final report

Project code: P.PSH.0410

Date published: February 2011

PUBLISHED BY
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Evaluation and modification of HEADSTART HR diagnostic tool for the meat industry

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1. Description of the HEADSTART Model

HEADSTART was developed by the Confederation of British Industry (CBI) amid mounting evidence supporting the link between people management and organisational performance. Many businesses are aware that the way their people operate can create and sustain a competitive advantage that is hard, if not impossible, for other companies to replicate. This advantage is dependent on, for example, the extent to which organisations are able to manage the increasing flows of information, employees' willingness and ability to provide effective support for their colleagues or to suggest and implement improvements, and the attitude and commitment of management and employees.

The HEADSTART benchmarking tool is a self-assessment process completed by a representative team, which attempts to show the position of an organisation in relation to others in a database, based on a model of World Class Human Resources Management.

The model that underpins HEADSTART centres on four clusters of people management issues: Leadership and Culture, Employee Development, Employee Involvement and Work Organisation. HEADSTART uses the benchmarking methodology that is shared by all the CBI's PROBE suite of benchmarking tools, which asks the company team to rank questions about the practices that have been adopted for people management and the performance that is achieved. The consensus scores are analysed and compared with other organisations in a database to produce output charts which are of three types; a scatter diagram, quartiles charts, and weakest and strongest elements charts.

The results of the assessment process are designed to highlight strengths and areas for improvement, but also to identify potential opportunities for sharing 'best practice' and learning with other organisations through more in depth process benchmarking.

2. Key practices and performance measurement areas

The HEADSTART International benchmarking survey can to provide a snapshot of the current business practices and performance in 4 key areas. The model utilises a series of 73 questions on various subjects, which are then linked back to the 4 key areas. The 4 key areas are:

Leadership & Culture - Explores the organisation's strategic focus on people, performance, organisational cohesion and the extent to which the organisation creates a high performance culture.

Employee Development – Explores the extent to which the organisation adopts appointment practices and a training and development cycle that will ensure that the organisation acquires the right skills for the right job in a fair and objective manner, develops employees and supports their long term employability.

Employee involvement – this looks at how effectively information flows through the organisation, the effectiveness of direct employee contributions for improving organisational performance, and the opportunities for employees to contribute collectively to issues that affect their role.

Work Organisation – Looks at the nature of the job design and teamworking and the extent to which performance appraisal and reward act as reinforcers of the behaviour and performance sought and values by an organisation.

3. The benchmarking process

A multi-level and cross functional team completed the benchmark. This particular survey was carried out by a multi-site processing company. Each site GM selected a group of between 8-10 salaried staff to undertake the survey. Using a self-assessment questionnaire with the aid of an independent facilitator each team reached consensus scores. These scores are calculated against other organisations within the data set.

Organisations can then be assessed against other companies around the world who have completed the same survey.

4. Measurement

Outcomes from the survey are a series of charts and diagrams, which are constructed by taking the consensus scores for all the practice questions in the questionnaire and assigning an index of practice for the organisation and doing the same for all the performance questions to assign an index of performance.

The practice index measures the things a company says they do, eg policies, procedures etc, while the performance index measures the things a company actually does.

This index is then plotted on a scatter diagram such as the one below. The resultant position says much about the organisation. Scores place the organisation in one of the following categories:
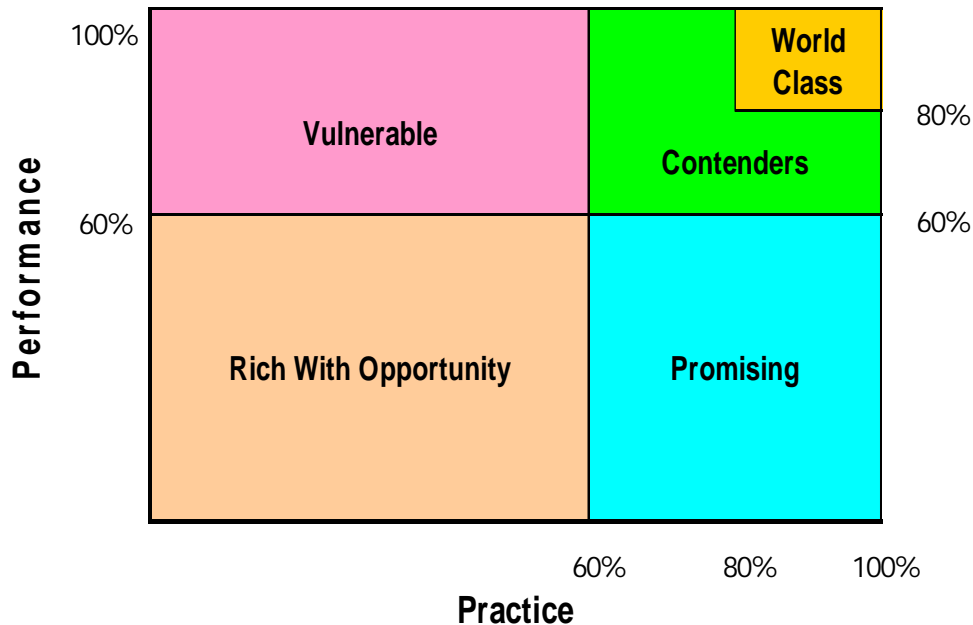'World Class' or 'Leaders'
'Contenders' or 'Potential Winners'
'Promising'
'Vulnerable'
'Rich with Opportunity'

The company was assessed against other Food and Kindred Products companies throughout the world.

5. Limitations of the model

There are some limitations that must be considered when using the HEADSTART model.

- The companies in the database are a self-selecting sample, and the average may be higher than the true average of the assessed industry.

- The model does not take into account some differences between company structures eg. private companies vs shareholder companies.

- There are some legal differences between countries which may affect areas, and therefore staff opinions, such as superannuation, annual leave, etc

- Some differences in company goals and objectives, may also impact on results.

6. Results

The team conducted the benchmark in a very professional and enthusiastic manner. There was much benefit within the debate and consensus building process itself.

By completing the benchmark the team confirmed some of their thoughts about what they are doing well and also identified where there is room for improvement.

The company rated well in the following areas:
- Induction process
- Training & Development
- EEO & Diversity
- Use of collective forums (JCC, OHS, Management Meetings)
- Teamwork
- Openness & Trust

The benchmark also identified some opportunities for improvement in the following areas:
- Performance Appraisals Process
- Salary packaging / remuneration (not just pay rises, super etc)
- Company Shared Goals, Vision (core values)
- Career Guidance
- Working time
- Communication (two way)

7. Next steps

Careful examination of the results will assist the organisation in its pursuit of excellence.

Given attention to some of the practice weaknesses identified by the process it would be reasonable to assume that a repeat benchmark sometime in the future would see further progress in terms of underpinning and driving forward business performance.