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Self-Assessment: How Results-Based Are Your Human Resources Programs?

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Self-Assessment: How Results-Based Are Your Human Resources Programs?*

A good starting point to showing the value of human capital investment is to assess your current success with delivering results. This 20-item assessment highlights some of the principal issues that influence the success of programs. We recommend that the entire HR team complete this assessment. The terminology and specific emphasis of this assessment may need to be adjusted for your particular organization. This brief assessment serves two purposes:

1. It provides a gap analysis, as some responses are not where they need to be. This identifies a gap to address.
2. It measures the current status that can be compared in future months and years as efforts are made to ensure that the human resources programs deliver the results.

*This survey is adapted from previous versions developed by the author and published in several publications.

Directions: Select the response that best describes your organization's situation. To help you identify any potential opportunity, an explanation of the target response is provided.

1. Measurements have been developed and are used to determine the effectiveness of:
    a. All human resources (HR) functions
    b. Approximately half of the HR functions
    c. At least one HR function

2. Major organizational decisions:
    a. Are usually made with input from the HR function
    b. Are usually made without input from the HR function
    c. Are always made with input from the HR function

3. The return on investment in HR is measured primarily by:
    a. Intuition and perception by senior executives
    b. Observations by management and reactions from participants and users
    c. Improvements in productivity, costs, time, quality, etc.

4. The concern for the method of evaluation for a new HR program occurs:
    a. Before the program is developed
    b. After the program is implemented
    c. After the program is developed but before it’s implemented

5. Without some formal method of measurement and evaluation, new HR programs are:
    a. Never implemented
    b. Regularly implemented
    c. Occasionally implemented
6. The costs of specific HR programs are:

   a. Estimated when the programs are implemented
   b. Never calculated
   c. Continuously monitored

7. The costs of absenteeism and turnover:
   a. Are routinely calculated and monitored
   b. Have been occasionally calculated to identify problem areas
   c. Have not been determined

8. Benefit/cost comparisons of HR programs are:
   a. Never developed
   b. Occasionally developed
   c. Frequently developed

9. In an economic downturn, the HR function will:
   a. Be retained at the same staffing level, unless the downturn is lengthy
   b. Be the first to have its staff reduced
   c. Go untouched in staff reductions and possibly be increased

10. The cost of current or proposed team member benefits are:
    a. Regularly calculated and compared with national, industry, and local data
    b. Occasionally estimated when there is concern about operating expenses
    c. Not calculated, except for required reporting

11. The chief executive officer (CEO) interfaces with the senior HR officer:
    a. Infrequently; it is a delegated responsibility
    b. Occasionally, when there is a pressing need
    c. Frequently, to know what's going on and to provide support

12. On the organizational chart, the top HR executive:
    a. Reports directly to the CEO (one level below the CEO)
    b. Is more than two levels removed from the CEO
    c. Is two levels below the CEO

13. Management involvement in implementing HR programs is:
    a. Limited to a few programs in its area of expertise
    b. Nil; only HR specialists are involved in implementing programs
    c. Significant; most of the programs are implemented through management

14. The HR staff involvement in measurement and evaluation consists of:
    a. No specific responsibilities in measurement and evaluation with no formal training in evaluation methods
    b. Partial responsibilities for measurement and evaluation, with some formal training in evaluation methods
    c. Complete responsibilities for measurement and evaluation; even when some are

devoted full time to the efforts, all staff members have been trained in evaluation methods

15. Human resources development (HRD) efforts consist of:
    a. Full array of courses designed to meet individual's needs
    b. Usually one-shot, seminar-type approaches
    c. A variety of L&D programs implemented to improve/change the organization

16. When an team member participates in an HR program, his or her supervisor usually:
    a. Asks questions about the program and encourages program implementation
    b. Requires implementation and uses positive rewards when the team member meetsprogram objectives
    c. Makes no reference to the program

