

World-Class HR: the new measurement agenda

How to demonstrate HR's strategic capability and value



With this management report find out how to:

- Improve the visibility of HR's business value
- Define actionable HR measures
- Assess the value of your organization's human capital
- Use the balanced scorecard to align HR measures with corporate goals
- Link intangible measures to bottom-line performance
- Use measures as a catalyst for performance improvement
- Develop effective benchmarking and reporting

Getting the measure of Strategic HR



Effective measurement of HR's contribution to business success is key to demonstrating the function's ability to play a more strategic role. According to *Business Intelligence's* research, HR directors who are strategic partners in the business are crucially able to measure and demonstrate the contribution of HR to the achievement of corporate goals.

Practical guidelines for tracking HR's strategic value

For the first time, *World-Class HR: the new measurement agenda*, a new strategic management report from *Business Intelligence*, brings together the most important trends and developments in HR

evaluation and measurement to help HR directors create their own solutions. It illustrates how you can define the indicators and measures that demonstrate the contribution of people to the achievement of business goals – as well as providing tools for improving people-dependent performance.

This report reveals how you can assess the impact of people on performance at all levels of the business. At the strategic level, it calls for indicators and measures of the organization's capacity to take on the challenges ahead. It also demands the ability to take the pulse of the business during the implementation of strategic initiatives to ensure that they are on track.

Why measurement is a business imperative

The new HR measurement agenda is being shaped by a number of factors including:

- An increasing emphasis on HR's strategic role
- Growing determination to ensure that human capital is a properly managed resource
- The adoption of balanced scorecard and performance frameworks that incorporate people-related intangible measures
- Board demands for evidence of HR's bottom line contribution.

- Demands by government and regulatory bodies that companies report on human capital issues
- Investors, analysts, partners and other stakeholders who require a greater understanding of HR's impact on the business

Not least, HR Directors themselves who want to be accepted as strategic partners in the business know that the ability to demonstrate the business value of both HR and people investment is essential.

Balancing the measurement demands of internal management and external benchmarking

With *World-Class HR: the new measurement agenda at your fingertips*, discover how to balance the demands of generating benchmark data on the one hand with company-specific indicators on the other to gain the maximum advantages of both measurement perspectives.

Putting Human Capital measures to work

Human Capital is still an emerging strategic HR discipline. This report provides guidance on how you can measure human capital to optimize its value to your organization. With case examples that reveal how companies embed the measurement process into the way they are managed, you'll discover the principles that underpin effective human capital measurement including:

- ▶ The importance of setting measures that reflect corporate goals, rather than relying on generic HR metrics
- ▶ How to ascribe a value to strategy-related intangibles such as training and staff commitment.

Using the balanced scorecard for business advantage

Performance frameworks, including the balanced scorecard, can help you to improve your ability to understand the casual links between intangible measures – such as skills training and staff motivation – and corporate results. Find out how to avoid the common failures and discover what can go wrong with scorecard initiatives and how to bring them back on track.



Closing the loop between measurement and action

This report reveals how to develop measures that are actionable and ensure that you are clear about what aspects of human capital you are measuring and why. While employee satisfaction is widely recognized as a barometer of corporate health, the key question for companies is the use that is made of the information generated by satisfaction surveys. Discover how leading companies are rethinking the role of employee satisfaction and other commonly used measures to create valuable tools for corporate management.

Reporting HR performance to the stakeholder community

Reporting appropriate measures of people performance to investors and other stakeholders is becoming a more pressing requirement as a result of regulatory and other external pressures. With this report you'll find out how leading businesses track and report their people performance to stakeholders.

Tracking and stimulating people's innovation capability

Tapping into an organization's potential for innovation has led to new ways of measuring this capability. You can find out what a number of innovation specialists, including Tim Ambler of London Business School, have discovered about effective innovation measurement and management – not just for product development but also for process and practice re-engineering.

Plan your path to strategic HR measurement excellence

Use the readiness and assessment model available exclusively in *World-Class HR: the new measurement agenda* to develop your own strategic HR measurement programme. Based on the research for this report, the Strategic HR Measurement model provides a clear pathway for planning the enhancement of your own programme. It also allows you to identify opportunities for improving measurement practices and the risks that can undermine the effectiveness of measurement practices and policies.

Inspiration from measurement leaders and experts

World-Class HR: the new measurement agenda shows how leading companies are finding answers to problems that face every HR director following this path. These include how to measure and manage some of the most important but hard-to-quantify factors that contribute to business success:

- Employee loyalty and commitment
- Corporate resilience and adaptability
- Innovation capability

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Measurement in practice



World-Class HR: the new measurement agenda combines the experience of innovative companies with emerging best-practice principles to show you how to build indicators and measurement programmes that support the development of a world-class HR capability. Eight in-depth case studies and numerous smaller case examples reveal how leading organizations are looking outside the world of business to military-style operational planning models and even the arts, for inspiration in redesigning their HR measurement and management systems.

Yorkshire Water Services has created an HR scorecard to ensure that people strategies are robust and aligned to business strategies. Discover how it was developed and the benefits secured to both the business and HR.

Participation in a global networking exercise in people-related areas, ranging from culture to leadership and team-working, has given the **Allied Irish Bank** and its stakeholders a clear idea of how the bank stacks up against the competition. Convinced that its success is ultimately people-dependent, AIB has used its benchmarking results to generate new performance-raising initiatives.

The **Royal Bank of Scotland Group (RBS)** has been a pioneer in strategic HR measurement and achieves most of the goals and remits set out in this report. Discover how its human capital model provides its business with a detailed understanding of how effective the Group is at attracting, engaging and

retaining its best people and how its people strategy drives business performance.

As one of Canada's leading international telecoms companies **Nortel** has always placed a premium on effective measurement. This case study details how the company developed its own model, the Nortel Business Value Cycle, which explicitly links resources such as people and knowledge with customer satisfaction and shareholder value.

A Case-Study of the **Central Norfolk and Social Care Economy** examines how innovative cultural and training evaluation measures underpinned the introduction of new planning and review techniques to help NHS staff meet national and local targets.

Deutsche Bank originally saw employee surveys as an additional ad-hoc tool to support organizational change. Discover how they have evolved, are now feeding and informing management decisions and are pivotal to the company's success.

The ability to track the human side of **Reuters Fast Forward** business transformation programme has been central to success. Find out how the company has benefited from developing HR measures that are tightly integrated with its corporate scorecard – and how they play a key role in helping the company to manage the achievement of its business goals.

In addition, **World-Class HR** includes numerous case examples from organizations including The Children's Mutual, British Airways and Norwich Union.

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