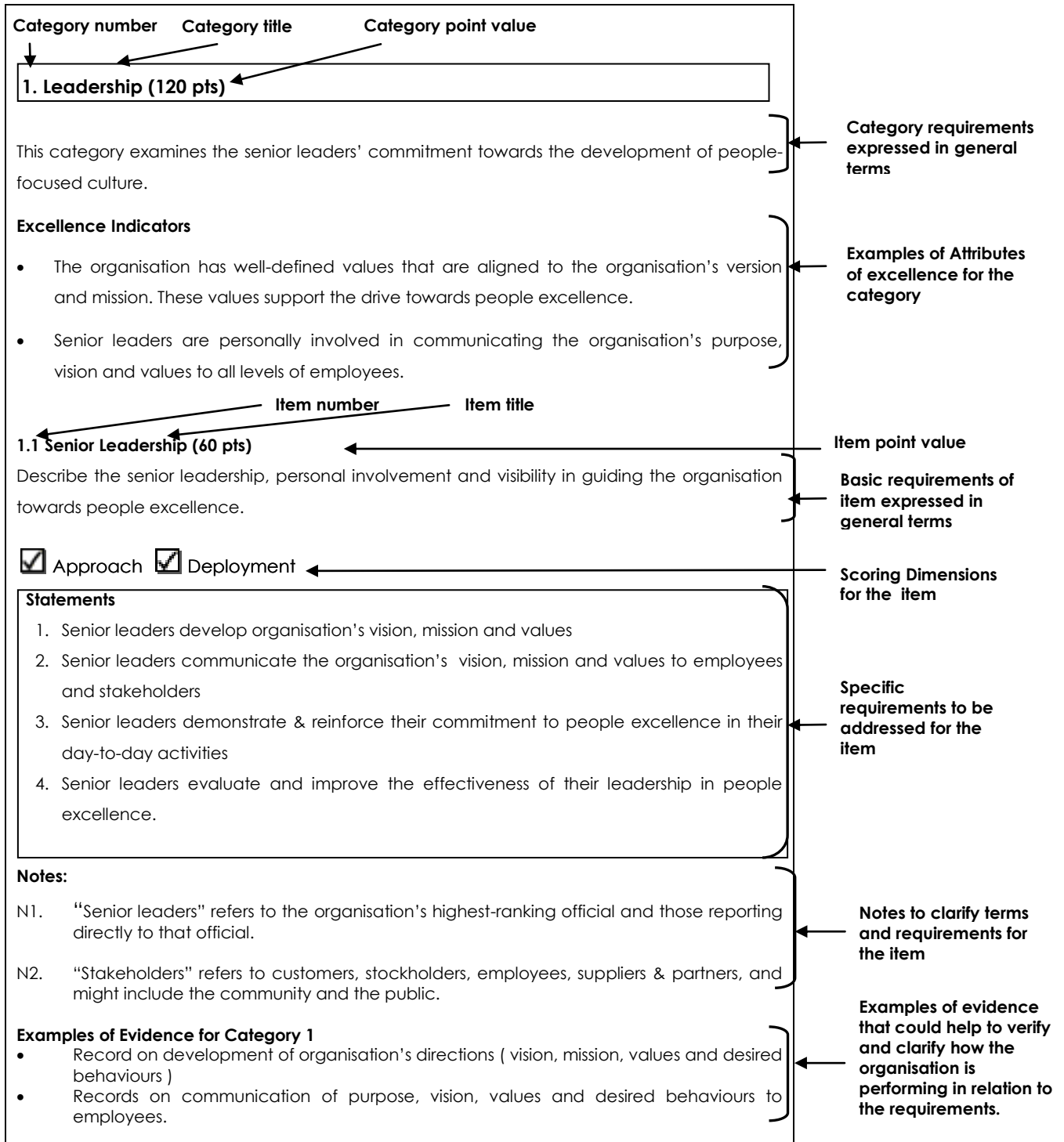


****Interpretation Guide***
to the
Business Excellence Niche Standard (People)

(* Revised on May 2010)

Introduction

The business excellence niche standard for **people** has 5 categories and 14 items. Each item has a set of statements specifying the criteria requirements for the item. In order to facilitate understanding, the interpretation guide on the criteria requirements of the niche standard is presented in the format below. The excellence indicators are not meant to be exhaustive.



