

Seminar Outline - *The Workforce Scorecard: Managing and Measuring Human Capital to Drive Strategy Execution*

Most firms describe people as their “most important asset”, but why isn’t the workforce managed like a strategic asset in most businesses? If human capital is recognized as a source of competitive advantage, why is the HR function typically managed like a cost center? In an economy dominated by intangible assets such as R&D, brands, and customer capital, human resources are much more than the HR *function*. A firm’s human capital is the result of a strategically aligned and managed *HR Architecture* – which includes the HR function, the broader HR system as it is implemented by line managers, and the workforce. Since what gets measured gets managed, if the workforce is to be managed as a strategic asset, firms must be able to measure its strategic contribution. Based on his recent book *The HR Scorecard: Linking People, Strategy & Performance* (with Brian Becker and Dave Ulrich), and his new book *The Workforce Scorecard: Managing and Measuring Human Capital to Drive Strategy Execution* (with Brian Becker and Dick Beatty), Huselid will describe how organizations can develop measurement systems to help execute strategy, using the following model:

Step 1: Clarifying your business strategy and building a business case for investing in HR

- How will you grow your business?
- What strategic capabilities and culture are required?
- What are the obstacles to strategic success and how will they be overcome?
- How will we accelerate change?
- How will we measure success?
- How will we identify and reward those who contribute to our strategic success?

Step 2: Creating a talent map and identifying HR’s Deliverables

- Uncovering the process of “what causes what” in the execution of our firm’s strategy
- Identifying key or “A” jobs that are crucial for our firm’s success

Step 3: Selecting metrics: Building a HR and Workforce Scorecards

For the workforce

- Are we achieving our key strategic objectives as a direct result of the workforce? (*Workforce Success*)
- Are employees behaving in ways likely to lead to the long-run success of the business? (*Workforce Behaviors*)
- Does the workforce have the knowledge, skills and abilities to execute our strategy? Are we making the necessary investments in the workforce? (*Workforce Competencies*)
- Does the workforce know, understand, and embrace our strategy? (*Workforce Mindset/Culture*)

For the HR function

- Have we achieved the right levels of *Workforce Success*, *Workforce Behaviors*, *Workforce Mindset*, *Workforce Competencies*, and *Workforce Costs and Investments*? (HR Deliverables)
- Do employees experience the way they are managed as internally consistent and aligned with strategy? (*Right Types of Alignment*)

- Have the right HR practices been developed and effectively implemented throughout the firm? (*Right HR Practices*)
- Do our HR managers have the requisite competencies? (*Right HR Managers*)

Step 4: Aligning the HR Architecture with the needed HR Deliverables

- Winning through disproportionate investments: “A” players in “A” positions for “A” customers
 - *Alignment* with Business Strategy
 - *Integration* of HR Practices
 - *Differentiation* within the HR Architecture

Step 5: Implementing an HR Scorecard and HR decision support system

- Understanding the role of HR and workforce measurement in effective strategy implementation
- Communicating workforce strategy
- Enhancing the measurement competence of HR and line managers

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