## Project Reports: Industry and Services

### Forum on Development of National Productivity Organizations (NPOs)

**17–19 December 2002, Tehran, Islamic Republic of Iran**

### 1. BACKGROUND

National Productivity Organizations (NPOs), like all other enterprises in the knowledge-based economy, need to reframe their roles in the turbulent competitive environment. Part of this process requires the NPOs to reexamine the role and strategies they need to achieve their objectives. As a result, NPOs need to revisit strategies and develop strategic roadmaps for productivity pertinent to their countries in the knowledge-based economy. The APO has facilitated this by initiating the Development of NPOs (DON) Forum on the Strategic Roadmap in Singapore in 2000.

Strategies need to be implemented. Having strategic roadmaps alone is not sufficient as without implementation plans are not worth the paper they are printed on. Hence, as a follow-up, the subsequent forum in Bangkok in 2001 revisited the strategic roadmaps prepared by the NPOs and explored three aspects of implementation: the performance measures employed; the areas in which NPOs need assistance in their development; and the need for organizational learning as a means for continued organizational enhancement.

In the strategic implementation process, management requires a method for evaluating the results of strategies and a feedback system to determine whether the strategy is working. A number of models have been designed in recent years to assist with strategy implementation. These models appear under the rubric of the balanced scorecard, one of which is the Kaplan and Norton (1992) balanced scorecard. These scorecards developed out of a criticism of traditional management control that was too narrowly focused on financial measures. Their role is to assist organizations, profit and nonprofit, to develop and meet their goals. Profit-making organizations have clearer profit and business goals: they must create shareholder value through profits. To this end, they must develop capabilities so that they can continue to prosper. There is a need for nonprofit organizations to link operational aspects to the long-term vision and strategies in a similar fashion.

In line with previous forums, the APO Development of NPOs forum in Tehran addressed the need for:

1. the development of an NPO scorecard; and

2. the examination of one aspect of the scorecard focusing on the human resources (HR) of an NPO and the creation of an HR scorecard.

It was the intention of the forum to involve participants in the development of a generic scorecard for NPOs, and a specific scorecard for each NPO building upon the prior work done on the NPO strategic roadmaps and performance measures. The development of an HR scorecard is a continuation of the discussion at the 2001 forum on organizational learning and NPO development needs.

### 2. OBJECTIVES

The objectives of the forum were to:

a.  examine the common performance measures employed by NPOs;

b.  facilitate the exchange of ideas and develop the methodology for an NPO scorecard that incorporates the relevant performance measures;

c.  explore the emerging trends in human capital development and knowledge management as they apply to NPOs and the needs analyses conducted during the Bangkok forum in 2001; and

d.  suggest how NPO efforts to address these trends can be implemented with the appropriate measures.

To achieve the intended goals, the forum employed a customized program involving methodology that included discussions, instruction, exercises, and sharing. Two facilitators, Dr. Joseph Prokopenko and Professor Tan Wee Liang, were involved in the forum. Professor Tan was involved in the overall design of the program. The participants were divided into three groups for the purposes of interaction, sharing, and active learning. The lists of individuals in the groups are shown in Annex 1.


## 3. DESIGNING AND IMPLEMENTING AN NPO SCOREBOARD

Professor Tan outlined the overview of the Tehran forum and how it was related to the preceding two forums. The three forums were designed, starting with the first one in Singapore to lead to the present forum on the NPO balanced scorecard. However, to ensure that all NPOs were on the same page in terms of strategic management, the Singapore forum in 2000 began with the strategic planning process, focusing on the strategic roadmap. This was followed by a forum on performance measures, which are important aspects of strategic management to ensure that plans are implemented. Both the roadmap and performance measures are prerequisites for designing an NPO scorecard, and thus the subject matter of the forums was presented in a logical progression. HR development is critical for NPOs in the knowledge-based economy, and therefore organizational learning was discussed at the 2001 Bangkok forum and the HR scorecard at the Tehran forum.

