

# Human Capital Scan®



## Linking human capital decisions to business results

Mercer's data-based consulting leverages a comprehensive set of proprietary tools and analytics designed to help organizations establish clear and measurable links between their human capital programs and policies and their business results. These tools, which feature both quantitative and qualitative methods, address the growing demand for organizations to manage their people programs more effectively and to demonstrate a return on their investment in these programs. Mercer's approach helps organizations understand their current human capital needs and challenges, project future needs and challenges, and create talent solutions that drive business value.

Mercer's proprietary Human Capital Scan® (HC Scan) assesses and provides insights into the broad human capital implications related to an organization's business design. It builds a better understanding of human capital issues within an organization's unique business context and provides a consistent framework for making human capital decisions.

The HC Scan is Mercer's first step in a series of strategy and measurement diagnostics that identify how human capital strategy affects business performance. It can develop into a more comprehensive evaluation (for example, when used in combination with Mercer's proprietary Internal Labor Market Analysis®) to provide an increasingly in-depth understanding of the relationship between human capital practices and business design.

The HC Scan delivers an initial, high-level assessment of current human capital practices and issues vis-à-vis the business strategy or strategies being pursued by a company. The tool is grounded in Mercer's model of how human capital drives organizational performance, and it utilizes direct input from senior leaders of the organization. The tool helps organizations address a wide range of issues, including HR function redesign, workforce planning, mergers and acquisitions, total rewards, human capital metrics and incentive program redesign.

### How it works

The HC Scan includes a web-based questionnaire completed by key stakeholders in the organization followed by semi-structured one-hour interviews – tailored to the client's issues – with approximately 10 or more key executives, preferably representing different functions. Findings are summarized and results are delivered within four to five weeks from the start of the HC Scan project.

The HC Scan provides an initial gauge of the importance and relative alignment between an organization's business objectives and the various components of its human capital strategy. The tool systematically probes a range of issues, from the current state of the business to the envisaged strategy, with a particular focus on the six factors that most affect workforce performance: talent/labor pool, work processes, management structure, knowledge and information flows, decision making and rewards.

## Human Capital Scan® Comparative Database

Mercer's Human Capital Scan® Comparative Database houses all Human Capital Scan® web survey responses from senior business leaders across myriad industries about broad human capital implications related to business design. This database showcases the high-level connections (and misalignments) between business and human capital requirements and identifies imbalances between workforce capabilities and behaviors required to support the business.

By accessing this growing database, Mercer helps HC Scan® users examine their business and workforce issues against other companies with similar human capital challenges. HC Scan® clients can see overall degrees of variation among – or the prevalence of particular responses to – key survey questions, and then compare how their company stacks up.

For example, a company can get a sense of the extent to which other firms plan to meet their talent and labor pool needs by building resources internally versus buying talent from the outside, and then consider that data in relation to their own plans. Comparative insights around key human capital issues not only help organizations better gauge their current activities, but also provide a more informed context for future decision-making.

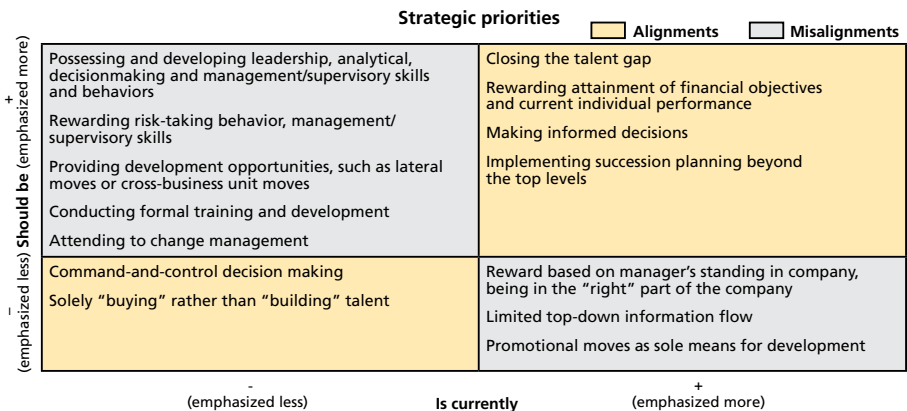
For more information about Mercer's Human Capital Scan® or any of Mercer's proprietary analytical tools, contact your local Mercer office or visit [www.mercer.com/workforceanalytics](http://www.mercer.com/workforceanalytics).

The HC Scan provides:

- A summary of business objectives and challenges, current workforce realities and future workforce requirements
- A broad profile of the organization's human capital strategy and its key elements
- A summary of potential misalignments between business design and human capital strategy
- An outline of recommended steps to diagnose and improve alignment

### Sample output

This company's human capital and HR function strategies were consistent, but the HC Scan revealed misalignments between current realities and professed priorities.



This company was interested in enhancing its future workforce capabilities. The HC Scan helped to identify critical gaps between current and future skills.

