

THE HR SCORECARD

Linking People, Strategy and Performance

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MAIN IDEA

The HR (human resources) scorecard matches business strategy against HR deliverables and objectives to provide a statistical basis by which HR efficiency and contribution to strategy implementation can be measured.

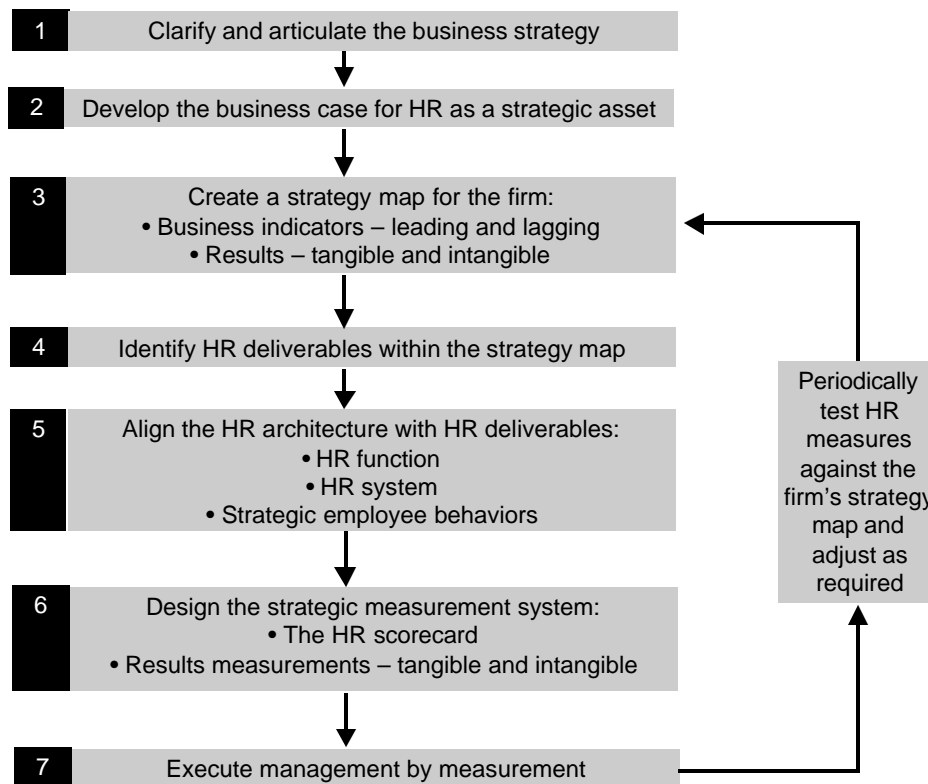
As such, the HR scorecard is a management tool which allows a business to:

1. Manage HR as a strategic asset and a source of competitive advantage.
2. Quantitatively demonstrate HR's contribution to the firm's financial results and bottom-line profitability.
3. Create and measure the degree of alignment between the strategy of the business and its HR architecture.

When used effectively, HR scorecards link the things people do with the strategy of the company. The HR scorecard also allows a HR architecture to evolve which is measurement managed and systematic. And the HR scorecard allows the human resource function to fill a strategic role in the business – participating fully in the balanced goals of cutting costs and creating added value.

In total, the HR scorecard makes it possible for HR to enhance its role as a strategic business asset.

The Seven-Step Model For Using HR as a Strategic Business Asset



Step 1 – Clarify and articulate the business strategy Page 2

Step 2 – Develop the business case for HR as a strategic asset Page 3

Step 3 – Create a strategy map for the firm Page 4

Step 4 – Identify HR deliverables within the strategy map. Page 5

Step 5 – Align the HR architecture with HR deliverables Page 6

Step 6 – Design the strategic measurement system Pages 6 - 8

Step 7 – Execute management by measurement Page 8

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