-based processes for use in planning and performing their business activities. Workgroups tailor the defined roles incorporated in the processes and assign them to workgroup members. Responsible individuals manage workgroup performance and track the status of work. When a workgroup’s business activities are complete, it is disbanded using an orderly process that preserves its assets, completes
required workforce activities, and ensures appropriate work assignments for each of its departing members.

2.6.3.7 Participatory Culture

The purpose of a Participatory Culture is to ensure a flow of information within the organization, to incorporate the knowledge of individuals into decision-making processes, and to gain their support for commitments.

Establishing a participatory culture lays the foundation for building high-performance workgroups. Establishing a participatory culture begins with providing individuals and workgroups with information about organizational and unit performance and how their performance contributes, in addition to information needed to perform their committed work. Individuals and workgroups use defined processes for making decisions and for resolving conflicts and disputes.

2.6.4 The Predictable Level – Maturity Level 4

To achieve the Predictable Level, Maturity Level 4, the organization quantifies and manages the capability of its workforce and their competency-based processes, in addition to exploiting the opportunities afforded by defined workforce competencies. The organization creates a culture of measurement and exploits shared experience. At Maturity Level 4, the organization has the capability to predict its performance and capacity for work.

The process areas at Maturity Level 4 are Competency Integration, Empowered Workgroups, Competency-Based Assets, Quantitative Performance Management, Organizational Capability Management, and Mentoring. These six process areas are briefly described in the following paragraphs. High-level relationships among these process areas are depicted in Figure 2.515.
2.6.4.1 Competency Integration

The purpose of Competency Integration is to improve the efficiency and agility of interdependent work by integrating the process abilities of different workforce competencies.

Competency Integration interweaves different competency-based processes to achieve a seamless process based interaction among individuals from different competency communities. These integrated competency-based processes provide more tightly interlaced interactions to allow problems among product, service, or work dependencies to be identified and corrected much earlier. Competency Integration involves analyzing work to identify opportunities to integrate the processes used by different workforce competencies. These integrated competency-based processes are defined and work situations are tailored for their use. Workforce practices and activities such as staffing, performance management, compensation, and the work environment are adjusted to support multi-disciplinary work using integrated competency-based processes.
2.6.4.2 Empowered Workgroups

The purpose of Empowered Workgroups is to invest workgroups with the responsibility and authority for determining how to conduct their business activities most effectively.

Empowerment involves delegating responsibility and authority for work results to a workgroup and training its members in the skills and processes required for working in an empowered environment. Empowered workgroups are managed as an entity, rather than as individuals. The work environment is adjusted to support empowered performance by workgroups. Empowered workgroup members accept increasing responsibility for the performance of workforce practices such as recruiting, selection, performance management, reward, training, development, and compensation activities that are appropriate to the structure and function of the empowered workgroup. Workgroup performance and contributions to it are considered in making individual compensation decisions, as well as in recognizing and rewarding outstanding performance.

2.6.4.3 Competency-Based Assets

The purpose of Competency-Based Assets is to capture the knowledge, experience, and artifacts developed in performing competency-based processes for use in enhancing capability and performance.

A competency-based asset captures knowledge, experience, or artifacts developed in performing competency-based processes within an organization. A competency-based asset is a bundle of information or an artifact that has been prepared in standard format and made available for widespread use. As an organizational asset, it becomes a component of one or more workforce competencies. Competency-Based
Assets involves encouraging individuals and workgroups to capture and share the information and artifacts developed from performing competency-based processes. Selected bundles of information or artifacts are organized into competency-based assets that can be reused in performing business activities. Workforce practices and activities are adjusted to encourage the development and use of competency-based assets.

2.6.4.4 Quantitative Performance Management

The purpose of Quantitative Performance Management is to predict and manage the capability of competency-based processes for achieving measurable performance objectives.

Individuals and workgroups determine which competency-based processes contribute most to achieving unit objectives and set measurable objectives for the performance of these processes. Committed work is estimated and planned using process performance baselines developed from past performance of the relevant competency-based processes. A quantitative performance management strategy is developed for identifying, measuring, and analyzing the performance of the competency-based processes that most contribute to achieving unit objectives. Performance data are collected and analyzed according to the strategy. The performance of competency-based processes is brought under quantitative control. Corrective actions are taken when the performance of competency-based processes deviates significantly from performance objectives.
2.6.4.5 Organizational Capability Management

The purpose of Organizational Capability Management is to quantify and manage the capability of the workforce and of the critical competency-based processes they perform.