Criteria Description

1 Leadership (120 pts)

This category examines the senior leaders' commitment towards the development of people-focused culture.

Excellence Indicators

- The organisation has well-defined values that are aligned to the organisation's vision and mission. These values support the drive towards people excellence.
- Senior leaders are personally involved in communicating the organisation's purpose, vision and values to all levels of employees.
- The vision, mission and values of the organisation are regularly reinforced through a variety of programmes as well as in day-to-day activities.
- Employees at all levels confirm that senior management strongly supports and drives corporate culture.
- Employees show a strong sense of identity and commitment towards the organisation's vision, and practise the corporate values in their day-to-day work.

1.1 Senior Leadership (60 pts)

Describe the senior leadership, personal involvement and visibility in guiding the organisation towards people excellence.

Approach Deployment

Statements

1. Senior leaders develop organisation's vision, mission and values.
2. Senior leaders communicate organisation's vision, mission and values to employees and stakeholders.
3. Senior leaders demonstrate & reinforce their commitment to people excellence in their day-to-day activities.
4. Senior leaders evaluate and improve the effectiveness of their leadership in people excellence.

Notes:

- N1. "Senior leaders" refers to the organisation's highest-ranking official and those reporting directly to that official.
- N2. "Stakeholders" refers to customers, stockholders, employees, suppliers & partners, and might include the community and the public.
- N3. Demonstration and reinforcement of the senior leaders' commitment might include their involvement in driving and supporting programmes and initiatives undertaken to achieve people excellence.
- N3. Evaluation of senior leadership and involvement might include assessment of senior leaders by peers, direct reports, board of directors and employees.

1.2 Organisational Culture (60 pts)

Describe how the organisation develops a culture that is consistent with its values, which encourages learning, innovation and achievement of business objectives.

Approach Deployment

Statements

5. Organisation translates its values into policies, desired behaviours and practices to support organisation's objectives, learning and innovation.
6. Organisation adopts people-focused policies and practices that support its values.
7. Organisation has programmes to promote desired culture.
8. Organisation closes gaps between current and desired culture.

Notes:

- N1. "Innovation" refers to making changes to products, services, processes, technologies and management practices to create new, significant value for stakeholders. It involves adoption of an idea and managing it to fruition to create value.
- N2. Measures to determine the gaps in culture could include attitude surveys, performance appraisal systems, focus groups and interviews.

Examples of Evidence for Category 1

- Records on development of organisation's directions (vision, mission, values and desired behaviours)
- Records on communication of purpose, vision, values and desired behaviours to employees.
- Evidences of senior leaders' day-to-day activities that support people excellence.
- Records on policies and practices that support values.
- Records on evaluation of leadership effectiveness and organisation culture.

2 Planning (70 pts)

This category examines how human resources strategies and structure are aligned with the organisation's objectives, strategies and goals, and how performance is reviewed.

Excellence Indicators

- Human resource strategies are aligned with the organisation's objectives and goals.
- The human resource structure is aligned with the business strategy, so as to deliver greater value to the stakeholders.
- The organisation regularly evaluates the performance of its HR strategies and plans.
- The human resource planning process is regularly evaluated, and refinements are made to improve on the process.

2.1 Strategy Development and Deployment (70 pts)

Describe how human resource strategies and structure are aligned to the organisation's objectives, and how performance reviews are done.

Approach Deployment

Statements

9. Human resource strategies are aligned with the organisation's objectives, strategies and goals.
10. Human resource structure is aligned with the organisation's directions and structure.
11. Organisation measures and reviews its performance against the human resource strategies, policies and systems.
12. Organisation evaluates and improves its human resource planning process.

Notes:

- N1. This item examines the alignment of the human resource planning process with the strategic planning process of the organisation.
- N2. Human resource strategies refers to long-term and short-term directions of the organisation in acquiring, developing, motivating, deploying, and retaining human resources for competitive advantage.
- N3. The alignment of human resource (HR) structure would involve aligning the HR structure with the business the organisation serves, and matching its resources with the business requirements. Examples of HR structures are HR functional organisation, e-HR, HR shared services, and embedded HR which places HR work within a business unit as HR generalists, business unit HR or HR account managers.

