

Implementing Business Strategy with People Strategy

A “People Strategy” Case

The Company

A major Canadian construction and engineering contractor was geographically well positioned in the early 2000s to seize the opportunity for profitable growth in an expanding resource boom. This employee-owned company had strong capability in heavy civil, industrial, commercial and institutional construction.

The Business Challenge

It was clear that the emerging opportunities were for larger projects of much greater complexity than had made up the extensive experience of the firm. For example, the firm had built many schools over the years. Typically these projects were managed at level three, where the time to completion ranged from 12 to 18 months. New opportunities included programs to design and build a dozen schools over a period of two to five years. These opportunities required leadership at level four. Similarly, large scale civil infrastructure projects for water treatment or highway and interchange construction spanned a longer time with greater complexity in the work and in the turnover of the work force. These projects required level four capability both in project management and in site management. Similar challenges emerged in industrial plant design and construction, and in public-private partnerships to design, build, finance, and maintain hospitals, requiring project management at level five to integrate the inherent complexity.

The People Strategy

The essence of the people strategy was to raise the level of capability of the company's core operating capabilities, those of project management and site superintendence.

In this kind of business there are enormous risks in not matching the complexity of the work with a corresponding capability in the engineers, superintendents and project managers assigned. On the other side, an appropriately high level of capability could lead to very good performance for the owner and very good profitability for the company.

The Program

The company tested an assessment and talent management process in 1999, just a few years before the major expansion in the market took place. At that time the top 50 managers were profiled. In 2006 a program to profile additional personnel and candidates was initiated. Over a period of years more than 350 managers were profiled.

A profiling interview with each person covered history, aspirations, capability for information processing, managerial skills, and personality style. Profiles were produced showing current capability to handle complexity and the likely path of its development in the future, information on management style, and management skills. A summary highlighted strengths, areas for improvement, short and long term things to attend to in order to realize potential. Profiles were reviewed by each person before the information was provided to senior management.

Senior management used the information to staff projects so that work would be done at the right level, and to plan a human resource recruiting, training and development strategy for the longer term. Managers used the profiles to coach, and skip level managers used them to mentor individuals on their career development, and to see that they got assignments consistent with both the company's needs and those of the individual.

For individuals, feedback of the profiles provided new information, and often eye opening insight into potential, and things to do to actualize that potential.

Other important things done in parallel with this talent profiling process included careful design of roles, in the overall management structure of the company and in specific projects, so that the level of complexity of the work was clearly understood. At the same time, training in requisite principles of organization design was carried out broadly so that an understanding of the strategy of getting work done at the right level became broadly shared within management.

The Payoff

This company did a great many things right and tripled in size to more than \$2 billion in sales, and did so profitably. One of the keys to this success was a focus on people strategy, to align its business strategy with the emerging opportunities, and to ensure that the company had the human capacity, properly deployed to deliver on the business opportunities.