SELF-ASSESSMENT: YOUR ORGANIZATION’S COMMITMENT TO HUMAN CAPITAL DEVELOPMENT

Although many CEOs are fond of proclaiming that “Our people are our most important asset,” many organizations suffer from a chronic tendency to under-investment in the development of employees. An important first step toward correcting this tendency is to document it.

This self-assessment tool delineates some of the key dimensions that research has shown distinguish those organizations that truly do invest in people as their most important assets from those organizations that don’t. If you struggle to get the commitment that you need to develop employees within your organization, this tool may represent a first step in documenting where your organization currently stands.

After you’ve taken this self-assessment, some of McBassi’s other free resources may represent a useful next step. You may especially want to look at Six Things CFOs Need to Know About Investments in Human Capital and Predicting Stock Prices: What CEOs Need to Know About “HR Stuff.”

Instructions

Here’s how to use this self-assessment tool. Eight questions are provided below. For each one, circle the response that most closely describes your organization. Then, go to page 4 and follow the scoring instructions to assess your organization’s commitment to human capital management development.

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1 See “Are Skills a Cost or an Asset?” by Laurie Bassi and Daniel McMurrer, The Milken Institute Review, Volume 6, Number 3.
**Self-Assessment Questions**

A. Which response best describes how your organization demonstrates commitment of budget for employee development and learning?

1. Budget frequently is cut
2. Budget always at risk
3. Budget sometimes at risk
4. Budget rarely at risk
5. Budget not at risk even during "bad times"

B. Which response best describes how your organization identifies and tracks top performers (those consistently performing above average in a role or position)?

1. Top performers are not identified or tracked
2. Identified informally by managers, but not tracked
3. Identified and tracked at a department level
4. Identified and tracked at a business unit/division level
5. Identified and tracked at an organizational level

C. To what extent does your organization fill open positions with qualified (based on competencies, experience) internal candidates from across the organization?

1. Not known or to a very little extent
2. Little extent
3. Some extent
4. Large extent
5. Very large extent

D. To what extent does your organization provide employees with formal training or learning plans to ensure that they develop the skills they need to do their job?

1. Not known or to a very little extent
2. Little extent
3. Some extent
4. Large extent
5. Very large extent
E. To what extent does your organization use training and development (for example, skill building, career planning, etc.) to help employees achieve their career goals?
   1. Not known or to a very little extent
   2. Little extent
   3. Some extent
   4. Large extent
   5. Very large extent

F. To what extent does your organization analyze why good performers leave?
   1. Not known or to a very little extent
   2. Little extent
   3. Some extent
   4. Large extent
   5. Very large extent

G. To what extent is senior management involved with learning and development to ensure investments are consistent with strategy, priorities, and goals?
   1. Not known or to a very little extent
   2. Little extent
   3. Some extent
   4. Large extent
   5. Very large extent

H. To what extent do your current succession planning practices allow you to identify and manage leadership talent across the organization?
   1. Not known or to a very little extent
   2. Little extent
   3. Some extent
   4. Large extent
   5. Very large extent
How does your organization stack up?

Scoring instructions: Add up the numbers corresponding to your responses to all eight questions. (For example, if you selected response #2 to a question, that is 2 points; a response of “5” is 5 points).

<table>
<thead>
<tr>
<th>Your Total Score</th>
<th>An Initial Assessment of Your Organization’s Commitment to Human Capital Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>36 to 40</td>
<td>You work in an organization where there is a genuine commitment to human capital development! Assuming you were honest with yourself and that others in your organization would agree with your assessment, keep up the good work. Your commitment to employee development greatly enhances the probability that your organization will be successful for years to come, and be filled with highly effective employees.</td>
</tr>
<tr>
<td>30 to 35</td>
<td>Not bad! With additional focus, your organization can become an even more effective organization by using employee development as a key competitive advantage.</td>
</tr>
<tr>
<td>25 to 29</td>
<td>Your organization is lagging behind. If you are to gain competitive edge through effective human capital management, your organization needs to get more serious about developing its employees.</td>
</tr>
<tr>
<td>24 or below</td>
<td>You organization is headed for trouble. You really need to get back to the basics, if you’re not already there. Without an effective commitment to human capital development and management, there is no way to sustain a competitive advantage.</td>
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</tbody>
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We have the hard-nosed economic evidence and research-based measurement tools that can help you get the attention of senior management on these critical issues. For more information about McBassi & Company or its services, please feel free to contact us:

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