Examples of Evidence for Category 2

- Strategic Plans
- Human Resource Plans
- Records on Strategic Planning Process, including HR planning process
- Records on performance reviews

3 Information (70 pts)

This category focuses on the management of information and the use of comparative and benchmarking information to support human resource decision-making.

Excellence Indicators

- The organisation integrates human resource data on various aspects of performance into a few key indicators (e.g. a balanced scorecard) to track overall performance.
- The organisation has an effective and integrated system to collect and manage data and information which are used in the day-to-day human resource management and to drive performance improvements. All data/information are assigned owners who review and ensure the accuracy, reliability and accessibility of the data/information.
- The organisation has a systematic approach to analyse data and information to support human resource planning and review. The organisation regularly evaluates and improves its management of data and information pertaining to human resource.
- The organisation has a systematic process to collect and analyse comparative data and information on human resource management to drive performance improvements.
- The organisation has a systematic approach to benchmark its human resource processes against best-in-class organisations and learn from best practices to improve performance.

3.1 Management of Information and Knowledge (50 pts)

This describes how the organisation selects and manages information and knowledge for human resource planning, day-to-day management and performance evaluation.

Approach Deployment

Statements

13. Organisation selects, collects and captures information and knowledge related to human resource management and development.
14. Organisation analyses and uses information and knowledge to develop human resource strategies and action plans.
15. Organisation retains knowledge to support its human resource management and development.
16. Organisation shares information and knowledge to encourage employee engagement and learning.

Notes:

- N1. "Information" refers to data on indicators of process and organisational performance, and strategic success while knowledge refers to actionable information useful for creating value.
- N2. Information and knowledge to develop the organisation's HR plans could come from internal and external sources.
- N3. Analysis of information could include trends, projections, comparisons, root cause analysis, and cause-effect correlation.
- N4. Knowledge assets refer to both explicit and tacit knowledge within people, technology, systems & practices, work relationships, teams, networks and are actionable in nature. Explicit knowledge is knowledge documented or encoded in print, electronic, or audio-visual formats or embedded in prototype, equipment, or technology (e.g. intranet, manuals). Tacit knowledge is undocumented knowledge (e.g. expertise, past experiences of what works, informal network of co-workers).

3.2 Comparison and Benchmarking (20 pts)

Describe how the organisation selects and uses comparative and benchmarking information to achieve improvements in human resource management.

Approach Deployment

Statements

17. Organisation develops criteria for selecting comparative and benchmarking information to improve performance in human resource management.
18. Organisation uses comparative and benchmarking information to set goals and improve human resource strategies, policies and systems.

Notes:

- N1. Comparative information includes comparisons with competitors and/or comparable organisations.
- N2. Benchmarking refers to finding good practices and using the knowledge gained to achieve superior performance.

Examples of Evidence for Category 3

- Records on information and knowledge management systems and processes.
- Records on information and knowledge used as inputs for HR planning.
- Records on information and knowledge sharing platforms
- Comparative and Benchmarking Studies

4 People (290 pts)

This category examines how human resource strategies, policies, systems and practices enable employees to develop and utilise their full potential in alignment with the organisation's directions. It also examines the organisation's efforts to build and maintain a work environment conducive for the well-being, motivation and satisfaction of all employees.

Excellence Indicators

- There is recognition of employees as "internal customers".
- Organisation is fully committed to employee training, education and development.
- The organisation uses various methods to encourage all employees to help improve the organisation's performance.
- There is strong commitment to employee satisfaction, motivation, well-being and morale.
- The organisation's performance management system is tied to other HR systems such as flexible and performance-based wage system, talent management and career development processes for an integrated and holistic approach towards employee rewards and recognition.

4.1 Human Resource Planning (60 pts)

Describe how the human resource action plans are established, and how the recruitment and selection practices address the needs of the organisation.

Approach Deployment

Statements

19. Human resource goals are established for key human resource strategies to track effectiveness.
20. Long-term and short-term action plans are established to achieve the human resource strategies and goals.
21. Line managers and employees are involved in developing human resource strategies and action plans.
22. Employee recruitment and selection policy is aligned with human resource strategies and action plans.
23. Employee recruitment and selection process is aligned with organisation's policy.
24. Line managers are involved in employee recruitment and selection process.

