



Emerging Evidence: Business Performance And The Validation Of HR Best Practices



Executive Summary

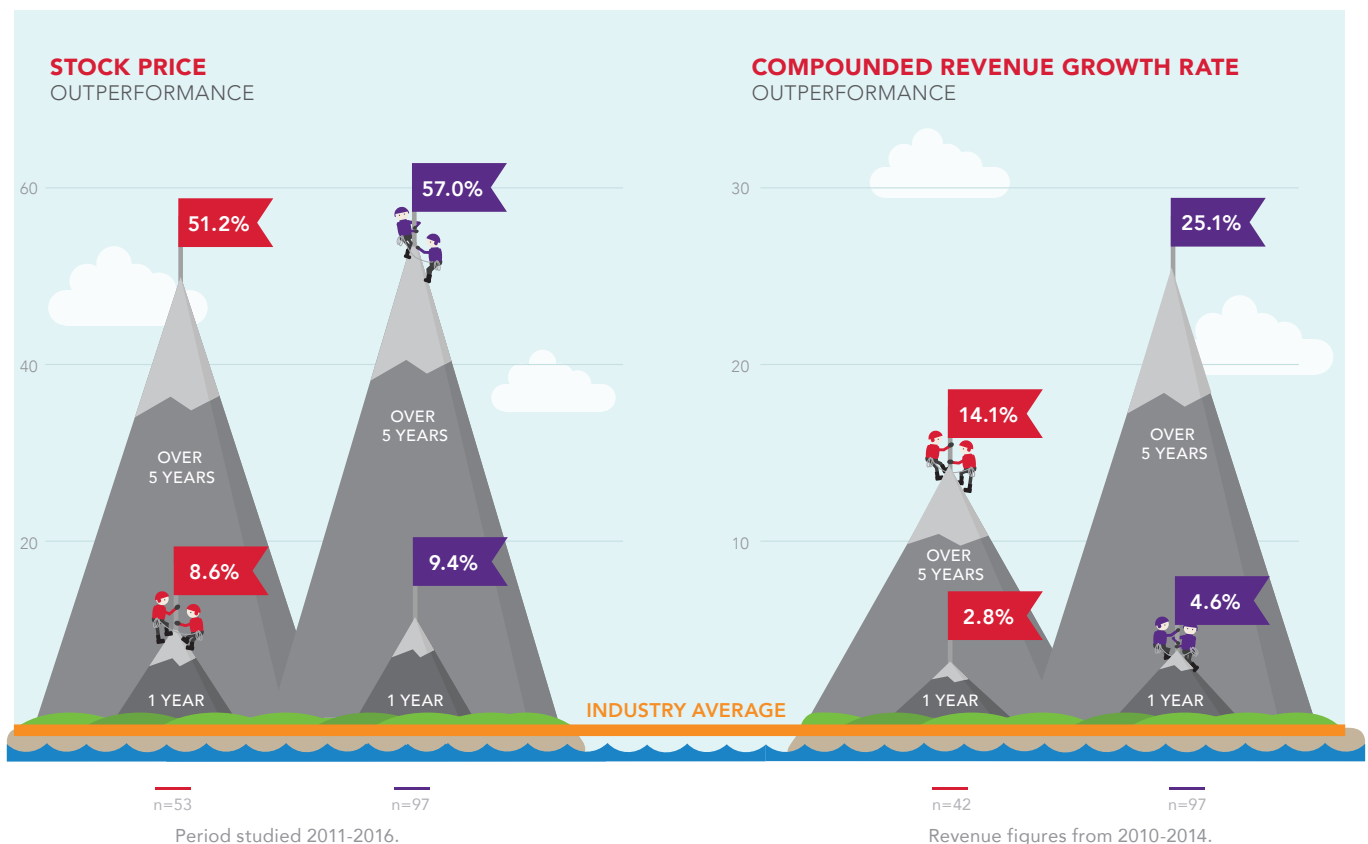
By the time the second industrial revolution ended in 1914, we as a society had begun to harness the power of machines to drive productivity.

Steel had replaced iron, automobiles and trains had replaced horses, and the telephone and radio had changed the way we communicate. Now, more than 60 years into the digital revolution, the engine that drives our society and our businesses is not coal-fired, nor is it plugged into the electric grid; it is increasingly the human brain. Optimizing the effectiveness of today's human assets is a top concern for business leaders, but many organizations are unsure how to select or deploy talent practices that will drive business performance. This paper shares the latest emerging research on how

human resources certification, at both the individual and organizational levels, is positively correlated with stronger results for several important measures of business performance. New data analysis shows that companies with a certification from the Top Employers Institute are significantly outperforming industry averages on key metrics (1, 2) and individuals with HR Certification Institute® (HRCI®) certification demonstrate not only mastery of the competencies tied to best practices, but also the sound judgment and strategic mindset required to adapt best practices to their unique organizational challenges. Companies with five or more HRCI certificants on staff outperform other companies on key business metrics. (3, 4)

MAGNITUDE OF OUTPERFORMANCE

-  Companies certified by Top Employers Institute.
-  Companies with more than 5 HRCI Certificants.



Source: Top Employers and HRCI Stock Performance and Growth Rate Analysis, 2016

High-performing companies around the world seek out and adopt best practices across disciplines to positively impact bottom line business metrics; it's not a surprise that the discipline of human resources is a beneficiary. However, while companies have long recognized the importance of HR, executives in all functional areas struggle to find the right data points to illustrate the impact of HR on the performance of the business.

Studies have also shown that best practices can fail (and in fact can stifle innovation) if they're not appropriately adapted to a company's unique needs. This paper will show how companies can avoid this potential pitfall when implementing human resources best practices, by leveraging the powerful validation of both organizational and individual certification.

Recent Research Suggests That There Is Evidence For HR Practices Driving Financial Results.