### 3.1 Strategic Planning and Performance Measures

Prior to arrival in Tehran, the participants were required to undertake preparatory work in identifying strategic roadmap goals and linking them to the performance measures applied in their NPOs. This preparation enabled them to participate fully in the development of the conceptual framework for the balanced scorecard. The preparatory work is included in this report as Annex 2 (Strategic Roadmap Summary and NPO Performance Measures) and Annex 3 (Strategic Planning Questionnaire). The responses to the questionnaire in Annex 3 provided an indication of the strategic planning activities of the responding NPOs. Of the participating NPOs, responses were received from Bangladesh, India, the Islamic Republic of Iran, Japan, Malaysia, Mongolia, Pakistan, the Philippines, Singapore, Thailand, and Vietnam. All but two of the respondents (Vietnam and Iran) engaged in strategic planning exercises once yearly. Vietnam completed its last strategic plan in 1998 and is currently reviewing it. The NPOs were asked to rate the extent to which the following aspects were part of their strategic planning processes. The scale is 1, not at all; 2, very little; 3, somewhat; 4, considerably; and 5, to a great extent. The means of the responses are shown in Table 1.

| Table 1. Importance of various elements in strategic planning. | |
|---|---|
| Environmental scan | 3.8 |
| Setting strategic goals | 4.2 |
| Internal organizational audit | 3.5 |
| Performance measures | 4.1 |
| Organizational vision | 4.3 |
| Implementation plans | 4.3 |

To ascertain which factors affect NPO strategies, they were asked to rate on a scale of 1 ("not at all") to 5 ("to a great extent") the factors influencing their strategic management. Five of the respondents are not directly funded by their governments. Three are funded by government to a large extent. The remainder are provided with very little government funding. The extent of government funding affects the strategies adopted by NPOs. Those that receive little government funding are likely to place importance on financial viability. On a scale of 1 to five, where 1 means "not at all," the mean score for the degree to which their oversight bodies establish NPO products and services was a mean of 2.67 (standard deviation = 1.178), indicating that oversight bodies as whole have some influence. Two cases deserve mention as they rated this statement as 4 (Pakistan) and 5 (Singapore). In the case of Singapore, the oversight bodies influence the products and it must also be noted that it is government funded. In the case of Pakistan, even though there is hardly any government funding, the oversight bodies play a considerable role. The responses here point to the role of governance in shaping the strategies adopted by these NPOs.

Almost half the respondents (five) relied upon their own corporate planners to help develop their strategic plans. Most of them relied on external consultants (three indicated "not at all"), and the mean score was 2.5 (where 1 was "not at all" and 5 "all the time").

### 3.2 Designing the NPO Scorecard

To design a generic NPO scorecard, the participants had to reach a consensus on common goals and performance measures. Then they needed to put those goals and performance measures into the key elements that they wanted to see in the NPO scorecard. This process was conducted in two parts using two worksheets.

a. **NPO Goals and Performance Measures**
   The first worksheet (Annex 4) asked for common goals and performance measures. The three groups worked on the goals that were ultimately generalized by Professor Tan and included in this report as part of the generic NPO scorecard.

b. **NPO Scorecard Perspectives**
   The starting point of scorecard development is the elements or perspectives to be included. The perspectives must be relevant to NPOs. Most NPOs are public-sector organizations with mixed sources of funding. NPOs are also by their strategic intent nonprofit organizations, as they serve the common good by promoting national productivity. While private-sector organizations may examine financial, customer-related, internal business process, and innovation and learning perspectives, NPOs might have different perspectives in the light of their different stakeholders.

Using the second worksheet (Annex 4) as the basis of their discussions, the NPOs agreed to employ four perspectives in their scorecards: financial; customer-related; internal business processes; and innovation and development.

c. **Use of the Scorecard Method**

At the beginning of day 2, the participants shared their progress on the NPO balanced scorecard. Table 2 summarizes the results. The forum motivated learning on the part of participants who had not been exposed to the balanced scorecard method. It is heartening that the participants considered the method useful. Two NPOs had implemented it and are using it in their management. A number are at the inception stage of implementation.

| Table 2. Progress on development of the NPO balanced scorecard, day 2. | |
|---|---|
| **Country** | **Remarks** |
| Bangladesh | Found the ideas interesting and will explore how they can be used. |
| India | Has begun to implement the scorecard methodology process in 2002. |
| Indonesia | Found the concepts interesting. |
| Iran | Currently undergoing restructuring and will consider employing it when restructuring is completed. |
| Japan | Has been applying the management-by-objectives (MBO) framework to link performance to strategy. While scorecard methodology is interesting, there is no impetus to employ it as the MBO system works. |
| Malaysia | Has implemented scorecard methodology. Malaysian scorecard methodology is in the materials for the forum and was described in a special presentation. |
| Mongolia | Has learned from the forum and would like to implement the scorecard methodology in its work in 2003. A tentative framework was presented. |
| Nepal | The NPDC will consider how it can implement scorecard methodology. It presented tentative scorecard methodology that includes current performance measures. |
| Pakistan | Plans to use scorecard methodology. The NPO is undergoing restructuring so the process will take time but should be in place by next year. |
| Philippines | The NPO has been restructured to play a greater role in the country. The scorecard methodology process, initiated before the government's decision to augment its role, is now deferred until restructuring is completed. The process will resume in 2003. |

