**Module 5 - SLP**

**Metrics and the Bottom Line**

**Overview**

In the SLP sequence thus far, you have played various roles (e.g., employee, first-line supervisor, and HR Manager). In this assignment, your role will be that of HR consultant. At the conclusion of this final SLP assignment, you should have gained an improved understanding as to the different ways in which metrics and analytics can be of benefit in an applied setting.

Bring in at least 2 library sources to help strengthen your discussion.

Please upload your paper by the module due date.

**SLP Assignment Expectations**

Based upon your reading of the required articles (and any of the supplemental articles, of course), articulate a comprehensive understanding of how HR metrics and analytics can demonstrate the impact of the human resources function on the organization’s bottom line. Assume you are an HR consultant. **Prepare a professional slide presentation for delivery to the company’s Board of Directors (BOD), convincing them that they need to utilize HR metrics and analytics in their decision making.**

Your slide presentation should not be so lengthy that you begin to lose the attention of the BOD. Follow the rules of proper PowerPoint preparation.
See: <http://www.microsoft.com/atwork/skills/presentations.aspx>

Any references utilized for this assignment should be included in a “List of References” using APA format. Submit the slide presentation by the due date to assure that the decision of the Board of Directors is not unduly delayed.

**Oral Communications Emphasis**

As you recall, in HRM522 (Employment & Labor Relations) attention was given in the Module 5 SLP to building oral communications skills—a key aspect of the HR professional’s job. In that assignment you prepared a detailed speech outline for your company’s CEO to present to his top staff at a later time.

Now, in this SLP 5 assignment for HRM590, you have the opportunity to develop your communications skills more fully. Here you will be preparing a slide presentation covering important topics.

# Module 5 - Background

## Metrics and the Bottom Line

### Required Reading

Baird, B. (2009). Using human capital metrics to develop strategic objectives: Putting the cart before the course. *PA Times, 32(*1), 10-11. *The article provides an overview on the use of human capital metrics in the development of strategic goals and objectives. The metrics analyze, measure and evaluate the value of human resource (HR) products and services offered to the organization. It outlines how the metrics could contribute to effective decision-making and recruitment process.* Retrieved June 24, 2013, from the TUI Library.

Bassi, L. & McMurrer, D. (2007). Maximizing your return on people. *Harvard Business Review, 85*(3), 115-123. *Though most traditional HR performance metrics don't predict organizational performance, alternatives simply have not existed -- until now. During the past ten years, researchers Laurie Bassi and Daniel McMurrer have worked to develop a system that allows executives to assess human capital management (HCM) and to use those metrics both to predict organizational performance and to guide organizations' investments in people. The new framework is based on a core set of HCM drivers that fall into five major categories: leadership practices, employee engagement, knowledge accessibility, workforce optimization, and organizational learning capacity. By employing rigorously designed surveys to score a company on the range of HCM practices across the five categories, it's possible to benchmark organizational HCM capabilities, identify HCM strengths and weaknesses, and link improvements or backsliding in specific HCM practices with improvements or shortcomings in organizational performance. The process requires determining a "maturity" score for each practice, based on a scale of 1 (low) to 5 (high). Over time, evolving maturity scores from multiple surveys can reveal progress in each of the HCM practices and help a company decide where to focus improvement efforts that will have a direct impact on performance. The authors draw from their work with American Standard, South Carolina's Beaufort County School District, and a bevy of financial firms to show how improving HCM scores led to increased sales, safety, academic test scores, and stock returns. Bassi and McMurrer urge HR departments to move beyond the usual metrics and begin using HCM measurement tools to gauge how well people are managed and developed throughout the organization. In this new role, according to the authors, HR can take on strategic responsibility and ensure that superior human capital management becomes central to the organization's culture.* Retrieved June 24, 2013, from the TUI Library.

Bates, S. (2003). The metrics maze. *HR Magazine, 48*(12), 50-56. *Describes the efforts of several companies to measure human capital contributions. Initiatives that are part of the human resource (HR) mission at Ford Motor Co.; Cost of evaluating the effectiveness of National City Corporation's National City Institute in Cleveland, Ohio; Employee engagement at appliance manufacturing firm Whirlpool Corp.; Main goal of human capital measurement.* Retrieved June 24, 2013, from the TUI Library.

Grossman, R. J. (2000). Measuring up. *HRMagazine, 45*(1), 28. *Stresses the importance of human resources (HR) metrics to the success of businesses. Why enterprises are reluctant to invest in metrics programs; Suggestions for the implementation of metrics programs; Areas of HR practice that affect the success of enterprises.* Retrieved June 24, 2013, from the TUI Library.