Consultancies have identified specific HR capabilities and initiatives that correlate to business performance. In 2015, Boston Consulting Group released study results that correlated overall excellence in talent management capabilities with increases in company revenue and profits. The study was based on BCG's Global Leadership Talent Index (GLTI), which has firms self-evaluate on 20 leadership and talent management capabilities. The study found that "talent magnets" (companies with a GLTI in the top 5% of scores) increased revenues 2.2 times faster, and profits 1.5

times faster, than "talent laggards" (companies with a GLTI in the bottom 5% of scores). (24) Companies can benchmark their results against BCG's global database, but the GLTI falls short of being applicable as a rigorous or procedural best practice. The 20 factors that inform the GLTI are self-reported, which limits the accuracy of the measurement. Because the battery of only 20 capabilities evaluated is both cursory and broad, it can be hard for companies to tactically identify where and how to improve.

THERE WERE 10 LEADERSHIP CAPABILITIES FOUND TO HAVE THE STRONGEST CORRELATION TO REVENUE AND PROFITS:	
Translate leadership and talent plan into clear and measurable initiatives.	Plan long-term leadership and talent needs strategically.
Devote significant time to nurturing leadership and talent.	Identify internal talent to meet leadership needs.
Make leaders accountable for talent development.	Develop pipeline of successors for leaders and top talent.
Develop talent systematically.	Establish clear, effective and universal talent management processes.
Encourage leaders to foster employee engagement.	Tailor employer brand to specific talent pools.

Source: Boston Consulting Group, 2015

Additionally, the Institute for Corporate Productivity (i4cp) created the People-Profit Chain in 2013, which details the organizational characteristics and people practices that are connected to a company's market performance. They identified five business domains, Market, Strategy, Culture, Leadership and Talent. When the chain is interconnected, the five

domains yield a consistent set of outcomes, each of which is correlated to market performance. When a weak link within the chain is identified, high performers can be separated from low performers and companies can pinpoint specific criteria to change, the end result being revenue growth and increased market share, profitability and customer satisfaction.

DOMAIN	INCLUDES ORGANIZATIONAL PERFORMANCE INDICATORS SUCH AS:	CORRELATION TO MARKET PERFORMANCE
MARKET	<ul style="list-style-type: none"> • Organization is aligned to customer needs. • Employees understand customer needs and contribute to customer value. 	.49
STRATEGY	<ul style="list-style-type: none"> • Alignment of executive, management and individual behavior to business strategy. 	.51
CULTURE	<ul style="list-style-type: none"> • Perceived as a good place to work. • Shared organizational values. • Ability of culture to change. 	.45
LEADERSHIP	<ul style="list-style-type: none"> • Focus on innovating to increase employee effectiveness. • Emphasis on cultural alignment. • Leadership communications. 	.42
TALENT	<ul style="list-style-type: none"> • Retention of talented employees. • Focus on process improvements. 	.41

Source: Institute for Corporate Productivity, 2013

Top Employers Institute Has Identified A Set of HR Best Practices That Companies Can Adopt That May Improve Business Performance.

Top Employers has developed a rigorous process of evaluating, benchmarking and certifying companies. They have identified best practices in nine key HR topics:

• Talent strategy	• Leadership development	Each topic is examined on the following dimensions: <ul style="list-style-type: none"> • Policy & strategy • Executive ownership • Practices • Measurement • Technology
• Workforce planning	• Compensation & benefits	
• On-boarding	• Culture	
• Learning & development	• Career & succession management	
• Performance management		

To determine whether the Top Employers certification is correlated with better business performance, data analysts examined companies that have received their certification since 2011 on key metrics. The findings show that companies that have achieved Top Employers certification since 2011 are not only more highly regarded, according to employee ratings on employer review & assessment platforms like Glassdoor and Kununu, they also show stronger stock performance and compounded five-year revenue growth rates. (1, 2, 29)

EMPLOYER BRAND RATINGS

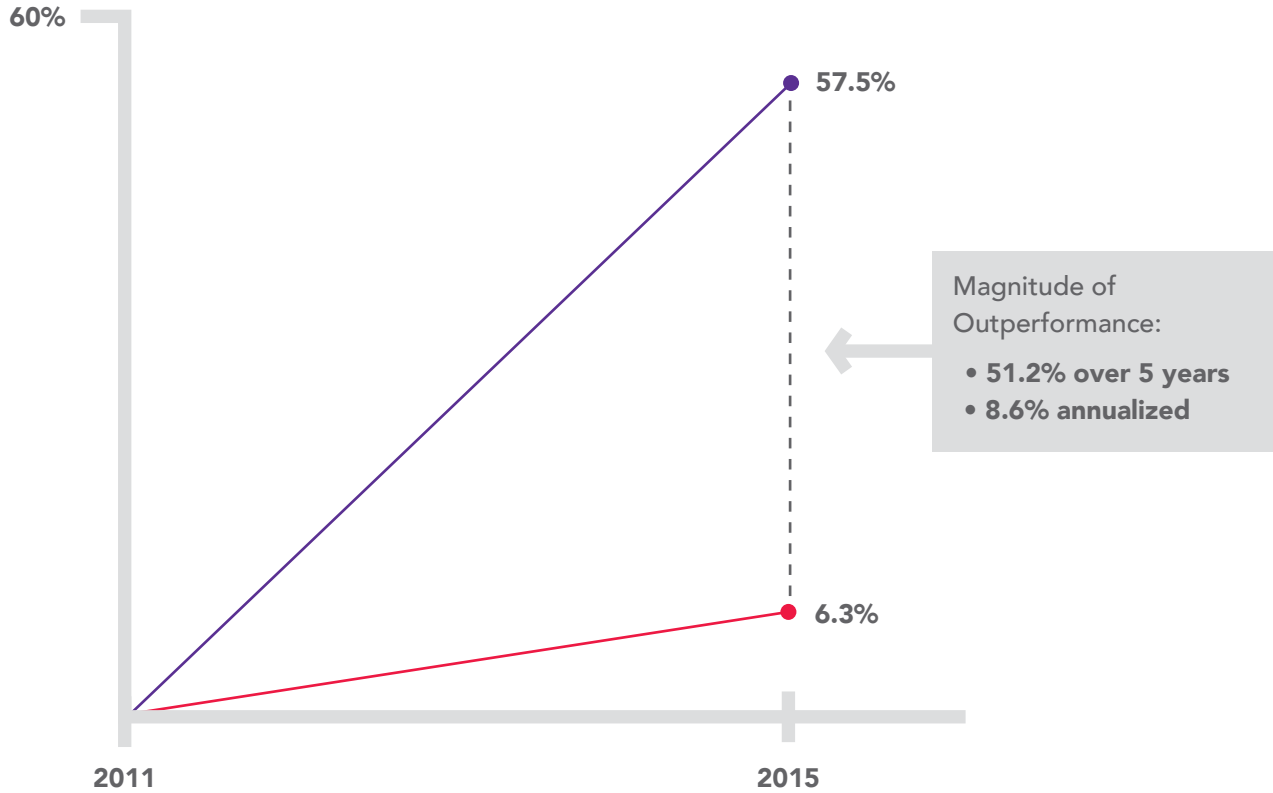
	KUNUNU	GLASSDOOR
AVERAGE SCORE BY PLATFORM	3.06 ★★★★★	3.20 ★★★★★
AVERAGE SCORE FOR TOP EMPLOYERS CERTIFIED COMPANIES BY PLATFORM	3.48 (n-180) ★★★★★	3.46 (n-198) ★★★★★