# ANNEX 1 Groups of Participants Involved in Discussions

| Country | Participants |
|---|---|
| **Bangladesh** | **Mr. AKHTAR, Zamirul**<br>Director, National Productivity Organization, Ministry of Industries |
| **India** | **Mr. BHARGAVAN, Srinivasan**<br>Group Head, Marketing and Planning, National Productivity Council |
| **Indonesia** | **Mr. PARIWULAN, Bambang**<br>Head, Sub Directorate of Productivity Improvement, Directorate of Manpower Productivity Development<br>Directorate General of Manpower Training and Domestic Placement, Ministry of Manpower and Transmigration |
| **Iran, Islamic Republic of** | **Dr. ANSARI RANANI, Ghassem**<br>Alternate Manager of NIPO & Vice Chairman of Board of Directors<br>National Iranian Productivity Organization |
| | **Mr. ES-HAGH HUSSEINI, Seyed Ahmad**<br>Managing Director, National Iranian Productivity Organization |
| | **Dr. KHANDAN ALAMDARI SABER**<br>Expert of Planning & Research Department, National Iranian Productivity Organization |
| **Japan** | **Mr. INOUE, Yasuhiko**<br>Director, International Department<br>Japan Productivity Center for Socio-Economic Development |
| **Malaysia** | **Dr. MUHAMAD, Ab. Wahab**<br>Deputy Director-General, National Productivity Corporation |
| **Mongolia** | **Dr. SHURCHULUU, Pagvajav-Un**<br>Chairman & CEO, National Productivity and Development Center |
| **Nepal** | **Mr. PANT, Shambhu Nath**<br>Division Chief, National Productivity and Economic Development Centre Ltd |
| **Pakistan** | **Mr. MOHYUDDIN, Saquib**<br>Chief, National Productivity Organization |
| **Philippines** | **Mr. SAYCO, Carlos A. Jr.**<br>Vice-President/Managing Director<br>Productivity and Development Center, Development Academy of the Philippines |
| **Singapore** | **Mr. WILLIAMS, Alexandar Mathew**<br>Program Director, SPRING Singapore |
| **Sri Lanka** | **Mr. SIRIWARDANE, Kattri Arachichige Don Kumaradasa**<br>Assistant Director,<br>National Productivity Secretariat, Ministry of Employment and Labour |
| **Thailand** | **Mr. RUTNARAK, Sangvorn**<br>Deputy Executive Director, Thailand Productivity Institute |
| | **Mr. TANGSANGA, Dhawatchai**<br>Executive Director, Thailand Productivity Institute |
| **Vietnam** | **Ms. NGUYEN, Thu Hien**<br>Head, Cooperation and Development Division, Vietnam Productivity Center |

# ANNEX 2

## *Strategic Roadmap Summary*

| Roadmap milestone | Supporting programs/activities | Rationale | Uniqueness (e.g., networking with other agencies) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

## *NPO Performance Measures*

| Performance measure | Basis of measure | Example | Reasons for choice |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

# Annex 3 STRATEGIC PLANNING QUESTIONNAIRE

## Part One: Organizational Information

Please provide the following information about your organization by checking the appropriate box.

1. Name of your organization _____

2. How many employees are in your organization?

_ _fewerthan 500 _–_    _ 500–999    _ 1,000–1,999    _ 2,000–3,000    _ more than 3,000

3. How long has your organization done strategic planning?

_ less than one year    _ 1–3 years    _ 4–6 years    _ more than 6 years

_4. How frequently does your organization engage in strategic planning?

_ _annually    _ every other year    _ once every three years    _ other (please specify _____)

## Part Two: Strategic Planning Process

Please provide the following information about the strategic planning process in your organization.

