

Governance And Guidance For Growth (G3) Or Human Capability

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Introduction

People and organization efforts have become central to every company's success. as a result, the securities exchange commission (sec) has mandated that your company report your "human capital" in 2021 filings. Your company's ability to accurately report and upgrade your people and organization efforts will add value to your investors, board of directors, senior executives, customers, and employees.

To date, most human capital disclosures report isolated initiatives (e.g., number of days of training, diversity of workforce, pay ratio of ceo to average employee, employee retention, and so forth) that are not integrated or linked to financial, employee, or social citizenship results. The sec mandated disclosure gives your company the opportunity to better report and deliver on your human capital initiatives so that they will improve employee productivity, profitability, intangible value, and social citizenship.

The insights and recommendations in this report are based on advanced analytics with over 5,700 organizations using cutting-edge machine learning tools to review what your company has publicly disclosed about human capital to sec, receive an overall human capability score on your disclosures, and compare your scores to 5,700 organizations including your direct competitors. This data shows that if you increase your overall human capability rating 10%, you will experience a _% increase in employee productivity, ___% increase in profitability, ___% increase in intangible value, and ___% increase is social citizenship.

Your company's ability to accurately report and upgrade your people and organization efforts will add value to your investors, board of directors, senior executives, customers, and employees.





Using the recommendations in this report, you will better represent and upgrade your human capability investments by answering four questions.

Section 1

Why human capability matters in general and for your company? Action: build a business case for human capability that can be shared with all stakeholders.

Section 2

How to approach and advance your human capability agenda? Action: articulate an approach to upgrading human capability that offers unique and valid insights.

Section 3

What is your company's current human capability? Action: review your human capital disclosures, determine how your company scores on human capability compared to others, and your company over time.

Section 4

What can be done to improve your company's human capability? action: improve reporting and investing in human capability to create value for all stakeholders.



Section Title

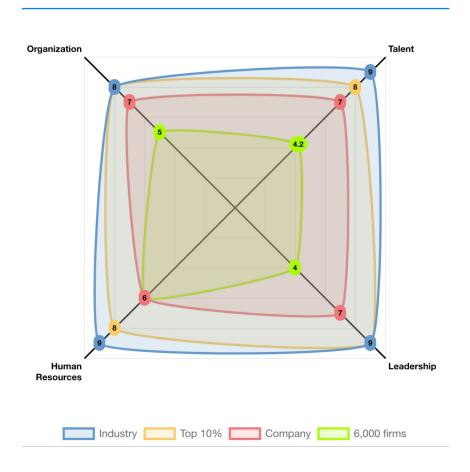


Section Title

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report 5: your company human capability score compared to 7,000 companies, your industry, and top 10%

We could rank the top 10% in each of the four quadrants.





Section 1: why human capability matters in general and for your company?

Action: Build a business case for human capability that can be shared with all stakeholders.

Why human capability matters

Simply stated, improvement in human capability (talent, leadership, organization, and hr) will increase your company's results on a number of dimensions (see appendix for list of studies to confirm these findings).

- Market value which is increasingly tied to intangible assets (across industries intangibles as a part of market value have increased from 17% in 1975 to over 80% in 2022) which are often associated with human capability initiatives.
- Financial (cash flow, ebitda, tobin's q) value which comes from high performing work systems, or the integration of human capability initiatives.
- Customer value as measured by net promoter score, customer share, or customer retention that comes from employee experience and organization culture.
- Strategic realization which is the ability to reinvent and deliver on strategic goals tied to human capability initiatives.
- Employee productivity and experience which is derived from human capability.

The results that derive from human capability investments helps your company's external and internal stakeholders reach their goals.

External stakeholders

• investors want more information on human capability to predict the likelihood of business strategies being realized and to track intangible value which is an increasing component of overall market value. compare your firm's price/earnings ratio over the last 5 years with your four largest competitors to determine a high-level indicator of investor confidence in your company's human capability.



- The sec (in u.s.) wants consistent, reliable, and transparent information on human capital so that investors and others can access and compare information.
- •. Social media and communities want to share insights on how organizations manage their reputation and social citizenship (e.g., esg).
- Customers want to ensure stability of product and service because of more stable human capability (customer attitude is highly correlated to employee attitude).
- Future employees want to work for organizations with greater human capability.

Internal stakeholders

- Boards of directors want to fulfill their fiduciary responsibility by ensuring human capability that enables their company to respond to future opportunities.
- Business leaders at all levels want to ensure that their missions, strategies, and goals are likely to be realized through the human capability they create.
- Investor relations wants to share intangible value of human capability in investor communications.

 Create marketplace value (outside in) Deliver organization and leadership · Align hr practices with Align hr practices with business strategy business strategy deliver individual deliver individual competence (talent) competence (talent) Design and deliver Design and deliver Design and deliver hr practices hr practices hr practices functional excellence Terms and conditions Terms and conditions Terms and conditions Terms and conditions of work of work of work of work Operational excellence Operational excellence Operational excellence Operational excellence Human Resources Personnel Human Capital **Human Capability**



Report 6: my company comparison/benchmarking with data, not graphs

	Talent	Organization	Leadership	Human Resources
Your Company	3.15	3.64	3.78	3.21
Your Industry	3.67	4.81	3.18	4.32
7,000 Firms	2.03	1.97	2.59	2.61
Top 10% Firms	5.08	5.98	5.06	5.37