Source: Top Employers Institute Employer Brand Analysis, 2016

STOCK PERFORMANCE

5 Year Stock Price Increase

2011 - 2015



Top Employers Certified Companies (n=53)

Relevant Stock Indices*

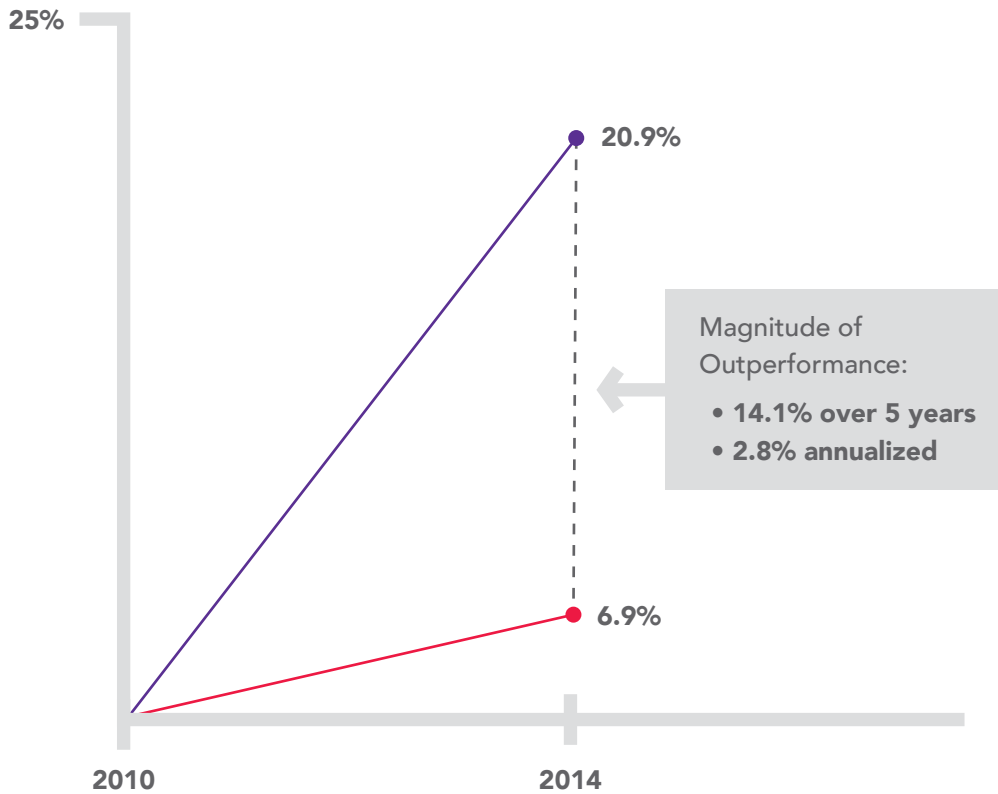
*average of all included country indices: BEL20, BOVESPA, DAX, CAC 40, FTSE MIB, AEX, WIG20, IBEX 35, FTSE 100

Source: Top Employers Stock Performance Analysis, 2016

REVENUE GROWTH

5 Year Compounded Growth Rates

2010 - 2014



■ **Top Employers Certified Companies (n=42)**

■ **Relevant Industry Average**

Source: *Top Employers Growth Rate Analysis, 2016*

Executives at Top Employers certified companies confirm that a key benefit of the certification is being able to compare their company's scores against benchmarks on 600 best practices in the nine HR topic areas. This level of specificity allows companies to pinpoint areas that need improvement. To fully realize the benefit of best practices, and thus be certified, companies need to have a full complement of competent and creative individuals who can ensure that the practices are being appropriately adapted and adopted, as the

overwhelming majority of the research literature on quality management techniques shows that the level of top management commitment before, during and after implementation of a best practice has a significant impact on success. (8) The Top Employers certification process includes research, a validation, and a third-party audit. The evaluation is in-depth, and requires a commitment of time and resources across the entire company.

HRCI Certification Helps Companies Identify Not Only Industry Experts, But Also Individuals Who Have The Intuitive Skills And Situational Awareness Required To Adapt Best Practices To Their Company's Unique Needs.

Professional certifications in general are continuing to grow in cultural relevance, as the number of new applicants and certifications across industries has increased steadily since 2009. While certifications have long been common in occupations requiring technical skill, and/or with high degrees of associated liability, more are emerging in professional services. (25) Basic Human Resources certification options have been around for forty years but continue to grow in both HR specialty areas and scope of responsibility. Today, HRCI offers certifications for early career HR employees up to senior global practitioners. Other types of certification options exist in the market as well and vary in their requirements to prepare and pass the certification, based on rigor, intended purpose, and the scope of content covered.