5. What year was the last strategic plan completed? _____

6.1 What was your role in the strategic planning process?

_ _planning staff    _ line manager    _ subject matter expert    _ other (please specify) _____

6.2 Please indicate if you participated in the following activities (check all that apply).

_ strategic plan formulation    _ strategic plan implementation

7. Please indicate whether your organization's strategic planning process includes the following

1=Not at all   2=very little   3=somewhat   =considerably   5=to a large extent

| Environmental scan | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Strategic goals | 1 | 2 | 3 | 4 | 5 |
| Internal organizational audit | 1 | 2 | 3 | 4 | 5 |
| Performance measures | 1 | 2 | 3 | 4 | 5 |
| Organizational vision | 1 | 2 | 3 | 4 | 5 |
| Implementation plans | 1 | 2 | 3 | 4 | 5 |

8. How successful was the implementation of the strategic plan?

_ not at all    _ somewhat    _ mostly    _ completely    _ do not know

9. To what extent is your organization characterized by the following statements?

1=Not at all   2=very little   3=somewhat   4=considerably   5=to a large extent

| | | | | | |
|---|---|---|---|---|---|
| Funds are obtained directly from government budget allocations | 1 | 2 | 3 | 4 | 5 |
| Oversight bodies (board of governors, external agencies such ministries, other government departments) establish the organization's products and services | 1 | 2 | 3 | 4 | 5 |
| Competes with other organizations (public and private sector) to deliver similar products and services | 1 | 2 | 3 | 4 | 5 |
| Outcomes and performance are difficult to measure | 1 | 2 | 3 | 4 | 5 |
| Implementation of goals depends on stakeholders and is beyond the ability of NPO executives to control (stakeholders = administrative, legislative, judicial branches, and constituent groups) | 1 | 2 | 3 | 4 | 5 |
| Political influence is extensive | 1 | 2 | 3 | 4 | 5 |
| Citizens act as owners and impose their expectations of the organization's activities | 1 | 2 | 3 | 4 | 5 |

10. Rate the extent to which the following practices are used by your NPO to gather information about the environment

| | Not at all | | Frequently | | All the time |
|---|---|---|---|---|---|
| Routine gathering of opinions from clients & customers | 1 | 2 | 3 | 4 | 5 |
| Impact studies of NPO programs | 1 | 2 | 3 | 4 | 5 |
| Needs analysis | 1 | 2 | 3 | 4 | 5 |
| R&D on new productivity tools, programs | 1 | 2 | 3 | 4 | 5 |

11. To what extent are the following techniques used in decision making?

| | Not at all | | Frequently | | All the time |
|---|---|---|---|---|---|
| The use of ad hoc groups | 1 | 2 | 3 | 4 | 5 |
| Periodic brainstorming by senior management groups for novel solutions to problems | 1 | 2 | 3 | 4 | 5 |
| The use of external consultants | 1 | 2 | 3 | 4 | 5 |
| Use of in-house corporate planning department | 1 | 2 | 3 | 4 | 5 |

12. Please list the stakeholders in your NPO, their roles and rank their importance

| Stakeholder | Role | Ranking of importance |
|---|---|---|
| | | |
| | | |
| | | |

## Part Three: Implementation of Strategies

13. To what extent are the following statements applicable to your organization?

| | Strongly Disagree | | Agree | | Strongly Agree |
|---|---|---|---|---|---|
| We always make in a point to ensure that plans are implemented | 1 | 2 | 3 | 4 | 5 |
| We draw up milestones for our strategies | 1 | 2 | 3 | 4 | 5 |
| All our people know our organization's plans and strategies, milestones and targets | 1 | 2 | 3 | 4 | 5 |
| We seldom review our progress on our strategic plans | 1 | 2 | 3 | 4 | 5 |
| Information systems are in place so that we can tell whether we are on track with our strategic plans | 1 | 2 | 3 | 4 | 5 |
| All our people in supervisory and management positions have been trained in strategic planning | 1 | 2 | 3 | 4 | 5 |
| We employ a scorecard to help track the implementation of our strategies | 1 | 2 | 3 | 4 | 5 |
| Strategic planning is important to our organization because we are promoting it as a productivity tool to our local enterprises | 1 | 2 | 3 | 4 | 5 |
| Our people are rewarded for meeting targets and milestones on our strategic roadmap | 1 | 2 | 3 | 4 | 5 |

# Annex 4 Designing the NPO Scorecard

## *Worksheet 1: Linking Strategic Goals to Performance Measures*

**Instructions:**

Refer to Figure 1 below. The figure depicts an overview of strategic planning. In this exercise, your groups are working on strategic goals that are common among you and identifying performance measures that are usually applied by NPOs for the goals you have identified.