Notes:

- N1. Action plans refers to the implementation plans that may include details such as action items, timeline and personnel in-charge. Such plans could also include budget plans (short-term) workforce and manpower plans (medium-term), organisational development plans (long-term).
- N2. Examples of possible elements in the human resource plans are job redesign, education and training, compensation and recognition, promotion of good labour-management relations, employee involvement, performance management, HR outsourcing/ outplacement, succession planning and talent management.
- N3. The recruitment and selection policy could observe and promote responsible employment practice in the workplace.
- N4. The recruitment and selection process could address definition of job expectations, assessment of candidate's capabilities/aptitude so as to ensure job fit, and objective decision-making.

4.2 Employee Engagement (60 pts)

Examines how employees are engaged at individual and team levels to contribute to business objectives.

Approach Deployment

Statements

25. Organisation develops strategies to encourage employee engagement in teamwork, innovation and the achievement of organisation's objectives and goals.
26. Organisation develops mechanisms to involve employees in improvements and innovation.
27. Organisation develops mechanisms to involve employees in team-based activities for innovation and the achievement of organisation's objectives and goals.

Notes:

- N1. Employee engagement is often characterised by high-performing work environments in which people are motivated to do the best for their customers and contribute to the success of the organisation.
- N2. The organisation could use different employee engagement approaches for different categories of employees to encourage involvement in the achievement of the organisation's objective and goals. These could include improvement teams, suggestion scheme, project teams, and self-directed work teams.

4.3 Employee Learning and Development (60 pts)

Describes how the organisation's employee learning and development programmes support its objectives and contribute to high performance.

Approach Deployment

Statements

28. Learning Needs Analysis is conducted periodically for employees in line with business objectives and organisational values.
29. Organisation has a Total Learning Plan for employees.
30. Learning objectives and post-course performance targets are communicated to employees before learning.
31. Organisation reviews the learning acquired by employees.
32. Organisation inducts new employees, and existing employees given new job functions.
33. Organisation has programmes to identify, develop and retain talents with potential for greater contributions.
34. Organisation has programmes for leadership development and succession planning for key positions.
35. Career development planning is provided for employees.
36. Line managers are involved in developing career plans with employees.

Notes:

- N1. Learning and development address the skills, knowledge, competencies and opportunities that employees need to contribute to the organisation.
- N2. Learning Needs Analysis (LNA) refers to the process at which appropriate learning activities are determined to help the employees close competency gaps and develop new skills. It should take into account the professional needs of the employee, departmental needs, and organisational needs.
- N3. Total Learning Plan (TLP) refers to the overall plan for learning activities to be conducted over a planned period.
- N4. Structured induction for both new and existing employees could include briefing by immediate supervisor, assigning buddy and/or mentor, conducting learning needs analysis and on-the-job training.

- N5. Individual career plans are aligned with the learning needs analysis and support career progression through new job exposure or job rotation.

- N6. Review of learning and development effectiveness might address the effectiveness of the training, verification of knowledge and skills acquired by employees, impact on the individual's performance, and impact on the performance of the organisation.

4.4 Employee Well-being and Satisfaction (60 pts)

Describes how the organisation develops a work environment that enhances the well-being and satisfaction of employees.

Approach Deployment

Statements

37. Organisation creates a work environment that enhances employees' safety, security, health and well-being.
38. Organisation promotes a harmonious relationship between management and employees/unions.
39. Organisation communicates its human resource strategies, policies, systems and processes to all employees.
40. Organisation measures and assesses employee well-being and satisfaction.

Notes:

- N1. To enhance employee well-being and satisfaction, organisations could consider workplace health promotion, counseling, recreational activities, career and personal development, flexible work hours, and arrangements to make the work environment family-friendly through activities such as the provision of on-site childcare centres.
- N2. To measure employee satisfaction, employee feedback surveys could be conducted. To measure employee well-being, data on safety, absenteeism, turnover, grievances, and employee health and satisfaction levels could be gathered. The results of such measures should be reported in item 5C.

4.5 Employee Performance and Recognition (50 pts)

Describes how the organisation's employee performance appraisal, recognition, promotion, and compensation and rewards systems encourage employees to achieve high performance and contribute to business objectives.

Approach Deployment

Statements

41. Compensation and benefits policy is aligned to human resource strategies and action plans.
42. Compensation and benefits schemes are developed and implemented for employees based on organisation's policy.
43. Organisation manages staff performance to achieve the organisation's objectives, strategies, goals and targets.
44. Rewards and recognition schemes are developed to support organisation's values, objectives and goals.