HRCI certification is a key indicator that an individual possesses knowledge of the most important best practices – not based on any single competency model, but rather on multiple competency models, current research, and ongoing input from over 1,100 business professionals working (and certified) in human resource management. The result is a certification that indicates the holder can manage what real HR professionals at various levels are expected to know and *do* on the job.

When it comes to applying best practices, knowledge alone isn't enough – sensitive, creative and intuitive individuals need to tailor the application. The longitudinal Human Resource Competency Study conducted by University of Michigan and RBL Institute arrived at a similar conclusion when it identified strategic and tactical knowledge-based competencies, which it classified as "Enablers." However,

according to the study, the best HR professionals also exhibit three key competencies identified as "Core" attributes.

These Core attributes speak to the importance of insight: (26)

Strategic positioner:

Translates external and internal business contexts into practical HR solutions to achieve business goals.

Credible activist:

Earns trust and respect, and can motivate others.

Paradox navigator:

Manages and resolves workplace goals that can seem at odds.

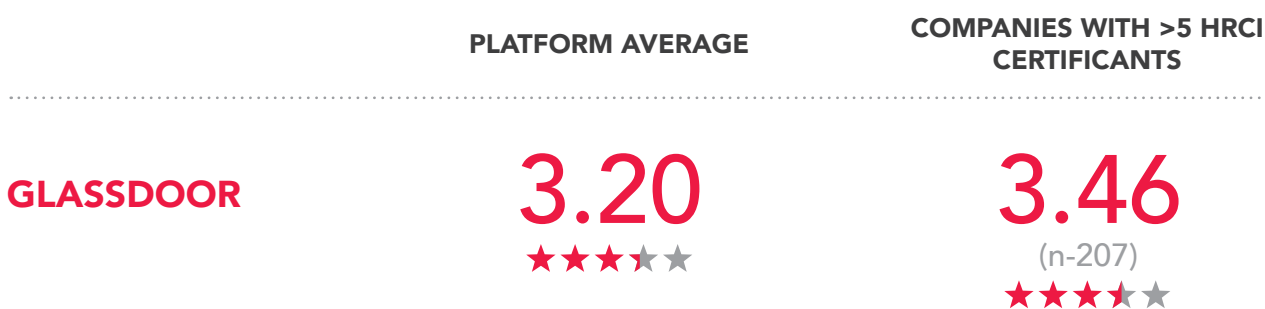
HRCI certification requires individuals to demonstrate these harder-to-pinpoint indicators of character and conscience. In addition to knowledge-based evaluation, the certification exams require applicants to combine related elements and apply critical judgment. Applicants must pick the *best* response from among others that may also appear to be correct.

Adobe's senior vice president of Global People and Places, Donna C. Morris, said in *The Rise of HR: Wisdom from 73 Thought Leaders*, "We have entered the next generation of HR. To help propel people and business forward in today's competitive environment, the HR function requires increased discipline, agility, and constant adaptation." As such, the HR Certification Institute is evolving certification to meet the ongoing business needs of HR professionals around the globe.

HRCI Certification Correlates To Revenue Growth And Stronger Stock Performance.

Multiple studies (27, 28) already provide strong evidence that HRCI certified individuals are more successful in their careers compared to non-certified employees. They tend to get promoted more quickly, see quicker and greater salary increases, and populate more senior positions. Now data analysis suggests that having HRCI certified professionals on staff is correlated to stronger business performance. Companies with more than five HR professionals certified by HRCI are – like the Top Employers certified companies – not only more highly rated by current employees, they also are more likely to show stronger stock performance and revenue growth rates. (3, 4, 30)