17. Variable pay (bonuses, incentive plans, etc.):
    a. Exists for a few key team members
    b. Is developed for all front-line team members
    c. Is developed for most team members, operating and support staff

18. Productivity improvement, cost reduction, or quality improvement programs:
    a. Have not been seriously considered in the organization
    b. Are under consideration at the present time
    c. Have been implemented with good results

19. The results of HR programs are communicated:
    a. Occasionally, to members of management only
    b. Routinely, to a variety of selected target audiences
    c. As requested, to those who have a need to know

20. With the present HR organization and status, the HR function's impact on profit:
    a. Can be estimated, but probably at a significant cost
    b. Can be estimated (or is being estimated) with little additional cost
    c. Can never be assessed

Scoring

Assign a numeric value to each of your responses to the questions as indicated in the table. Total your score and compare it with the analysis that follows.

Question	Points			Question	Points		
	A	B	C		A	B	C
1.	5	3	1	11.	1	3	5
2.	3	1	5	12.	5	1	3
3.	1	3	5	13.	3	1	5
4.	5	1	3	14.	1	3	5
5.	5	1	3	15.	3	1	5
6.	3	1	5	16.	3	5	1
7.	5	3	1	17.	1	3	5
8.	1	3	5	18.	1	3	5
9.	3	1	5	19.	3	5	1
10.	5	3	1	20.	3	5	1

Analysis of Scores

Total score should range from 20 to 100. The higher the score, the greater your organization's emphasis on achieving results with the HR function.

81–100

This organization is truly committed to achieving results with HR. Additional efforts to improve measurement and evaluation for the HR function are not needed as there is little room for improvement. All HR functions and programs appear to be contributing to organizational effectiveness. Management support is excellent. Top management commitment is strong. This HR department is taking the lead in measurement and evaluation by showing the contribution it can make to the organization's success. Chances are it is a vital part of an effective and successful organization.

61–80

This HR function is effective and contributing to organizational success. The organization is usually better than average regarding measurement and evaluation. Although the attitude toward achieving results is good, and some of the approaches to evaluation appear to be working, there is still some room for improvement. Additional emphasis is needed to make this department more successful.

41–60

Improvement is needed in this organization. It ranks below average in accountability with other HR functions. The attitude about results and the approach used in implementing HR programs are less than desirable. Evaluation methods appear to be ineffective and action is needed to improve management support and change the culture of the organization. Over the long term, this HR function falls far short of making the desired contribution to the organization.

20–40

This organization shows little or no concern for achieving results from the HR function. HR appears to be ineffective and improvement is needed if the function is to survive in its current form and with its current leadership. Urgent attention is needed to make this department more effective and contributing to the success of the organization.

Explanation of Target Responses

To help you to identify any potential opportunities within your organization, an explanation of the target response is provided for each question in the assessment.

1. Measurements should be developed for all HR functions. When performance measures are not feasible, at least a few lower level measures should be in place for each function or new project. Otherwise, HR may be perceived to be unimportant or not contributing.

2. Major organizational decisions should always involve input from HR. HR policy makers should provide comments, advice, or approval where human resources issues are involved.

3. Whenever possible, the return on investment in human resources should be measured by improvements in productivity, costs, time, and quality. Although other types of evaluation are important and acceptable, these measures are the ultimate proof of results.

4. The concern for the method of evaluation should occur before the program is developed. At program conception, some consideration should be given to how the data will be collected and how the program will be evaluated. This ensures that the proper emphasis is placed on accountability.

5. HR programs should never be implemented without a provision for at least some type of formal method of measurement and evaluation. Otherwise, the effectiveness or efficiency of the program may never be known.

6. The costs of all individual HR programs should be continuously monitored. This provides management with an assessment of the financial impact of these programs at all times—not just when the program is implemented.

7. Because these important variables represent a tremendous cost for the organization, the cost of absenteeism and turnover should be routinely calculated and monitored.

