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### **Meaningful Differentiation**

Differentiation is a critical aspect of business. Nevertheless, its reach has been limited to marketing. Despite being a victim of “functional imprisonment” the concept of differentiation today is fast moving into other functional domains. Human resources developments are one of them.

The evolution of differentiation is not limited to its functional aspects alone. There is also a great degree of change in how people perceive the concept of differentiation. Traditionally, differentiation was perceived as a means to providing a competitive advantage only. Today the focus is on fulfilling customers (internal and external) exact needs and requirements. Organizations are increasingly seeking to identify points of differentiation (NPD) that would help them give the best to their consumers. In the case of HR, the new points of differentiation would mean better policies, more effective means of program evaluation, better performance management systems and attractive employee benefits. Though these should aptly be clubbed under the purview of effective retention strategies, functional differentiation may sound a wee bit more convincing.

Employer positioning through effective differentiation strategies is thus the new HR mantra. Of the many points of differentiation, program evaluation of policies and programs is most critical. When HR floats a new people policy or proposes a training program, the standards and measures that an organization applies to gauge its effectiveness is critical to its overall success. Program evaluation holds greater relevance in public sector organizations since there is little scope for positioning a public concern in a more profit-making and competitive entity. However, we will look into program evaluation from a broader perspective.

#### **The HR perspective**

Traditionally, program evaluations in HR have been largely focused on the budget allocation and number of employees attending the program. With the corporate fabric getting more competitive, the focus of program evaluations has shifted to analyzing the allocation and use of resources, the program objectives (macro and micro), its impact on organizational performance and society as a whole and finally on employee competitiveness. The change in focus is also a consequence of decision makers becoming extremely quality conscious and basing their decisions on the impact of programs rather than using it as a mere obligatory exercise.

The points of differentiation in the evaluation process are determined by mapping the entire employee experience of the evaluation process and the- analysis of the experience. The exercise would enable HR specialists to identify the loopholes and reframe methods to plug them. Experts identify six critical new points of differentiation . These are:

*Stakeholder involvement*

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It's important to involve affected parties in the evaluation process. Employees, trainers and the functional heads need to be wholly involved in the evaluation process.

### *Program description*

A lucidly chalked program description that caters to the needs, objectives and outcome of the program is necessary for the success of the evaluation process.

### *Evaluation design*

The purpose, user description and the limitations of the program need to be well defined before taking off on the evaluation program.

### *Supporting evidence*

The evaluation program requires reliable, useable and validated evidence to support its stand. In the absence of evidence and guiding evidence the program can lose track and sabotage its very existence.

### *Make implemental and justifiable conclusions*

The resulting conclusions should be workable, actionable and justifiable. Conclusions without appropriate supporting base are futile.

### *Follow-up and feedback*

No process is complete without an effective feedback and follow-up mechanism. Hence, installing an effective mechanism for feedback is critical for program success.

These evaluation measures would ensure the utility, transparency, shared ownership and flexibility in the evaluation process. The new points of differentiation described above are critical in defining an effective evaluation process.

In addition to enhancing the effectiveness of evaluation processes, differentiation has other benefits such as:

- Offering an opportunity to create a shared vision between the stakeholders and the HR managers for the policy objectives, goals and activities.
- Encouraging innovation and creativity while keeping in mind the timing and relevance of the initiative
- Differentiation also offers a more holistic approach to evaluation. The traditional categorical evaluation approach was restricted in its purview and provided only a one-dimensional view of the process. With the “new points of differentiation” approach, goals are mutually integrated and agreed upon. Thereby the process of evaluation is better understood.
- Systematizing the process of evaluation by defining guidelines for collection and analysis of data

There is no standardized framework of differentiation in evaluation. Every organization has its own unique set of measures that define its points of differentiation. However, the



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framework provided above would set a direction for organizations seeking to improve their evaluation programs.