EMPLOYER BRAND RATINGS

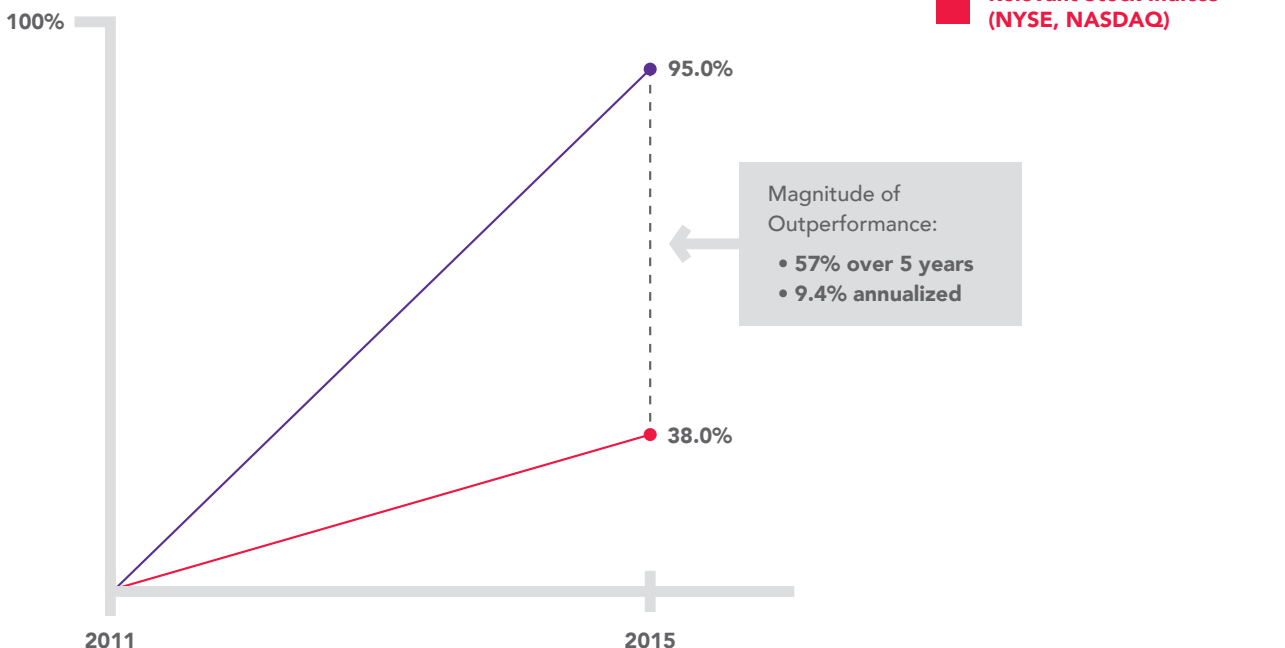


Source: HRCI Employer Brand Analysis, 2016

STOCK PERFORMANCE

5 Year Stock Price Increase

2011 - 2015

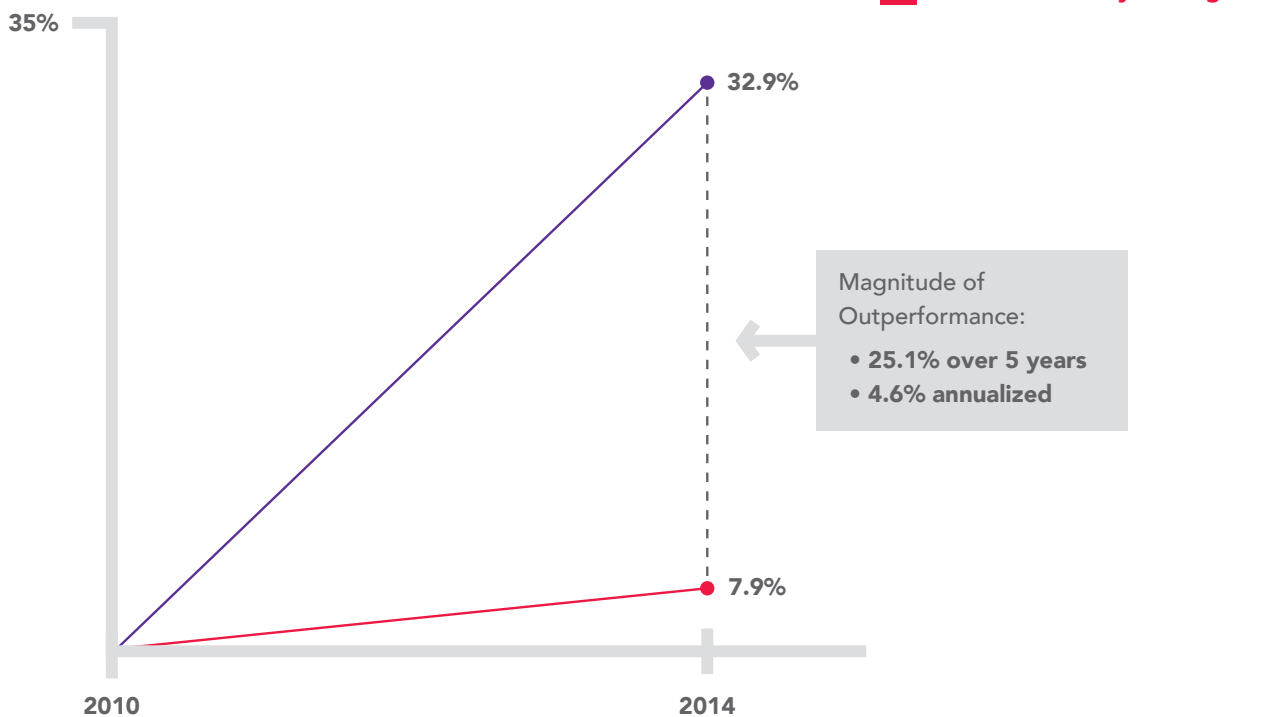


Source: HRCI Stock Performance Analysis, 2016

REVENUE GROWTH

5 Year Compounded Growth Rates

2010 - 2014



Source: HRCI Growth Rate Analysis, 2016

In addition, studies suggest that having *more* certificants (as a percentage of the total HR department) has an even greater impact on revenue growth, emphasizing the importance of institutionalizing the approach to implementing best practices, rather than expecting a small number of individuals to drive change. The University of Michigan/RBL Industries HR Competency Study found that HR *department* activities account for more of the value all stakeholders perceive (employees, investors, communities, regulators, line managers, external

customers) than the competencies of the individual HR professionals within the department. In other words, while it's important to have great HR people, it's more important to have a consistently great department that's aligned on activities. (28) Glassdoor ratings support a similar conclusion, that of companies with more than five HRCI certificants, those with a greater proportion of them relative to the total number of HR staff are rated higher. (30) This suggests that a department that's more aligned around best practices has a larger impact.

"We have entered the next generation of HR. To help propel people and business forward in today's competitive environment, the HR function requires increased discipline, agility, and constant adaptation."

– Donna C. Morris, Adobe's senior vice president of Global People and Places

Companies Have Long Benefited From Best Practices, But Historically Best Practices Have Been More Quickly Adopted In Process-Driven Functions Than In More Subjective Functions Such As Human Resources.

While certification by its very nature validates that an individual – or in the case of Top Employers’ certification – the organization, is capable of knowing and applying best practices in their field, it has not been as widely used in HR as in functions such as finance. The discipline of identifying and applying “best practices” to commercial enterprise is well established. A “best practice” usually starts with insights derived from one company, or from an academic study, which then get codified and offered to other companies as a means to shorten a learning curve, avoid the costs of trial and error, and gain competitive advantage. Today, the practice of best practices has become an industry itself. Companies like CEB (formerly known as the Corporate Executive Board) have created thriving businesses around the concept of standardizing to eliminate variability in everything from Finance to Compliance to Procurement. Their step-by-step plans, checklists and metrics provide specific guidance on how to avoid costly trial and error (supported by research) and produce the best results.

