

Saratoga Services: HR Delivery Effectiveness

Organizations have long sought to quantify the efficiency, effectiveness, and value delivered by the HR function. According to Saratoga's 2006/2007 Human Capital Effectiveness Report, the average organization invests more than \$1,400 per employee on the HR function. This translates into HR costs of more than \$1.4 million per 1,000 employees served.

Saratoga, a service offering of PricewaterhouseCoopers, teams with clients to help them apply a rigorous evidence-based approach to measuring and managing workforce and HR effectiveness. Saratoga's three key service offerings address workforce effectiveness, HR program effectiveness, and HR delivery effectiveness.

HR Delivery Effectiveness

- How cost-effective is HR?
- Are HR customers satisfied with the services being delivered?
- Where are opportunities for more efficient delivery of essential HR services?
- Where are we redundant or inefficient?

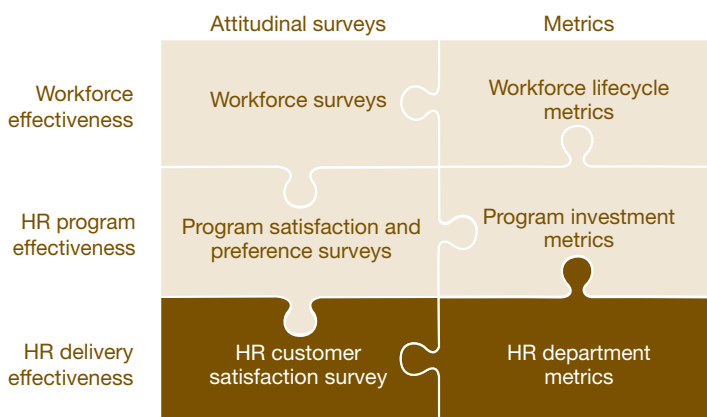


Saratoga's HR Delivery Effectiveness program allows clients to understand the efficiency and effectiveness of HR delivery from a cost and structure standpoint. This program combines surveys and interviews of key HR stakeholders including senior leadership, line management, and the workforce to determine satisfaction with HR services. Saratoga compares survey and interview results with our vast database of metrics on HR cost and structure. As a result, Saratoga clients gain a deeper understanding of their own HR organization's efficiency and effectiveness in delivering services to the organization.

Saratoga's HR Delivery Effectiveness program includes three key components.

What do HR Customers Think?

HR Customer Satisfaction Surveys—To assist HR alignment with business goals, Saratoga has developed a survey targeted at the three key internal customer audiences of HR—executives, managers, and employees. By determining each audience's unique interactions with and perceptions of





HR, Saratoga is able to pinpoint issues that detract from the overall success of HR. Clients are able to gather a detailed perspective that provides insight into value-added activities and systems that can be implemented to improve the overall delivery and cost effectiveness of HR services. Our surveys may be customized to meet your needs and offer real-time customized peer-group comparator groups.

Deep analysis tasks performed by HR

HR Department Metrics—Saratoga has developed a web-based survey of approximately 300 HR and payroll activities that is administered to HR and non-HR staff that perform HR and/or payroll tasks. Survey participants select the activities they perform and allocate the annual percentage of time spent performing each activity. Results from the survey are used to measure and assess the amount of time and money being spent on HR resources, uncover efficiencies, and classify HR activities as strategic or administrative. Additionally, Saratoga's core measurement and benchmarking program provides over one hundred metrics and standards around HR cost, size, and structure.

Understand the financial impact HR has on your business

Business Linkage Workshops—While it is important to recognize how your HR delivery compares to others, it is critical to translate how HR delivery financially impacts the business. Saratoga brings key organizational stakeholders together to help you quantify the impact of your key issues and help you prioritize resources.

A sample issue covered in a business linkage workshop is to quantify how a 10% increase or decrease to the HR budget would impact the organization.

Saratoga's HR Delivery Effectiveness program provides your organization with a number of benefits. Through this program you will be able to:

- Quantify and measure the value of HR
- Gain insight into the perspectives of the perceived value of HR through the eyes of various HR customers
- Gather evidence-based information on how the cost and structure of your HR compares to others
- Have access to more than one hundred HR measurements and benchmarks
- Understand the financial impact HR has on the business

Saratoga is part of PwC's Human Resource Services practice. This global practice of more than 6,000 professionals is dedicated to providing practical, multi-disciplined advisory services to include a full service human resource consultancy such as dedicated practices in communications, change management, workforce planning, process management, benefits, retirement, and compensation. To learn more about Saratoga, please visit our website: www.pwc.com/saratoga or call us at 866 727-2864.