

The HR Scorecard

Linking People, Strategy and Performance

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The book presents many helpful concepts and tools to measure the effectiveness on HR as a function, to measure return on investment on talents and talent initiative, to measure the impact of HR on organizational performance and as a basis for business case development of our deliverables.

It is intended to guide HR managers through the challenges of converging trends. The Human Resource architecture is the sum of HR functions, the broader HR systems and the resulting employee behaviors.

The key phrases of this book are strategy implementation system, strategy implementation process, balanced score card and high – performance work system. Three well respected thought leaders in the HR field have conducted extensive research of more than 2500 companies to uncover a model for implementing HR strategies and measuring results.

This book helps the readers to understand the strategic functions of today's organization. Many companies fail to maximize the productivity and objectives of the organization due to lower competencies and ineffective policies. So there is the need to develop the HR scorecard to maintain and improve the effective of the organization.

To transform the structure of HR into strategic functions, HR leader must:

- Clearly define the business strategy.
- Build a business case for HR as a strategic asset.
- Create a strategy map with leading and lagging indicators and tangibles and intangibles.
- Identify HR deliverables within the strategy map.
- Align the HR architecture with HR deliverables.
- Design the strategic measurement system.
- Implement the management by measurement.

The HR scorecard can help both the practical and theoretical levels. It can help any manager to develop the set of models and assess the impact of company's HR architecture.

Because of the HR scorecard the HR department can take immediate rethinking and modulate their strategy. The good measure can definitely consist of the validity, deficiency and the measurement. To increase the confidence of the people this book is well enough to explain the vision and the goal what the organization expecting from the measurement.

The authors in the field outline the powerful measurement system that highlights the HR role played by the organization. They can explain both the advantages of the scorecard and how the HR scorecard can act as the key driver for value creation. The need for this system is that the employee fully understands the system and tries hard for making better results.

In this book we understand that the Human Resource roles start with the HR architecture. It contains HR function, HR system and strategic employee's behavior. These three important components can make the HR architecture as the strategic asset. The illustration of the value creation contains the following components. They are financial, customer, internal/external process and the growth of the organization.

We understand that the strategic human performance must contain the motivation, the employee's skills and the employee strategic focus regarding the benefits of the employee towards the performance. The dimension of performance must consist of critical casual thinking, understanding the principles of the organization, estimating the casual relationship between the individuals and the organization and communicating the HR strategic performance to other authorities.

It introduces a new way to measure and think about the contributions of individuals into the success of business.

It provides a framework that focuses on identifying where Human Resource issues are performance drivers and hindrances to strategy implementations. It develops a measurement system that provides valid, reliable indicators of Human Resource contribution to the success of strategy implementation and ultimately to firms performance.

All HR leaders are not capable to understand the entire concepts of this HR score card. Many of the examples quoted in the book are quite complex and can be used only by the large organizations such as Verizon/GTE, General Mills and General Electric. It is also difficult to pick just a few efficiency measures and performance drivers from the comprehensive list prepared by the authors.

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