- For instance, the CEB “Accelerating Corporate Clock Speed” study examined 40 potential actions a team could take to speed up a tech delivery process. The study identified the three that have the most impactful actions, shaving five weeks off a six-month project. (5)

While best practices proliferate, the need for them is growing too. One factor driving demand is the growth in the number of multinational companies (from 7,000 in 1960 to 80,000 in 2006). (6) According to McKinsey, the more multinational a company becomes, the more

vulnerable it is to “organizational clutter, reduced agility, and confusion about roles & responsibilities.”(7) Thus more multinationals means more need for greater standardized organizing principles. Market and stakeholder pressures are two other factors driving the demand for best practices. As companies face tougher competition and increased financial pressures, the demand for best practices has escalated, as executives hope to apply methods that will improve business performance, even marginally. In fact, results from a broad range of studies, when taken together, suggest that best practices can have a measurable impact:

- TQM implementation and ISO 9000 certification have been widely studied and shown to have a positive relationship with firm performance. (8)
- Software development projects that apply agile methods have a higher success rate (72%) than projects using traditional development methods (63%). (9)
- Six Sigma has been linked to an average additional improvement of 8.3% in sales growth over six years. (8)

However, best practices are still most commonly applied to functions that tend to be process-driven. Their adoption has not been as widespread in functions whose responsibilities are usually considered more subjective, such as sales, marketing, and human resources. Organizational research has shown that sales and marketing staff resist attempts to systematize their responsibilities, which they view as more art than science. (8) And in fact, the process improvement toolset and technique known as Six Sigma has been found to be most impactful in more “scientific”

functions like finance, engineering and manufacturing. It has been least impactful in sales and marketing, and in businesses like restaurants and tax advice. That's because it's harder to reduce unhelpful variability in industries and fields that rely more heavily on perceptions, attitudes and opinions. (8)

Ironically, the C-suite may be the *most* hungry for best practice application in one of these harder-to-standardize functions – human resources management. According to i4cp four of the five factors that drive the business performance of an organization are widely understood by CEO's: **physical assets**, **financial capital**, **intellectual property**, and **operating models**. But the fifth factor – **people** – is essentially a "black box." (10) Business leaders know that success depends on

maximizing human capital, but have difficulty realizing how to achieve that. Performance consultant and author Marcus Buckingham says, "In 2016, most CEOs will tell you that talent is their organization's most precious asset, and that their culture is their best competitive advantage. Yet for many companies there remains a gaping hole between that rhetoric and reality." (11)

Many business experts feel the best HR solutions in the future will result from talented leaders who find novel ways to re-apply or re-engineer best practices.

Can Something As Unpredictable As Human Behavior Be Managed Systematically To Optimize Effectiveness?

The need for consistently outstanding human resource management is self-evident, but best practices don't work the same way for every company, and, inexpertly applied, can constrict innovation. McKinsey has found that globally scaled best practice solutions are frequently irrelevant to local operations, while too much effort spent on local tailoring can eliminate the cost and time savings the best practice was meant to achieve in the first place. (7) And Mike Myatt, writing for Forbes.com, reminds us that existing methodologies and best practice approaches aren't always right for companies, and that there's no "substitute for wisdom, discernment, discretion, subject matter expertise, intellect and creativity." (12)

Sensitivity, intuition, and even non-inferential knowledge are especially important for the HR profession, which at times can conflict with the concept of "best practices." Peter Cappelli of the Wharton School says business leaders need to recognize that good human resource management is about making choices predicated on what works well for your company. (13) Cappelli points out one of the toughest jobs of HR today is supporting business strategy, which is "increasingly a moving target." This requires HR to think and plan for the long term while simultaneously preparing in the short-term for a variety of if-then scenarios. This sort of skill requires intuitive judgment, foresight and creativity. (14)

Another subjective challenge facing the HR professional is evaluating all the “cool new research and insights” about talent management and leadership and deciding which ideas and philosophies to adopt and integrate. (14) Consider the Netflix example: the company abolished vacation days, giving employees the freedom to determine how much they need (15). They also dispensed with reimbursement policies, based on the same logic that employees should be trusted to make the choices that are best for the company. This is a radical and exciting new approach now, but in a few years or less it may prove to be a fad. And even if it works in the long term for Netflix, it may not work for all types of companies.

Still, companies need to actively encourage this kind of atypical experimentation, as this is where innovation comes from. Many business experts feel the best HR solutions in the future will result from talented leaders who find novel ways to re-apply or re-engineer best practices. For instance, the trend toward “microwork” (work relationships becoming less employment-based and more project-based) is one of the most urgent issues that companies continue to grapple with. Leaders will have to build solutions that combine full-time employees with part-time, freelance and crowd-sourced, and the best solutions will have to be tailored, creative and innovative. An employment model that relies heavily on contract workers won’t work well for

companies whose primary products are intellectual property, so those companies will have to find different ways to adapt to the changes in the labor market. (16, 17) Some of the most important best practices to emerge recently have come from creative thinking that was anomalous:

- While the field of recruiting was focused on how to identify “star producers,” researchers at Harvard identified toxic workers and techniques for screening these counterproductive employees out. (18)
- Deloitte did away with annual performance ratings and rankings, and was quickly followed by Adobe, Accenture, Microsoft, GE, and Gap, which also adopted non-traditional performance feedback processes.
- Juniper Networks routinely strips every “best practice” down to its essential guiding principle, then re-builds a custom system or process for the company based on that principle. (19)

Essentially, companies are asking their HR departments to be flexible enough to be creative and innovative while continuing to link in their performance to metrics-oriented results. While this task appeared Herculean just a few years ago, with the powerful best practice of certification, it now has become a very attainable goal.

“In 2016, most CEOs will tell you that talent is their organization’s most precious asset, and that their culture is their best competitive advantage. Yet for many companies there remains a gaping hole between that rhetoric and reality.”

– Marcus Buckingham, performance consultant and author

Until Recently Human Resources Studies Yielded Only Suggestions That Specific Factors Could Impact The Bottom Line.

To date, most of the research-based exploration into the impact of human resource management methods has focused on measures that HR professionals can directly influence. These studies have given us a good sense of what HR can specifically do to create internal value, what factors predict individual employee performance, and how to increase workplace satisfaction:

CAREER PATHING

Fuel50 research demonstrated that the practice of career pathing was associated with up to 70% improvement on key internal metrics like engagement, voluntary turnover and revenue per employee. (20)

UP TO
70%
IMPROVEMENT

- Engagement
- Voluntary Turnover
- Revenue Per Employee

VALUED ACTIVITIES OF CHRO

Business consultants writing for Harvard Business Review identified **three activities of a CHRO** that bring the most perceived value to a CEO: (21)



Predicting business outcomes (likelihood of meeting goals) based on the company's current workforce.