*1. Common Strategic Goals*

1.1. Read the roadmap milestones of other members in your group.

1.2. Spend 20 minutes discussing and answer the question:
    What are the strategic goals NPOs have in common?

The strategic goals we have in common are:

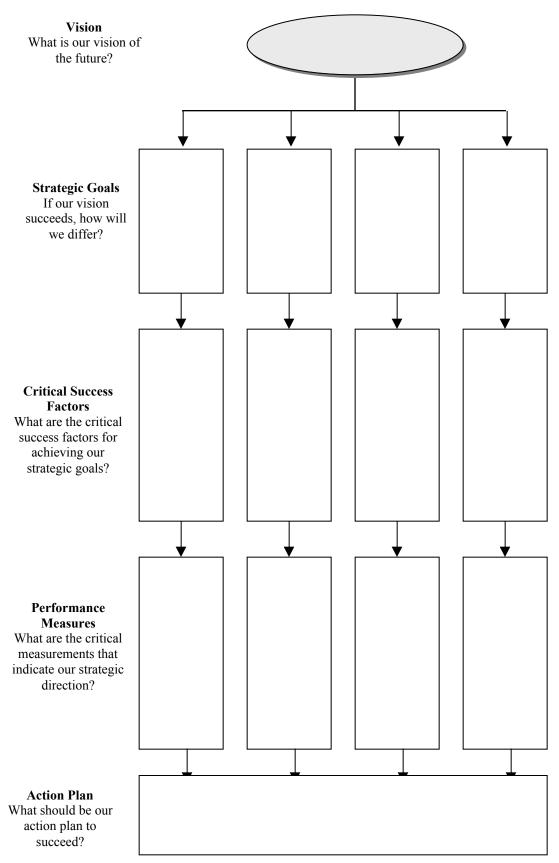| No. | Common strategic goals | Remarks (e.g., reasons for choice) |
|-----|------------------------|------------------------------------|
|     |                        |                                    |
|     |                        |                                    |
|     |                        |                                    |
|     |                        |                                    |
|     |                        |                                    |
|     |                        |                                    |

*2. Common Performance Measures*

Spend 20 minutes discussing and identify performance measures that match the common strategic goals identified.

| No. | Common strategic goals | Respective performance measures |
|-----|------------------------|---------------------------------|
|     |                        |                                 |
|     |                        |                                 |
|     |                        |                                 |
|     |                        |                                 |
|     |                        |                                 |
|     |                        |                                 |

## *3. Complete Figure 1*

Figure 1. Overview of strategic planning.

**Vision**
What is our vision of
the future?

**Strategic Goals**
If our vision
succeeds, how will
we differ?

**Critical Success
Factors**
What are the critical
success factors for
achieving our
strategic goals?

**Performance
Measures**
What are the critical
measurements that
indicate our strategic
direction?

**Action Plan**
What should be our
action plan to
succeed?

## Worksheet 2: "Prioritizing the Goals"

Instructions:

In this phase of the forum, we will examine how to fit the goals into the balanced scorecard perspectives. This session involves

1.      a discussion on the perspectives for an NPO scorecard; and

2.      mapping the goals into the perspectives identified in step 1.

## 1. NPO Scorecard Perspectives

The Kaplan and Norton balanced scorecard has four perspectives shown in the table below. In your groups, discuss the relevance of the perspectives. Which new perspectives would you add and why?

| Balanced scorecard perspectives | NPO scorecard perspectives | Remarks (reasons, justification, explanation) |
|---|---|---|
| Financial | | |
| Customer | | |
| Internal business process | | |
| Innovation & learning | | |

## 2. Explaining the NPO Scorecard Perspectives

| | Financial or equivalent | Customer or equivalent |
|---|---|---|
| Who are the stakeholders? | | |
| What are the associated goals? | | |
| | | |

| | Internal business process | Innovation & learning |
|---|---|---|
| Who are the stakeholders? | | |
| What are the associated goals? | | |
| | | |

| | Additional/new perspectives |
|---|---|
| Who are the stakeholders? | |
| What are the associated goals? | |
| | |