8. Benefit/cost comparisons of HR programs should be conducted frequently, particularly when a significant investment is involved. Even rough estimates of payoffs versus estimated costs can be helpful in the evaluation of a program.

9. In an economic downturn, the HR function should go untouched in staff reductions or possibly increased. Ideally, the function should enhance performance by improving

productivity, enhancing profits, increasing quality and/or reducing costs. These actions can keep the organization competitive in the downturn.

10. Because team member benefits represent a significant portion of operating expenses, theyshould be routinely monitored and compared with national data, industry norms, and localized data. Projected future costs of benefits should also be periodically reviewed.

11. The CEO should frequently interface with the executive responsible for human resources. It is important for the CEO to know the status of human capital and receive input on team member satisfaction, commitment, or engagement. This provides an opportunity for the CEO to communicate concerns, desires, and expectations to the HRexecutive. Frequent meetings are important.

12. The chief HR executive should report directly to the CEO. A direct link to the top will help ensure that HR receives proper attention and commands the influence necessary toachieve results.

13. Management involvement in the implementation of HR programs should be significant. Management participation in the design, development, and implementation of HR programs will help ensure its success. Managers should be partners with the HR staff.

14. The entire HR staff should have some responsibility for measurement and evaluation. Even when some individuals are devoted full time to the effort, all staff members should have a partial responsibility for measurement and evaluation. Staff members should also have training/briefings in measurement and evaluation methods. This comprehensive focus on evaluation is necessary for successful implementation.

15. Human resources development (HRD) efforts should consist of a variety of learning and development programs implemented to increase the effectiveness of the organization. HRD involves more than just courses or short seminars. It should include a variety of delivery methods aimed at improving organizational effectiveness.

16. When an team member completes an HR program, his or her immediate manager should require use of the knowledge/skills and reward the team member for meeting or exceeding program objectives. This positive reinforcement will help ensure that the appropriate results are achieved.

17. Variable pay programs should be considered for most team members, both operating and support staff. Although usually limited to a few key line team members, variable pay is appropriate for most team members. Through gainsharing plans, bonuses, incentives, and stock options, team members can see the results of their efforts and are rewarded for theirachievement. This should be fundamental to a results-based philosophy for the HR function.

18. Productivity improvement, cost reduction, or quality improvement programs should be implemented in many locations and should achieve positive results. These programs are at the very heart of the HR contribution and have been proven successful in all types of settings. The HR function should ensure that these programs are administered efficiently and are successful.

19. The results of HR programs should be routinely communicated to a variety of selected target audiences. Different audiences have different interests and needs, but several key audiences should always receive information on the success of HR programs. While some may need only limited general information, other audiences need detailed, bottom-line results.

20. The impact of the HR function on profits can be estimated with little additional costs. If measurement and evaluation is an integral part of the organization's philosophy, data collection can be built into the human capital management system. It adds a little cost but should generate data necessary to calculate HR results.

This instrument has been administered to HR managers and specialists attending local, regional, national, and international HR conferences. The typical respondent has been the individual responsible for the HR function. The instrument was administered anonymously and the respondents were provided ample time at the beginning of the meeting to complete it. Questions and answers were allowed during the administration of the instrument. To date, there have been more than 1,500 usable responses representing an average score of 62.9 with a standard deviation of 5.4.

The score can reveal much about the status of human resources in an organization and the attitude toward measurement and evaluation. A perfect score of 100 is probably unachievable and represents utopia; however, it is the ultimate goal of many HR leaders and other executives. On the other extreme, a score of 20 reveals an ineffective organization, at least in terms of the contribution of the HR function. The organization will probably not exist for long in its current form or with the current staff.

Although the analysis of these scores is simplistic, the message from the exercise should be obvious. Achieving results from HR is more than just evaluating a single program or service. It represents a comprehensive philosophy that must be integrated into the routine activities of the HR staff and supported and encouraged by top executives.