Diagnosing problems: to what extent are human resource allocations contributing to missed goals?



Prescribing actions to re-allocate people in order to fix problems.

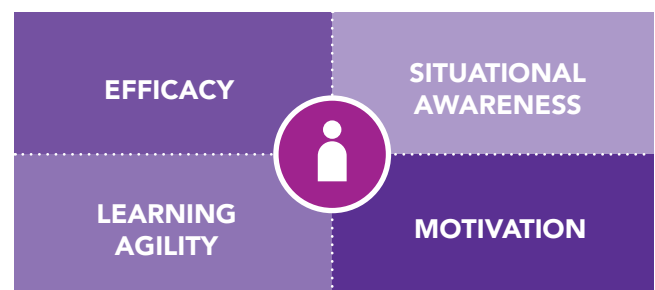
FACTORS FOR HIGHER ENGAGEMENT

The Families & Work Institute has identified six factors that predict higher levels of engagement, job satisfaction, retention and employee health: (22)

1. Workplace flexibility
2. Opportunities for learning
3. Autonomy
4. Supervisor support
5. Culture of trust
6. Satisfaction with earnings, benefits & advancement

PERFORMANCE ATTRIBUTES

Fuel50 identified four attributes that indicate an employee's ability to perform at the next level:



Most business leaders agree that it benefits the company when HR does all of the above, but it's still unclear to them which factors have the most impact on business results, perhaps excepting the reduction of staff turnover and absenteeism. So while all these insights and approaches may represent sound business practices, taken together they don't comprise a systematic best practice.

But certification, on both an organizational and individual level, does offer a path to set the HR individuals and organizations that know and flexibly apply systematic best practices to their organization's needs. And the new data analyses presented here show correlation between certification and bottom line metrics, challenging future studies not to stop with measures of internal factors, but to press forward to explore the financial impact of HR professionals and best practices.

Companies with Top Employers certification, and companies that have more than five HRCI certificants, show better results than companies that don't.

Summary Conclusion

Best practices in general have the most impact on business performance when they are embraced company-wide, starting at the top, and adopted smartly and sensitively by expert individuals. Top Employers Institute provides certification that ensures leadership in HR best practice implementation. HRCI provides certification that helps companies identify individuals who have both the knowledge and critical judgment skills to apply the best practices. On their own, certifications are correlated with better business performance – companies with Top Employers certification, and companies that have more than five HRCI certificants, show better results than companies that don't.

Research commissioned by Top Employers Institute and HR Certification Institute. Data analysis by CRMZaken.

Appendix

ORIGINAL DATA ANALYSIS

Analysis	Top Employers Institute Stock Performance Analysis (Bibliography Source 1)
Date	1/15/16
Study Definition	Comparing stock returns to the relevant stock indices from 1-1-2011 to 1-1-2016 of all the companies that are listed on the relevant indices and received Top Employers Institute certification since 2011.
Study Components	Countries: Belgium, Brazil, Germany, France, Italy, The Netherlands, Poland, Spain, United Kingdom
	Indices: BEL20, BOVESPA, DAX, CAC40, FTSEMIB, AEX, WIG20, IBEX35, FTSE 100
	Number of Companies in study: n = 53
Study Period	1-1-2011 until 1-1-2016
Summary	<p><u>Outperformance</u></p> <p>Stock prices of Top Employers Institute Certified companies have increased by 57.49% while the relevant indices increased by 6.32% in the same period. Top Employers Institute Certified companies have outperformed the relevant indices by 51.17% over 5 years or 8.62% annualized.</p> <p><u>Confidence Interval and P-Value</u></p> <p>The statistic of outperformance (51.17%) has a sampled 95% confidence interval between 27.28% and 75.07%. The difference between the mean of stocks and mean of indices is significant with an associated P-Value of <2e-16.</p>

Analysis	Top Employers Institute Revenue Growth Rate Analysis (Bibliography Source 2)
Date	1/20/16
Study Definition	Comparing company compounded revenue growth rate with average industry compounded revenue growth rate from 2010 to 2014 for all listed companies that received Top Employers Institute certification since 2011.
Study Components	Countries: Belgium, Brazil, Germany, France, Italy, The Netherlands, Poland, Spain, United Kingdom
	Number of Companies in study: n = 42
Study Period	Revenue figures from 2010 to 2014
Summary	<p><u>Outperformance</u></p> <p>Growth Rates of Revenue of Top Employers Institute Certified companies have increased by 20.9% while the relevant industries increased by 6.9 % in the same period. Top Employers Institute Certified companies have outperformed the relevant industries by 14.1% between 2010 and 2014 or 2.8% annualized.</p> <p><u>Confidence Interval and P-Value</u></p> <p>The statistic of outperformance (14.1%) has a sampled 95% confidence interval between 4% and 24%. The difference between the mean of stocks and mean of indices is significant with an associated P-Value of <0.002.</p>

Analysis	Top Employers Institute Employer Branding Analysis (Bibliography Source 29)
Date	1/28/16
Study Definition	Compare Glassdoor rating of Top Employers Institute certified companies with the overall average of all companies rated on Glassdoor.
Study Components	Number of Companies in study: n = 198
Summary	<p><u>Outperformance</u> The average Glassdoor rating of Top Employers Institute Certified companies is 3.46 while the overall Glassdoor average is 3.2. Top Employers Institute certified companies have outperformed by 0.26.</p> <p><u>Confidence Interval and P-Value</u> The statistic of outperformance (0.26) has a sampled 95% confidence interval between 0.132 and 0.396 (see table 1). The difference between the average Glassdoor rating for Top Employers Institute companies and the overall Glassdoor average rating is significant with an associated P-Value of <0.0001.</p>
Study Definition	Compare Kununu rating of Top Employers Institute certified companies with the overall average of all companies rated on Kununu.
Study Components	Number of Companies in study: n = 180
Summary	<p><u>Outperformance</u> The average Kununu rating of Top Employers Institute Certified companies is 3.48 while the overall Kununu average is 3.06. Top Employers Institute certified companies have outperformed by 0.42.</p> <p><u>Confidence Interval and P-Value</u> The statistic of outperformance (0.42) has a sampled 95% confidence interval between 0.348 and 0.536. The difference between the average Kununu rating for Top Employers Institute companies and the overall Kununu average rating is significant with an associated P-Value of <0.00002.</p>