# Annex 5 Mapping the NPO HR Scorecard

## *Worksheet 1: From the NPO Business Strategy to the NPO HR Goals and Strategy*

| | NPO business (use results from previous activities and worksheets) | NPO Human Capital Development (results of brainstorming) |
|---|---|---|
| **NPO Goals** | A | B |
| **NPO Strategy** | C | D |

## Worksheet 2: From Human Capital Development Strategies to Competence Development

| NPO human capital development strategies (Section D from Worksheet 1) | Research and information competence development tequired |
|---|---|
| *Research and information activities* | |
| NPO human capital development strategies (Section D from Worksheet 1) | Consulting competence required |
| *Consulting activities* | |
| NPO human capital development strategies (Section D from Worksheet 1) | Training competence required |
| *Training activities* | |
| NPO human capital development strategies (Section D from Worksheet 1) | Marketing and promotion competence required |
| *Marketing and promotion activities* | |

## *Worksheet 3: Essentials of the HR Scorecard and Steps to Build HR Capability*

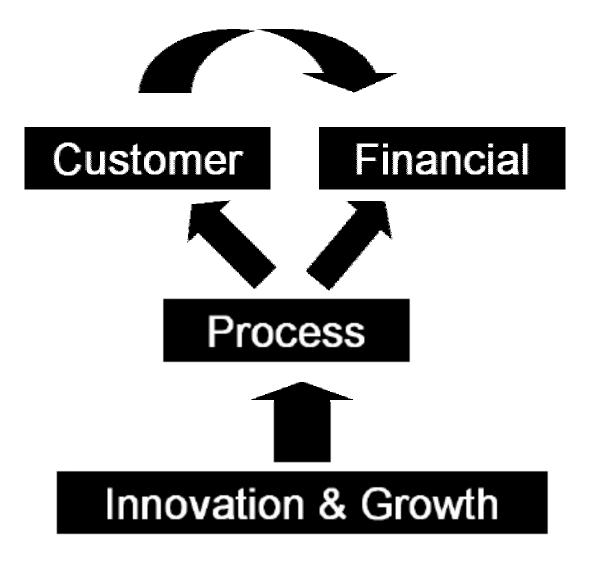| Research and information competence required* | Performance measures | Steps to build up HR capability |
|---|---|---|
| | | 1.<br>2.<br>3. |
| Consulting competence required* | Performance measures | Steps to build up HR capability |
| | | 1.<br>2.<br>3. |
| Training competence required* | Performance measures | Steps to build up HR capability |
| | | 1.<br>2.<br>3. |
| Marketing and promotional competence required* | Performance measures | Steps to build up HR capability |
| | | 1.<br>2.<br>3. |

*From Worksheet 2.

# Annex 6

## *Worksheet 1: Developing NPO HR Capabilities through Improving Staff Motivation and Organizational Culture*

| Goal | Performance measures | Steps to develop |
|---|---|---|
| Improving NPO staff motivation<br><br>1.<br><br>2.<br><br>3.<br><br>4.<br><br>5. | | |
| Improving innovation climate and the NPO organizational culture<br><br>1.<br>2.<br>3.<br>4.<br>5. | | |

## Annex 7 Generic NPO Scorecard

### *i. The Perspectives and their Relationships*

## ii. The Four Perspectives

| **Financial perspective** | **Customer perspective** |
|---|---|
| These relate to financial outcomes:<br><br>_ Financial stewardship<br> o Revenue & expenditure management<br>_ Asset utilization and investment Strategy<br> o _Working capital<br> o _Fixed capital | The foundation for value creation is the community of interest; measurement includes:<br><br>_ _Maintain net positive customer satisfaction<br>_ _Be provider of choice with high adoption of programs & products through technical leadership<br>_ _Expand customer base |
| **Internal business process** | **Innovation & learning** |
| Measures drive customer & financial outcomes and are grounded in core processes:<br><br>_ _New programs/products<br>_ _Marketing<br>_ _Improvements to existing products, processes<br>_ _Client relationship management/service quality | The enablers for growth:<br><br>_ _Employee capabilities<br>_ _Information systems capabilities<br>_ _Motivation, empowerment, and alignment |

