

Management Capability Assessment - Interpretation Guide

Purpose

To ensure management capability ratings are evidence-based, repeatable, and defensible, not opinion-driven.

1. Strategy & Direction

Metric: % of strategic objectives with a named owner and tracked outcomes

How to interpret

- Count only objectives with:
 - A named accountable owner (not a committee)
 - Measurable outcomes that are actively tracked

Rating guide

- N: No consistent ownership or outcome tracking
 - P: Some objectives owned; tracking inconsistent
 - L: Most objectives owned and tracked
 - F: All material objectives owned, tracked, and actively managed
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2. Decision-Making Quality

Metric: Decision reversal or rework rate

How to interpret

- Include:
 - Reversed approvals

- Re-decisions caused by missing data, authority, or analysis
- Exclude:
 - Changes driven by genuinely new external information

Rating guide

- N: Decisions frequently reversed or stalled
 - P: Reversals common; depends on who decides
 - L: Reversals occasional; reviews exist
 - F: Reversals rare; lessons systematically applied
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3. Risk & Resilience

Metric: % of critical risks reduced to target residual risk

How to interpret

- Count only risks where treatment demonstrably reduces exposure
- Risk registers alone are not evidence

Rating guide

- N: Risks undocumented or unmanaged
 - P: Risks identified, limited effective treatment
 - L: Most critical risks treated to target
 - F: All critical risks actively managed and monitored
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4. Execution & Operational Control

Metric: On-time / on-budget delivery rate (material initiatives only)

How to interpret

- Assess patterns, not one-off successes

- Focus on initiatives that matter financially or strategically

Rating guide

- N: Delivery unpredictable
 - P: Success depends on individuals (“heroics”)
 - L: Delivery generally reliable with exceptions
 - F: Delivery consistently reliable and controlled
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5. People Leadership

Metric: Voluntary turnover in critical roles

How to interpret

- Define “critical roles” before assessing
- Compare against:
 - Historical trend
 - Internal benchmarks
 - External norms (if available)

Rating guide

- N: Chronic loss of critical staff
 - P: Turnover spikes in stress periods
 - L: Turnover manageable but sensitive
 - F: Critical roles stable; succession evident
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6. Learning & Continuous Improvement

Metric: Repeat incidents or repeat failures

How to interpret

- Look for recurrence of root causes, not surface symptoms
- Time horizon matters (e.g. 12–24 months)

Rating guide

- N: Same failures repeat frequently
 - P: Lessons identified, rarely embedded
 - L: Recurrence declining
 - F: Failures are new, not repeated
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7. Governance & Accountability

Metric: % of material issues closed on time

How to interpret

- Include:
 - Audit findings
 - Incident actions
 - Board-directed actions
- Ignore cosmetic closures

Rating guide

- N: Issues routinely overdue
 - P: Closure depends on pressure
 - L: Most issues closed on time
 - F: Closure is timely and enforced
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