

Measuring/Improving HR Contributions to Strategic Alignment

The Perception Analysis Methodology is a management tool and analysis tool for managing the interactions of people, strategy, and performance.

Developing metrics for assessing the strategic impacts of a company's HR systems enables HR to become a strategic partner and demonstrate their contributions made to increased profitability and shareholder value.

The **Perception Analysis Methodology (PAM)** establishes a continuous measurement capability for:

- Showing the influence of HR on shareholder value.
- Understanding how people create value.
- Measuring the value creation process
- Measuring the effects of HR investments on shareholder value.
- Validation of the Vision.
- Measuring the consequences of 'people' investment decisions.
- Showing contributions of HR to strategy realization.
- Creating a foundation for decision predictive analysis.

The benefits of HR as an asset are not always visible – they come to light only when the HR role is skillfully aligned with another intangible asset: the organization's strategy implementation system.

The most potent action HR managers can take to ensure their strategic contribution is to develop a measurement system that convincingly showcases HR's impact on business performance. Various studies show that up to 85 percent of a corporation's value is based on intangible assets. The **Perception Analysis Methodology (PAM)** provides the means to measure these assets and maintain an HR Scorecard with these measures.

Collection and Synthesis of Metric Information

HR metrics are collected from ALL stakeholders via electronic interviews, typically requiring less than one half hour. Individual respondents remain anonymous, ensuring that accurate perceptions are collected. The perceptions of the importance and effectiveness of predetermined critical issues forms the basis of the Metrics Information Bank used for extensive analysis of the nature and seriousness of business operational and process barriers.



- Perceptions Collection
- Internet Enabled Interviews
- Confidential & Noninvasive
- Identifies Real Barriers

The Metrics Information Bank - Analyzing Results

The **PAM Software Suite**, constructs the **Metrics Information Bank** used by the **Knowledge Bank Explorer (KBE)** for interactive analysis using summary and detailed charts, graphs, indexes, and comparison tools.

- CSF & Issue Sufficiency
- Gap Analysis
- Problem Validations
- Solution Identification
- Priority Determination
- Return on Assets Analysis
- "What If" Analysis Support
- Link to TQM Programs

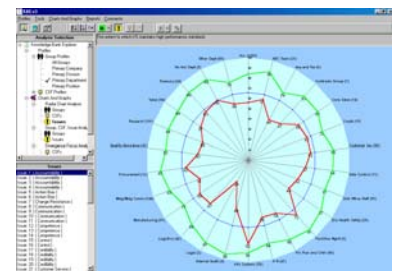


The **Knowledge Bank Explorer (KBE)** Software provides interactive access during a variety of analysis processes.

Visibility By Critical Success Factors

Interactive analysis with unfiltered, critical metrics from all levels of the business.

- Importance
- Satisfaction
- Sufficiency
- By Groups
- By Issues
- By Technical Demographics



Visibility By Critical Issues

Interactive analysis of individual critical issues as measured anywhere within the business. Clear focus is provided on issues that have the greatest urgency and priority supporting a detailed management action plan specific to critical business operational needs.

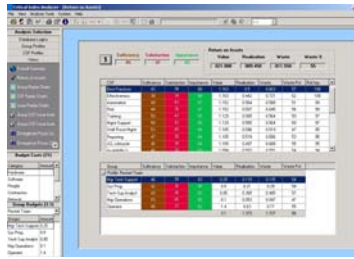
- Detailed Needs Analysis
- Specific Actions
- Effective Practices
- Implementation Planning & Tracking



Visibility By Return on Assets

Costs of interactively selected CSFs, critical issues, and or technical metrics can be compared to sufficiency and quality related goals.

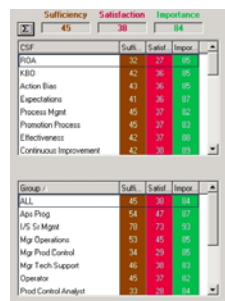
- Costs Analysis
- Results Analysis
- Productivity Returns
- Quality Assessments



Visibility By Scorecard

Demographic type groupings of metrics provide “roll up” indexes with drill down audit trails.

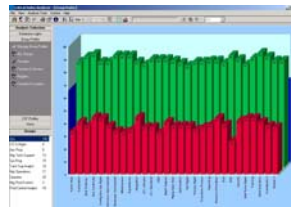
- Overall Sufficiency
- Relative Importance
- Goals Status
- Clear Risk Assessments



Extensive Gap Analysis

Metric measures compared with goals are supported with “drill downs” identifying specific issues for ensuring maximum performance results.

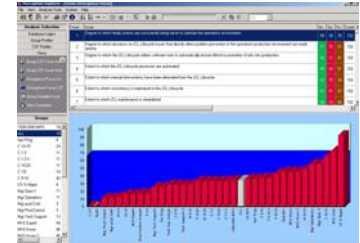
- “Cause and Effect” Visibility
- Detailed Goals Status
- Process and Information Interfaces



Extensive Trend Analysis

Repeated applications of metrics measurements are straight forward and provide the means for trend analysis.

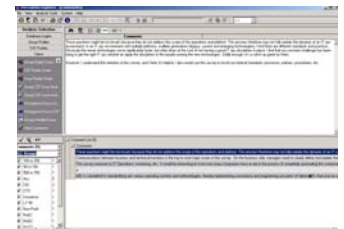
- Repeated Applications
- Trends Validation
- Re-Setting Goals
- Managing Priorities



Stakeholder Confidential Comments Analysis

Confidential comments collected electronically are collected into demographic groups to provide anonymity. Keyword searches provide candid analysis and solution recommendations from those who are closest to the initiatives.

- Identify Real Barriers
- Communicate “one-on-one” with ALL stakeholders
- Validate Actions
- Manage Stakeholder “Buy-In”



Managing Action Plans

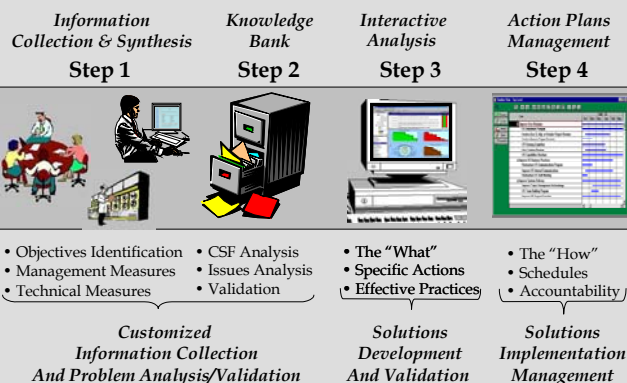
Action plans are developed based on real barriers and appropriate priorities. PAM provides continuous progress evaluations with plan modifications based on solid decision factors. Operational visibility and delegation with management control become the order of the day.

- Action Plan Development
- Plan Validation
- Results Assessment
- Plan Modification



Perception Analysis Methodology

The Process



Typical PAM Measures

- Workforce Differentiation
- Workforce Success
- Leadership
- Workforce Behaviors
- Workforce Competencies
- Workforce Mind-Set and Culture
- HR Functions and Costs
- HR Strategic Alignment
- HR Practices
- HR Systems
- HR Architecture
- Strategy Execution Readiness
- Strategy Management Effectiveness



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