## iii. Generic NPO Scorecard Example

| Perspective | Strategic objective | | Measure | Target | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|---|---|---|---|
| Financial | F1  Exceed stakeholder expectations by demonstrating financial stewardship &<br><br>F2  Achieve profitable growth of 10% year-on-year growth<br><br>F3  Improve operating performance | | F1  Exceed the performance requirements of stakeholders<br><br><br>F2  Sales growth<br><br><br>F3  Gross margin | Exceed expectations by 15% | | | | | |
| Customer/ Client | C1  Provide exceptional service by [what] & [how]<br><br>C2  Improve customer perceptions by [how much] through [what]<br><br>C3  Increase customer satisfaction from the preceding year by [how much]<br><br>C4  Increase market share [number of clients by [how much] | | Response time<br><br><br>Response time to client/client survey<br><br><br>C3.1     Customer satisfaction index<br>C3.2     Repeat customers<br><br><br>C4     Market share | ?% improvement<br><br><br>10% improvement<br><br><br><br>30% increase | | | | | |
| Internal Business Process | I1  Develop new products/ programs<br><br>I2  Develop new users of existing products<br><br>I3  Review of existing programs<br><br>I4  Customer relationship management | ?%<br><br>?%<br><br><br>?%<br><br>30% | I1  No. of new programs developed<br><br>I2  No. of new clients for existing programs<br><br>I3  No. of programs phased out<br>Improvements/enhancements made to existing programs | | | | | | |

| Perspective | Strategic objective | | | Measure | Target | Q1 | Q2 | Q3 | Q4 | YTD |
|---|---|---|---|---|---|---|---|---|---|---|
| Innovation, Leaning & Growth | L1 Enhance level of technology | 10% | | L1 IT spending per employee | | | | | | |
| | L2 Improve staff competencies | ?% | | L2 Staff productivity | | | | | | |

# Annex 8 Generic NPO HR Scorecard/Steps to Develop HR Capability

|  | NPO business (use results from previous activities and worksheets) | NPO human capital development (brainstorming results) |
|---|---|---|
| NPO goals | Productivity concepts understood by who and by when<br><br>Develop productivity tools and techniques for society (be specific)<br><br>Achieve total competency of NPO to be self-sustaining and financially stable | Develop capabilities in specific subject areas<br><br><br>Develop capabilities in consultancy and training skills |
| NPO strategy | Networking with other institutions<br><br>Develop competent professional staff in (define specific areas)<br><br>Develop financial management capabilities<br><br>Improve HRD and quality of NPO | Develop professional staff who can develop productivity concepts, understand media, and develop materials for promotion<br><br>Develop professional staff with project management skills and financial management skills |

**STEP 2**

| Research and information activities | Research and information competence development required |
|---|---|
| Develop professional staff who can develop productivity concepts, understand media, and develop materials for promotion<br><br>Develop professional staff with project management and financial management skills | Capabilities for need assessment<br><br>Aptitude for research<br><br>Information analysis<br><br>Data analysis<br><br>Statistical software skills<br><br>Research design |
| Consulting activities | Consulting competence required |
| Develop professional staff who can develop productivity concepts, understand media, and develop materials for promotion<br><br>Develop professional staff with project and financial management skills | Develop consultancy methodology/instructional design skills<br><br>Develop analytical skills through simulation skills<br><br>Written communication & presentation skills<br><br>Facilitation & training skills<br><br>Problem solving<br><br>Industry experience (in specific sectors, e.g., services, commerce, handicraft, agriculture)<br><br>Expertise (in specific areas like Green Productivity, industrial engineering, strategic planning and performance management, HRD and labor-management relations, etc.<br><br>Cost/budgeting skills<br><br>Process management skills<br><br>System thinking skills<br><br>Negotiation skills (with clients on projects) |

|  | Area of competence (GP, industrial design, etc.) |
|---|---|
| Training activities | Training competence required |
| Develop professional staff who can develop productivity concepts, understand media, and develop materials for promotion<br><br>Develop professional staff with financial management skills | Expertise<br>Program design<br>Resource management<br>Strategic planning<br><br>Methods<br>Training needs analysis<br>Course organizing skills<br>Evaluation skills<br>Facilitation skills<br>IT software skills |
| Marketing and promotion activities | Marketing and promotion competence required |
| Develop professional staff who can develop productivity concepts, understand media, and develop materials for promotion<br><br>Develop professional staff with financial management skills | **Marketing**<br>   Assess market needs<br>   Visualize NPO activities to be marketed<br>   Negotiation skills<br>   Marketing communications strategy<br>   Create management system so that all NPO staff have marketing as a core skill<br><br>**Promotion**<br>   Branding of NPO and program<br>   Image development<br>   Creating visibility of NPO |

