

VB-HR™ Rating – VaLUENTiS Ltd

summary factsheet

WHO IS IT FOR ...

- senior management, HR functions and business unit managers
- it is intentionally designed to be applicable for both public and private sector organisations
- it can be applied at business unit level which can be aggregated to give an overall organisational rating

WHAT DOES IT DO ...

- provides a comparative assessment of the practice of managing people within the organisation or business unit from three key dimensions:
 - current effectiveness
 - degree of risk
 - maintenance (efforts to renew)
- covers compliance requirements of both UK's Operating & Financial Review, and US' Sarbanes-Oxley
- VB-HR™ Rating data combines with available financial data to provide clients with a 'HC metrics reporting portfolio' containing the HCM Quotient (HCM_Q) & Human Capital Intensity (HCI) global measures
- it resolves the issues of (i) publishing sensitive people-related information into the public domain and (ii) the reporting of 'plain vanilla' metrics and thus potentially meaningless comparatives
- provides a business case for investment in aspects of the HR function or people management through the identification of relative organisational people strengths across eight distinct value driver areas
- assesses the efficiency of current HR budgetary spend when compared against other collated HR data
- assesses the impact of changes in human capital management practice (return on investment)
- evaluates the contribution of HR functional activity and the potential impact of outsourcing decisions and generates options for future human capital investment decisions
- generates an internal and external benchmark of human capital management within the organisation or business unit
- enhances management awareness of the impact of people practices within the organisation
- the VB-HR™ Rating inventory can also enable client organisations to adopt at no cost employee engagement survey designs (20Q to 50Q) linking to VaLUENTiS E_{ENG} benchmark index

HOW DOES IT WORK ...

- a unique feature of the VB-HR™ Rating is how HCM activities (inputs), HCM value drivers and HCM outcomes are combined to generate an overall assessment
- VB-HR™ Rating data combines with available financial data to provide clients with a 'HC metrics reporting portfolio' containing the HCM Quotient (HCM_Q) & Human Capital Intensity (HCI) global measures
- relates human capital management outcomes (e.g. turnover) to HR functional inputs (e.g. policies and practice)
- maps the complexity of managing people through the mapping of 93 HR sub-activities

GROUP/BUSINESS UNIT FOCUS

A key strength of the VB-HR™ Rating is that it can be applied at business unit level as well as the organisational level. The rating can be used to determine a routemap for improvement or business case for investment.

Calculating a VB-HR™ Rating at the business unit level provides the following additional benefits:

- assessment at a meaningful level within the organisation that can reflect differences in 'local' practices
- generation of internal benchmarks to identify strengths and weaknesses of the differing approaches and practices that may exist within the same organisation
- ability to make changes at local level that can drive up the rating without the need for interventions at the organisational level
- for external reporting purposes, multiple business unit or departmental VB-HR™ Ratings are consolidated into an overall organisational view, much as accounts are calculated

ADVOCATE OF HR

The VB-HR™ Rating system and its associated outputs provide HR functions with an organisational marketing tool - aimed at all those who do not necessarily understand or comprehend the full range of what HR does.

For the first time, the complexity and multi-faceted contribution of what the HR function 'delivers' to the organisation can be made explicit, through the recognition of the HCM activities and nature of interactions between HR, the line and external providers of expertise/resources.

The HR function itself forms three of the eight HCM 'value drivers' (HR Procurement, HR Functional Capability, and HR Customer Agency) that combine to provide the overall VB-HR™ Rating.

As such, the VB-HR™ Rating engine and survey construct serve to illustrate the impact of HR within the organisation, and can make a case for additional targeted investment or capability enhancement.