Grossman, R. J. (2006). Measuring the value of HR. *HR Magazine, 51*(12), 44-49. *The article focuses on the connection between good HR and profitability at American Standard. HR head, Larry Cotello and Fred Poses, chairman and CEO of American Standards Cos. have elevated strategic talent management to the top echelon of corporate planning and decision-making across all business units. The company's a plan looks out to the future, which is action-oriented and contains specific financial targets and metrics, and a human resource plan.* Retrieved June 24, 2013, from the TUI Library.

Lester, T. (2002, March). Is HR measuring up? *Personnel Today*, 26-27. *Focuses on the impact of good human resource (HR) practices to business enterprises. Contribution of HR to the improvement of businesses; Design of conventional metrics; Approaches of HR management; Uses of Human Capital.* Retrieved June 24, 2013, from the TUI Library.

Morra, M. (2009). Drowning in data, get the most out of metrics. *HR Professional, 26*(7), 22-26. *The article offers tips on how organizations can use human capital metrics to evaluate, measure and improve the efficiency of the workforce. It suggests that the human resource must have the knowledge and ability to understand to become aware of the objectives and strategies of the business. It mentions the importance of communication in interpreting the role of metrics in workforce efficiency to determine the vulnerable areas and to address poor performance.* Retrieved June 24, 2013, from <http://www.nxtbook.com/nxtbooks/naylor/HRIQ0310/index.php?startid=35#/34>

O’Malley, M. (2003). What is HR good for, anyway? *Across the Board, 40*(4), 33-38. *Discusses the drawbacks of the practice of human resource executives and practitioners to cite metrics as the way in recruiting employees. Contribution of human resource to the success of the business organization; Means to propel human resource chiefs into the inner circle of corporate decision-makers; Functions and responsibilities of a human resource professional.* Retrieved June 24, 2013, from the TUI Library.

Pomery, A. (2005). Making better use of people metrics. *HR Magazine, 50*(3), 16. *Reports on the difficulty of human resource (HR) professionals to coordinate their people measures with the strategic goal of the company, according to a study from The Conference Board in the U.S. in 2005. Perception regarding the ability of HR professionals to identify the strategic key performance indicators; Collaboration of the professional with various company departments to counteract the perception; Concern of study author Stephen Gates on the performance of the HR professional.* Retrieved June 24, 2013, from the TUI Library.

Stewart, K. (2009). How to…assess HR’s contribution. *People Management*, *15*(20), 31. *The article offers guidance on how to assess the contribution of human resource (HR) department to solving business problems. The author highlights the importance of understanding the metrics and collecting the correct data. He adds that right data must be reported to the right people and data should be both quantitative and qualitative. The author suggests developing a mix of lagging and leading indicators to identify strategic HR deliverables.* Retrieved June 24, 2013, from the TUI Library*.*

Weiss, D. S. & Finn, R. (2005). HR metrics that count: Aligning human capital management to business results. *Human Resource Planning, 28(*1), 33-38. *The article focuses on aligning human capital management to business results. Human Capital Management (HCM) is an approach to people management that treats it as a high level strategic issue and seeks systematically to analyze, measure and evaluate how people policies and practices create value. The present research explores the current capability of human resource to report on human capital metrics and the capability needed to report in the future. The study was conducted with 246 human resource professionals and business leaders in the Great Britain and Canada. Although human resource professionals and business leaders overwhelmingly believe human capital metrics are important, organizations are not currently focusing on the measures that count. Today, metrics inform rather than drive strategy. Tomorrow, the metrics need to drive strategy. The research concludes that human capital metrics and reporting need to align to the business strategy to be useful as a driver of business outcomes.* Retrieved June 24, 2013, from the TUI Library.

### Optional Reading

Boudreau, J. W. (1998). Strategic Human Resource Management Measures: Key Linkages and the People Vantage Model. CAHRS Working Paper Series, Working Paper #98-28. New York: Center for Advanced Human Resource Studies, Cornell University. Retrieved June 24, 2013, from <http://digitalcommons.ilr.cornell.edu/cahrswp/139/>

Boudreau, J. W. & Ramstad, P. M. (1998). *Human Resource Metrics: Can Measures be Strategic?* CAHRS Working Paper Series, Working Paper #98-10. New York: Center for Advanced Human Resource Studies, Cornell University. Retrieved June 24, 2013, from <http://digitalcommons.ilr.cornell.edu/cahrswp/123/>

Ionescu, L. (2008). Human resource management practices, organizational performance, and the measurement of effectiveness. *Economics, Management and Financial Markets, 3*(2), 44-48. *The author discusses some of the main positions in the debates about human resource management practices, organizational performance, and the measurement of effectiveness. Densten and Gray claim that organizational viability depends on leaders maintaining the integrity and reliability of internal systems while adapting to the external environment. Marinova claims that organizational culture is an important factor predicting organizational effectiveness by inducing employees to behave effectively. Cloke and Goldsmith say that all forms of managing other people's work hinder their responsibility, creativity, flexibility, effectiveness, and growth.* Retrieved on June 24, 2013.