| Research and information competence required | Performance measures | Steps to build up HR capability |
|---|---|---|
| Capabilities for need assessment | No. of new needs identified | Training using internal and external expertise |
| Aptitude for research & information analysis | No. of research projects successfully completed | OJT with mentor |
| Data analysis & statistical software skills | No. of statistical reports completed | Attachment to research institutes |
| Research design | No. of surveys implemented | Outsource/joint research projects |

| Consulting competence required | Performance measures | Steps to build up HR capability |
|---|---|---|
| Develop consultancy methodology/instructional design skills<br><br>Develop analytical skills through simulation skills<br><br>Written communication & presentation skills<br><br>Facilitation & training skills<br><br>Problem solving<br><br>Industry experience<br><br>Cost/budgeting skills<br><br>Process management skills<br>System thinking skills | No. of assignments implemented<br><br>Test scores<br><br>No. of consulting reports approved by clients<br><br>No. of training courses facilitated<br><br>No. of years of industry experience<br><br>Cost-benefit balancing<br><br>Customer satisfaction index | Mentorship<br><br>Training in consultancy methodology<br><br>Networking skills<br><br>Leadership and teamwork<br><br>Project management<br><br>Problem-solving skills<br><br>Report writing<br><br>Presentation skills |
| **Training competence required** | **Performance measures** | **Steps to build up HR capability** |
| Expertise<br><br>Program design & resource management<br><br>Facilitation skills<br><br><br><br>Methods<br><br>Training needs analysis<br><br>Course organizing skills<br><br>Evaluation skills | No. of programs designed<br><br>No. of training courses facilitated<br><br>Positive feedback from trainees<br><br>No. of training programs identified<br><br>No. of training programs effectively implemented<br><br>No. of trainees rating favorably/satisfied with the course<br><br>Postcourse implementation | Training in teaching communication techniques |
| **Marketing and promotional competence required** | **Performance measures** | **Steps to build up HR capability** |
| **Marketing**<br><br>Assess market<br><br>Visualize NPO activities to be marketed<br><br>Negotiation<br><br>Marketing communications strategy<br><br>**Promotion**<br><br>Branding of NPO and program<br><br>Image development<br><br>Creating visibility | No. of programs materialized that are useful to target groups<br><br><br><br><br><br>Visibility index<br>(multifactor index) | Training in marketing planning<br><br><br><br><br><br>Training in media presentation and communications |

## *Steps to build up HR capability*

| NPO HR competence | Steps to build up HR capability |
|---|---|
| **Research and information competence** | Training using internal & external expertise<br>OJT with mentor<br>Attachment to research institutes<br>Outsource/joint research projects |
| **Consulting competence** | Mentorship<br>Training in consultancy methodology<br>Networking skills<br>Leadership & teamwork<br>Project management<br>Problem-solving skills<br>Report writing<br>Presentation skills |
| **Training competence** | Training in teaching communication techniques |
| **Marketing & promotional competence** | Training in marketing planning<br>Training in media presentation & communication |

## **Developing NPO HR Capabilities through Improving Staff Motivation and Organizational Culture**

| Goal | Performance measure | Step to develop |
|---|---|---|
| Improving NPO staff motivation<br>1. Retention of capable staff, career development (specify, e.g., to management role) | Turnover ratio<br><br>Mobility ratio | Develop a system to link pay to performance<br><br>Develop system/criteria to assess promotion & increased job responsibilities |
| 2. Recognition for outstanding performance | No. of employees given recognition for outstanding contributions | Develop system/identify criteria for recognizing employees |
| 3. Monetary and nonmonetary rewards | No. of employees awarded with performance pay | Develop system/identify criteria to link pay to performance |
| 4. Job rotation/job enlargement | No. of employees rotated<br>No. of employees with enlarged job scope | Develop system & criteria for job rotation |
| Improving innovation climate & NPO organizational culture<br>1. Reduce hierarchy<br>2. Develop | Employee satisfaction | Restructure the organization<br><br>Organize regular meetings between management & staff to gather feedback |

| Goal | Performance measure | Step to develop |
|---|---|---|
| participative culture<br>3. Empowerment/ autonomy<br>4. Develop more team-based projects | No. of suggestions implemented | |