The organization’s capability in a specific workforce competency is assessed from the number of individuals in a competency community and the aggregated level of knowledge, skill, and process ability that they possess. Data regarding competency development trends are defined and collected, and trends are compared to objectives in the strategic workforce plan. The organization evaluates the impact of its workforce practices on capability in each of its workforce competencies. Organizational Capability Management also involves characterizing the process capability of critical competency-based processes through process performance baselines and quantitative performance models. These capability results are used in planning and managing the performance of competency-based processes. The impact of workforce practices on the capability and performance of competency-based processes is quantified and managed and the results of these analyses are used in organizational decisions. The results of these analyses are used in adjusting workforce practices to improve their impact on performance and results.

2.6.4.6 Mentoring

The purpose of Mentoring is to transfer the lessons of greater experience in a workforce competency to improve the capability of other individuals or workgroups.

Mentoring relationships are designed for accomplishing specific objectives. At the Defined Level, mentoring and coaching is informal, and the knowledge and skills imparted by the mentor are defined more by their experience and judgment than by a documented combination of knowledge, skills, and process abilities to be imparted. At
Maturity Level 4, mentoring activities are organized around the knowledge, skills, and process abilities to be imparted. Mentoring activities are also used to deploy competency-based assets. Criteria are developed for selecting mentors and those chosen are trained for their assignments.

2.6.5 The Optimizing Level – Maturity Level 5

To achieve the Optimizing Level, Maturity Level 5, everyone in the organization is focused on continuously improving their capability and the organization’s workforce practices. The organization creates a culture of product and service excellence. At Maturity Level 5, the organization continuously improves its capability and deploys rapid changes for managing its workforce.

The process areas at Maturity Level 5 are Continuous Capability Improvement, Organizational Performance Alignment, and Continuous Workforce Innovation. These three process areas are briefly described in the following paragraphs. High-level relationships among these process areas are depicted in Figure 2.616.

![Figure 2.6: Relations among Maturity Level 5 process areas](image)
2.6.5.1 Continuous Capability Improvement

The purpose of Continuous Capability Improvement is to provide a foundation for individuals and workgroups to continuously improve their capability for performing competency-based processes.

Continuous Capability Improvement involves enterprise-wide support for individuals and workgroups as they focus on improving their capability in the performance of competency-based processes. Individuals focus on the capability of their personal methods for performing competency-based processes. They engage in learning activities to improve their personal work processes. Workgroups focus on improving the capability and performance of their operating processes by continuously improving the integration of the personal work processes performed by workgroup members.

2.6.5.2 Organizational Performance Alignment

The purpose of Organizational Performance Alignment is to enhance the alignment of performance results across individuals, workgroups, and units with organizational performance and business objectives.

Organizational Performance Alignment builds on the analyses of competency-based processes initiated in the Quantitative Performance Management and Organizational Capability Management process areas. Where those analyses focused narrowly on process performance, analyses of performance alignment expand this focus to evaluate how the various components of performance fit together across workgroups, units, and the entire organization. Practices within this process area knit together a complete picture of performance within the organization and how the integration of its various business activities are affected by workforce practices and
activities. These analyses allow management to align performance across the entire enterprise and to use workforce activities strategically to achieve organizational business objectives.

2.6.5.3 Continuous Workforce Innovation

The purpose of Continuous Workforce Innovation is to identify and evaluate improved or innovative workforce practices and technologies, and implement the most promising ones throughout the organization.

Responsible individuals are continually encouraged to make improvements to their performance of workforce activities. A group is assigned responsibility for coordinating continuous improvements to the organization’s workforce practices. Recommendations for adopting innovative or improved workforce practices can come as lessons learned while improving the performance of workforce activities, suggestions from the workforce, or as analyses of best practices at other organizations. The most promising innovations are evaluated in trial use and, if successful, are implemented across the organization. The effectiveness of these improved practices is evaluated quantitatively and the results are communicated to the workforce.
References:


