Human Capital Appraisal Questionnaire

Prepared For:
Client Prospect

Presented By:

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Navigating Your Organization Through Turbulent / Changing Times!

Business success today is dramatically more dependent upon human capital than at any time in history. This is essentially true because we have moved from an industrial economy to a service economy, where competitive advantage is tied to information technology in the hands of people who make a difference through the skilled use of that technology.

By some estimates, traditional “book assets” may now account for as little as 20%-30% of a company’s “value” in the market. These are the assets that are primarily physical in nature that could be sold if the company ceased to exist. The remaining 70%-80% of a company’s value is in the form of its less tangible yet real assets tied to the knowledge, skills and abilities of its human capital. Yet, most organizations continue to primarily focus on book assets to find methods for improving overall operations such as process improvements.

Human Capital Is An Organization’s #1 Investment And #1 Risk!

When was the last time your organization did a human capital audit regarding culture alignment, leadership / employee compatibility or performance standards / expectations for each hiring position? The questions herein are intended to provoke your thinking related to your current state culture, talent acquisition processes, employee development practices as well as your succession planning strategies. Each of these areas is vital to the overall performance and productivity of any organization and each have a direct impact upon the financial bottom-line.

You are encouraged to invest a minimal amount of your time to review and respond to the questions herein. The process is intended to help you identify your human capital strengths and weaknesses so that your leadership team can assess and determine if there is a need to more effectively streamline and/or realign your strategic human capital initiatives.

CHANGING TIMES: CHANGING TRENDS

✔ “The pace of change has accelerated dramatically in recent decades, producing seismic changes in business and society. One consequence of these shifts is that people are more important than ever to success. Their importance will only grow in the future.” (Creating People Advantage: How to Address Human Resource Challenges Worldwide through 2015, Boston Consulting Group: study of 47,000 executives in 83 countries)

✔ Saratoga Institute: As much as 60% of the turnover at non-exempt levels is the result of “character-related” issues, such as relationship fractures, peer confrontation and self-absorption.

✔ Les Csorba, Heidrick & Struggles: Fundamentally, what our customers are asking us is this: Can you look beneath the observable skills and talents of a candidate to tell us something about their character? Les Csorba is the Author of a book titled TRUST – One thing that makes or breaks a leader.

✔ “The future of business is going to require a more data-driven, fact-based method to hire, pay and reward top performers.” (Worldwide Human Capital Management 2007, Top 10 Predictions, Information Data Corporation)

✔ “Many leaders have the drive and competence to lead. But too often, organizations elevate people who lack the integrity. Such leaders seldom last, for the simple reason that without all three, especially the moral compass, it is difficult to engage followers to sustain results.” Warren Bennis, Leader to Leader Institute (formerly the Drucker Foundation)

✔ “Enhancing workforce performance in today’s business environment requires: 1) an adaptable workforce that can rapidly respond to changes in the outside market; 2) leadership to guide individuals through change and deliver results; 3) an integrated talent model that addresses the entire employee life cycle; and 4) data and information to deliver strategic insights and measure success.” IBM Global Human Capital Study, 2008
Introduction

To optimize performance, productivity and overall financial profits, successful organizations realize the VITAL importance of conducting an internal human capital audit regarding the company culture, recruitment efficiencies, employee development practices and retention initiatives. To cost-effectively hire, develop and retain quality people in today’s working environment, requires superior solutions and viable processes to help:

- Align the “compatibility” of stakeholders / managers / employees to your culture
- Identify the best candidates that “fit” for a specific hiring position based on performance metrics
- Assess character competencies and behavioral traits, beyond just job skills
- Reduce hiring practice risks, costs and human capital legal liabilities
- Maximize leadership competencies via training and coaching solutions
- Execute a sustainable performance evaluation process to help enhance an individual’s career path

The intent of this Human Capital Appraisal Questionnaire is to help organizations uncover areas that may need attention to accomplish certain business objectives in a cost-effective manner. This “confidential document” will help your organization assess four primary areas that are critical to the success of any business within any industry sector.

By examining each of these critical areas your organization will be better equipped to identify areas of concern, whereby you can then evaluate viable, cost-effective “integrated solutions” to help improve your overall human capital efficiencies, systems and standards.

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Note: Once you have completed this confidential Human Capital Appraisal Questionnaire please provide a copy to your consultant representative so they can review. Your consultant representative will be happy to explore some viable options that may be of interest to your organization’s leadership team

Confidentiality Statement

The receiving party shall receive and use the disclosing party’s Confidential Information only for the purpose of exploration of a potential client relationship between the parties.
Corporate Culture

To succeed in today’s turbulent and changing business climate organizations realize the foundation of their corporate culture is critical if the fundamental objectives are to enhance profits, manage costs effectively, mitigate risks, to align and maximize human capital assets to enable optimal performance and productivity. Human capital alignment “compatibility”, principles of integrity, honesty, self-control and fairness are qualities that need to be inculcated in the foundation of an organization’s culture and must guide managerial decisions.

Ethical leadership at all levels of an organization produce harvests of trust and confidence. Building and sustaining a successful culture requires people, processes and guiding principles to make different corporate cultures and businesses successful.

1. Does your organization have a vision/mission and core values statement?
   - [ ] Yes
   - [ ] No

2. Do your people generally understand and follow your core values?
   - [ ] Yes
   - [ ] No

3. Do your core values build on “Character and Integrity” as a foundation for organizational values?
   - [ ] Yes
   - [ ] No

4. To what degree does a person’s character and behavior impact the culture of your organization and the financial bottom-line?
   - [ ] Significantly
   - [ ] Insignificantly
   - [ ] Hard to assess and measure

5. What processes does your organization use to align the shared “core values” with the Human Resource initiatives and “organizational culture”? (check all that apply)
   - [ ] Have job standards of behavior and performance based on the shared values
   - [ ] Take an audit to identify which people are at the stage of living these shared values or needing more work
   - [ ] Develop the training/ mentoring for all employees to understand and apply the shared values
   - [ ] Do not have a formal process

6. Does your organization feel that a person’s “compatibility” to the culture is important (i.e. board of directors, the executive team, and any number of other individuals, such as, managers, supervisors and other team members)?
   - [ ] Very Important
   - [ ] Important
   - [ ] Not Important

7. If you answered the question above Very Important or Important, do you have a process to assess and measure a person’s overall compatibility / alignment to your current culture?
   - [ ] Personal interview in the hiring process
   - [ ] Assessment tool that specifically measures compatibility to company core values

8. Does your organization have a plan to move from a current state culture to a new culture to support your new strategic initiatives?
   - [ ] Yes
   - [ ] No
How Streamlined and Integrated Is Your Human Capital Processes?

Hiring, developing and maintaining good employees are the core of any successful enterprise. The cost of replacing a good employee can be as much as 150% of their annual salary. Thus, making the right hiring decisions to begin with, and developing a high-performance team is important to the long-term success of any business.

Are your Human Resource initiatives for talent acquisition, employee development and succession planning integrated with a “common language” and assessment processes regarding culture alignment, performance drivers for each hiring position, leadership development and internal career planning to retain quality people?

☐ No, these are separate departments / initiatives
☐ Yes, collaborative initiatives, but no common language / measurement / development processes
☐ Yes, fully integrated with common language / measurement / development processes

Talent Acquisition

1. Do you know your rate of employee turnover and the cost of that turnover?
   ☐ Yes
   ☐ No (skip next two questions)

2. Approximate overall employee turnover rate?
   ☐ Less than 10%
   ☐ 10 to 20%
   ☐ 20 to 30%
   ☐ 30 to 40%
   ☐ 40 to 50%
   ☐ More than 50%
   ☐ Other: 

3. Approximate relative cost of turnover based upon the position’s average annual payroll expense?
   ☐ 25%
   ☐ 50%
   ☐ 75%
   ☐ 100%
   ☐ 125%
   ☐ 150%
   ☐ Other: 

4. When you are considering a candidate for a specific position in your company, what performance metrics associated with that job are linked to the decision making process? (check all that apply)

- Culture Fit
- Job Skills
- Education Level
- Years of Experience
- Character Attributes
- Behavior Traits
- Job competency requirements
- Job key performance indicators
- Risk mitigation
- Not using performance metrics
- Other: _____________

5. Are you currently using any pre-employment assessment tools to help you make better hiring decisions? (check all that apply)

- Job Skills
- Logic (thinking skills)
- Emotional Quotient
- Behavior / Personality
- Character Attributes
- Not using Assessments

6. If you are using an assessment are they performing in the following ways? (check all that apply)

- Does what it is supposed to do
- Relevant to the hiring process
- Reliable results
- Cost effective
- Easy to read, interpret and apply

7. How important is a person’s character relative to their job skills when it comes to being a good employee in your company?

- Character is more important than job skills
- Character is equally important as job skills
- Character is less important than job skills
- Character is not relevant

8. If a person’s character is more important than job skills when it comes to being a good employee in your company, how is the organization attempting to identify a person’s character? (check all that apply)

- Through the interview process
- Through background checking / references
- With assessments
- Do not have a process
9. Have you used or heard of job position benchmarking as a tool to make better hiring decisions?

☐ Currently using a form of position benchmarking (answer question 10)
☐ Heard of position benchmarking, but do not use it (answer question 11)
☐ Have not heard of position benchmarking

10. Describe your position benchmarking process.

11. Why don’t you use position / performance benchmarking?

☐ Too costly to implement
☐ Too time consuming to administer
☐ Not specific to the business outcomes we desire to achieve
☐ Other: ____________________________

12. Are you using a simple, seamless process to accomplish background checking, credit checks, drug screening as part of the hiring process?

☐ Yes, use outside service
☐ Yes, use inside business application
☐ Yes, using some components, not integrated
☐ No, but would like to have such a process
☐ No, not needed for our hiring process

Employee Development

In order to sustain and build productivity and performance in a challenging business economic climate and to achieve future growth opportunities, successful organizations realize that it is critical to develop their people beyond basic job skills. Cutting edge companies simply know from experience that they must have a sustainable strategy to assess and develop the character competencies and behavioral traits of their leaders as well as the general employee population.

1. What are some of the business pressures you are experiencing in an effort to build a high performance team? (check all that apply)

☐ Supply shortage (quantity)
☐ Performance shortage (quality)
☐ Leadership team support
☐ Other: ____________________________

2. Are you incorporating any kind of character-driven leadership training into the development of your Managers and Supervisors?

☐ No – do not desire any
☐ No – have not found such a training program
☐ Yes – using a third-party program
☐ Yes – developed our own
3. Are you incorporating any kind of character-driven leadership training into the development of your Employees that can be facilitated by internal Trainers, Managers and/or Supervisors?

☐ No – do not desire any
☐ No – have not found such training program
☐ Yes – using a third-party program
☐ Yes – developed our own

Human capital is the most important asset to any organization when the leadership and employees are aligned with the vision and mission and are committed to operate at a high level of proficiency within certain expense allocations and risk management procedures.

4. Does your current leadership training incorporate your organization’s core values whereby each leader, manager, supervisor and employee are not only aware of the core values but committed to integrate them daily into their workplace activities?

☐ Yes, definitely
☐ Sometimes
☐ Seldom
☐ No

5. What hinders performance and productivity for Leaders? (rank 1-high through 10-low)

☐ Changing of priorities
☐ Lack of leadership skills
☐ Lack of planning
☐ Ownership / accountability
☐ Poor character
☐ Poor communication
☐ Right fit to position
☐ Team conflicts
☐ Unclear of the “big picture”
☐ Unrealistic expectations

6. What empowers performance and productivity for Leaders? (rank 1-high through 10-low)

☐ Cause / mission focused
☐ Committed to develop others
☐ Effective use of power
☐ Elicits feedback / open communication
☐ Encourages / rewards contribution
☐ Good relationship skills / resolves conflicts
☐ Manages challenges
☐ Mentor / coach style
☐ Passion / vision
☐ Personal leadership skills
Personal Leadership Development encompasses several areas that are critical to help equip and empower leaders, managers, supervisors and employees to achieve their individual maximum potential and of equal or greater importance, contribute to the overall success of the team.

7. **To mobilize optimum performance and productivity which of the following areas are important** (check all that apply)
   - [ ] Attitude
   - [ ] Personal motivation habits
   - [ ] Self-esteem issues
   - [ ] Ethics and integrity
   - [ ] Communication skills
   - [ ] Life balance issues
   - [ ] Teamwork
   - [ ] Dealing with worry, fears and challenges
   - [ ] Handling stress and change
   - [ ] Staying focused and committed (realigning when necessary, understanding the cost of quitting)

8. **Which personal leadership abilities are important for a good leader?** (check all that apply)
   - [ ] Accurately perceive, appraise and express emotion
   - [ ] Access or generate feelings on demand when they can facilitate understanding of self or others
   - [ ] Understand the knowledge that is derived from emotions
   - [ ] Regulate emotions to promote both emotional and intellectual growth

9. **How important is it to diagnose potential sources of human capital conflicts so precisely that managers are able to intervene proactively to prevent their destructive influence?**
   - [ ] Critical
   - [ ] Very Important
   - [ ] Important
   - [ ] Not Important

10. **Do you have a sustainable integrated learning environment to build unity among your various teams of people to help them work effectively together in harmony and accord, rather than in discord and conflict?**
    - [ ] No, these are separate divisions, departments / initiatives
    - [ ] Yes, but in many cases different agendas and not enough integration of core values
    - [ ] Yes, fully integrated with common language / measurement processes

11. **Does your organization have a formable performance review plan to evaluate leaders, managers, supervisors on an annual basis concerning the following areas?**
    - [ ] Skills proficiency
    - [ ] Goals and objectives attained regarding their specific job requirements
Succession Planning

The terminology succession planning is unfortunately often reserved for a process describing how only the most senior leaders within an organization are replaced as they retire or leave for other reasons. More progressive organizations recognize that succession planning should actually take place at least at all levels of the organization where leadership is practiced. This could include Directors, Managers, Supervisors and other roles where daily decisions are made impacting the organization’s results. Our experience is that companies who recognize this need are winning the talent war and avoiding the pains associated with being unprepared to replace their people when necessity forces those choices.

A true succession planning effort is more than a low key back up plan for selected leaders. It is more of an intentional company-wide strategy involving tools to continuously grow and develop talent within a shifting global workforce. If talent was plentiful and an organization could count on easily “finding good people” at just the precise time they are needed, there would not be much need for it. But, in today’s competitive business environment with marked labor and skill shortages on the rise, no company with long-term vision can do without it.

A good succession planning process begins with defining the skills, abilities and other characteristics linked to the desired successes. Most organizations have little trouble with the skills and abilities elements of this process but the importance of “other characteristics” can be overlooked. This would include the role of values, motivations, character and behavioral traits and working styles.

1. Is your organization concerned about having a shortfall of talent in the next 3-5 years for any of the reasons outlined below? (check all that apply)
   - Aggressive business growth requiring increased leadership talent
   - Senior leaders approaching retirement
   - Perception that the internal leadership pool is inadequate (quality/quantity)
   - Seeking to gain a competitive advantage in a challenging industry

2. Does your organization have an intentional company-wide pro-active strategy involving assessment tools and processes to continuously grow and develop talent within the company?
   - Yes
   - No

3. Would it be beneficial to have an internal process that helps quantify the character and behavior competencies associated with successful performance in a given position based on position level business outcomes and objectives?
   - Yes
   - No
   - Need to learn more
4. Does your organization have a reliable method of quantifying candidates (internal/external) with a greater degree of fit to the job position competency model, of who are most likely to succeed in the organization?

☐ Yes, very satisfied
☐ Yes, but need to refine and improve
☐ No, not at this time

5. When a senior level person with tenure is planning to leave the organization, what is your greatest concern? (please rank in order with 1 being the most important)

☐ Loss of skill
☐ Loss of wisdom (mentoring)
☐ Loss of core values

6. Are you using a reliable method to determine whether a current employee possesses the right character and behavior attributes to be a good candidate for any other position in your company?

☐ Yes, post and interview for internal jobs
☐ Yes, have pre-established training tracks
☐ No, do not have a formable process

Closing Summary

Please rank each of the human capital initiatives below regarding your view as to their importance to your organization’s human capital initiatives.

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<th>Low</th>
<th>High</th>
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<td>1</td>
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1. **Align** the “compatibility” of stakeholders / managers / employees to your culture

2. **Identify** the best candidates that “fit” for a specific hiring position based on performance metrics

3. **Assess** character competencies and behavioral traits, beyond just job skills

4. **Reduce** hiring practice risks, costs and human capital legal liabilities

5. **Maximize** leadership competencies via training/coaching solutions

6. **Execute** a sustainable performance evaluation process to help enhance an individual’s career path

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