Notes:

- N1. Compensation and benefits policy refers to the organisation's philosophy or belief on how the employees should be rewarded in lieu of their services to the organisation. Such policy is derived based on HR strategies and is aligned to the organisation's directions and strategies.
- N2. Relevant market & industry data is used to design the compensation and benefit structure so as to ensure external equity. Internal equity is maintained by ensuring an equitable and fair structure that is aligned to job size, and linking rewards to work performance, competencies, experiences and contributions of employees to the organisation.
- N3. Employee performance appraisal process allows for objective review and assessment of employees' performance and contributions based on targets set jointly by the employees and immediate supervisors. The appraisal could also include assessment of functional skills and behavioural competencies.
- N4. Recognition schemes could cover monetary and non-monetary, formal and informal, and individual and team recognition.

Examples of Evidence for Category 4

- HR plans and policies
- Records on employee engagement
- Learning Needs Analysis and Total Learning Plan
- Records on transfer of learning to the workplace
- Employee satisfaction survey and reports
- Career development plans
- Market surveys on compensation

5 Results (450 pts)

This category examines the organisation's performance in key result areas that are related to people excellence.

5.1 Customer Results (70 pts)

Summarise the organisation's relevant customer-related results.

Results

Statements

45. Current levels and trends for customer satisfaction and retention indicators linked to workforce success.
46. Current levels and trends for product and service performance indicators linked to workforce success.

Notes:

- N1. Workforce Success refers to how well the investments in the workforce has helped the organisation to execute its customer, operational and financial strategies. The workforce investments contribute to the execution of these strategies through the culture, mind-set, competencies and behaviours created.
- N2. Customer satisfaction and retention results could cover customer satisfaction survey results, business growth from preferred customers, repeat business, positive referrals, and recognition from customers.
- N3. Product and service performance indicators refer to key product or service features that are linked customer requirements and expectations. These indicators could address response time, defect rates, accessibility, and warranty claims.

5.2 Financial and Market Results (70 pts)

Summarise the organisation's relevant financial and market results.

Results

Statements

47. Current levels and trends for financial performance indicators linked to workforce success.
48. Current levels and trends for marketplace indicators linked to workforce success.

Notes:

- N1. The financial results could include revenue growth, return on investment, budget utilisation rate, operating margin, profitability, surplus, and value added per employee.
- N2. The marketplace results could include market position, market share, measures of business growth, new products, services and markets, and outreach measures.

5.3 People Results (200 pts)

Summarise the organisation's key human resource results. Segment the results to address the diversity of the workplace. Include appropriate comparative data or benchmarks.

Results

Statements

49. Current levels and trends for employee engagement indicators.
50. Current levels and trends for employee learning indicators.
51. Current levels and trends for employee well-being and satisfaction indicators.
52. Favourable comparison of people results with competitors or benchmarks.

Notes:

- N1. Indicators for employee engagement relate to the human resource processes and practices outlined in item 4B.
- N2. Indicators for employee learning and development relate to the human resource processes and practices outlined in item 4C.
- N3. Indicators for employee well-being and satisfaction relate to the human resource processes and practices outlined in item 4D.

5.4 Operational Results (110 pts)

Summarise the relevant performance results relating to key business and support processes of the organisation.

Results

Statements

53. Current levels and trends for performance indicators of key business processes linked to workforce success.
54. Current levels and trends for performance indicators of key support processes linked to workforce success.

Notes:

- N1. The key business processes are those important to “running the business” and maintaining or achieving a sustainable competitive advantage. These include the processes through which your organisation adds greatest value to its product and services. They also include the business processes most critical to adding value to the organisation itself, resulting in success and growth.
- N2. The support processes are considered most important for the support of the organisation's key business processes, employees, and daily operations. These could include facilities management, administration processes, IT management, and project management.
- N3. The operational results could be based on productivity, cycle time, quality, cost and delivery indicators.

Examples of Evidence for Category 5

- Customer satisfaction results/trends
- Training indicators/results for each employee group
- Employee opinion survey results
- Records tracking turnover rates/absenteeism/grievances
- Records on employee involvement results/trends
- Documents on other relevant results tracked at organisational level