Analysis	HRCI Stock Performance Analysis (Bibliography Source 3)
Date	2/3/16
Study Definition	Comparing stock returns to the relevant stock index from 1-1-2011 to 1-1-2016 for all the HRCI companies that are listed and have more than 5 HRCI certificants.
Study Components	Indices: NASDAQ, NYSE
	Number of Companies in study: n = 97
Study Period	1-1-2011 until 1-1-2016
Summary	<p><u>Outperformance</u></p> <p>Stock prices of HRCI companies with more than 5 certificants have increased by 95% while the relevant indices increased by 38% in the same period. HRCI companies have outperformed the relevant indices by 57% over 5 years or 9.4% annualized.</p> <p><u>Confidence Interval and P-Value</u></p> <p>The statistic of outperformance (57%) has a sampled 95% confidence interval between 37% and 77%. The difference between the mean of stocks and mean of indices is significant with an associated P-Value of <2e-15.</p>

Analysis	HRCI Growth Rate Analysis (Bibliography Source 4)
Date	2/4/16
Study Definition	Comparing company compounded revenue growth rate with average industry compounded revenue growth rate from 2010 to 2014 for all listed companies with more than 5 HRCI certificants.
Study Components	Benchmark: US Industry http://pages.stern.nyu.edu/~adamodar/ (Bloomberg, Morningstar, Capital IQ, Compustat)
	Number of Companies in study: n = 97
Study Period	Revenue figures from 2010 to 2014
Summary	<p><u>Outperformance</u></p> <p>Growth Rates of Revenue of listed companies with more than 5 HRCI certificants have increased by 32.9% while the relevant industries increased by 7.9% in the same period. HRCI companies have outperformed the relevant industries by 25.1% between 2010 and 2014 or 4.6% annualized.</p> <p><u>Confidence Interval and P-Value</u></p> <p>The statistic of outperformance (25.1%) has a sampled 95% confidence interval between 16% and 35%. The difference between the mean of stocks and mean of indices is significant with an associated P-Value of <0.0001.</p>

Analysis	HRCI Employer Branding Analysis (Bibliography Source 30)
Date	2/8/16
Study Definition	Compare Glassdoor rating of companies with more than 5 HRCI Certificants to the overall average of all companies rated on Glassdoor.
Study Components	Number of Companies in study: n = 207
Summary	<p><u>Outperformance</u> The average Glassdoor rating of companies with more than 5 HRCI certificants is 3.46 while the overall Glassdoor average is 3.2. HRCI companies have outperformed by 0.26.</p> <p><u>Confidence Interval and P-Value</u> The statistic of outperformance (0.234) has a sampled 95% confidence interval between 0.18 and 0.286 (see table 1). The difference between the average Glassdoor rating for HRCI companies and the overall Glassdoor average rating</p>
Study Definition	Companies with more than 5 HRCI certificants and a higher proportion (higher than median) of HRCI Certificants vs Benchmark HR Staff compared to lower proportion HRCI companies.
Study Components	n = 200
Summary	<p><u>Outperformance</u> The average rating of companies with more than 5 HRCI certificants and a high proportion of HRCI certificant is 3.51 while the low proportion group averages is 3.35. Companies with a high proportion of HRCI certificants have outperformed by 0.155.</p> <p><u>Confidence Interval and P-Value</u> The statistic of outperformance (0.155) has a sampled 95% confidence interval between 0.137 and 0.173. The difference between the average Glassdoor rating for High HRCI Proportion companies and Low HRCI Proportion companies is significant with an associated P-Value of 0.005112.</p>

ABOUT HRCI

[HR Certification Institute \(HRCI®\)](#) is the premier professional credentialing organization for the worldwide human resources profession. Founded in 1976 and headquartered in the United States, HRCI is celebrating 40 years of setting the standard for HR mastery and excellence around the globe. An independent nonprofit organization, HRCI is dedicated to advancing the HR profession through developing and administering best-in-class certifications including the NCCA-accredited Professional in Human Resources® (PHR®) and Senior Professional in Human Resources® (SPHR®). All of HRCI's credentials are recognized as the most rigorous, meaningful, and grounded professional certifications demonstrating competency, real-world practical skills and knowledge in the field. Together with HRCI-certified professionals in 100 countries around the globe, HRCI ensures, strengthens and advances the strategic value and impact of HR.

ABOUT TOP EMPLOYERS INSTITUTE

[Top Employers Institute](#), headquartered in the Netherlands, is an independent organization that certifies excellence in employee offerings, HR practices and the environment employers have in place for employees to advance their development. Since 1991, Top Employers Institute has recognized exceptional employers around the world with its annual Top Employers Global, Top Employers Continental, and Top Employers Country certifications. In 2016, Top Employers has recognized more than 1,000 Top Employers in 102 countries.

CONTACT

Julie Rosenthal
JR Communications
202-486-3059
www.jrcommunications.com

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HRCI

1725 Duke Street
Suite 700
Alexandria, VA 22314
Email | info@hrci.org
Phone | +1 866 898 4724 (U.S. Toll Free)
Phone | +1 571 551 6700 (Toll)

Facebook | HR Certification Institute
Google Plus | HR Certification Institute
LinkedIn | HR Certification Institute
Twitter | [@HRCertInstitute](https://twitter.com/HRCertInstitute)
Website | www.hrci.org

TOP EMPLOYERS

Herengracht 208-216
1016 BS Amsterdam
The Netherlands
Email | info@top-employers.com
Phone | +31 20 262 9915

LinkedIn | [topemployersinstitute](https://www.linkedin.com/company/topemployersinstitute)
Twitter | [topemployer](https://twitter.com/topemployer)
Website | www.top-employers.com

Top Employers Institute USA
Email | usa@top-employers.com
Phone | 571 551 6700