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New Research Links HR Best Practices with Better Business Performance

Top Employers Institute and HR Certification Institute Research Suggests Business Impact of Both Certifying Company-wide HR Practices and Individual HR Professionals

ALEXANDRIA, Va. (March 8, 2016) – Better business performance, as measured by higher stock prices, faster revenue growth and more favorable perception of companies' employer brand, is correlated both with company-wide certification of HR best practices and with the employment of a proportion of HR-certified professionals according to new research conducted by Top Employers Institute and HR Certification Institute® (HRCI®).

"Certification of HR best practices applied by employers as well as HRCI certification of HR professionals correlates with improved business results and companies' employer brand perception," said Top Employers Institute CEO David Plink. "Our findings build on previous research to deliver the clear message that exceptional human resource management – from applying HR best practices to the competencies of the HR professionals who design and implement them – can demonstrably and positively contribute to the bottom line."

More specifically, the joint research conducted this year by Top Employers Institute, an independent global organization that certifies excellence in HR practices and the environment employers have in place for employees to advance their development, and HR Certification Institute, the leading professional credentialing organization for HR professionals worldwide, found:

- Stock prices during 2011-2015 of companies certified by Top Employers outperformed the stock indices in their respective countries by an average of 51% over the same five-year period.
- Compounded revenue growth rates of companies certified by Top Employers outperformed relevant industry average compounded growth rates by 14% when comparing 2010-2014 revenues.
- Stock prices of companies with more than five HRCI-certified professionals have increased an average of 95% during 2011-2015, while the relevant indices (NYSE, NASDAQ) increased an average of 38% over the same five-year period. Therefore, companies with more than five HRCI certificants outperformed relevant stock indices by 57% over the five-year period.
- Compounded revenue growth rates of companies with more than five HRCI-certified professionals increased 33% during 2010-2014, while the compounded revenue growth rate of relevant industries increased 8% over the same period. Therefore, companies with more than five HRCI certificants outperformed relevant industry average compounded growth rates by 25% over the five-year period.

(more)

“HRCI certification correlates both with better results for the individual certified HR professional, as we previously demonstrated through our 2015 large-scale value of certification study, and also for the companies that employ them, as these new findings suggest,” said HR Certification Institute CEO Amy Dufrane, Ed.D., SPHR, CAE. “HRCI certification helps companies identify individuals who have expert knowledge of HR best practices as well as the strategic mindset, situational awareness, and sound judgment required to adapt those best practices to their company’s unique needs.”

Positive correlation between employer brand perception and both certification of companies by Top Employers and companies employing more than five HRCI-certified professionals were found as follows:

- The average rating for Top Employers certified companies on Kununu is 3.5 stars (out of 5) vs. the overall Kununu average of 3.1. The average rating for Top Employers certified companies rated on Glassdoor is 3.5 stars (out of 5) vs. the overall Glassdoor average of 3.2.
- The average rating on Glassdoor for companies with more than five HRCI certificants is 3.5 stars (out of 5) vs. the overall Glassdoor average of 3.2.

These findings, as compiled by independent international data analysts, are part of “[Emerging Evidence: Business Performance and the Validation of HR Best Practices](#)” published by Top Employers Institute and HRCI. The paper examines the strong precedent for best practices in general and how best practices benefit companies, and then looks at how the uptake of best practices in the more subjective realm of human resources management has faced challenges versus the application of best practices in more process-driven or “scientific” organizational functions.

“There is widespread agreement that people are an organization’s most valuable asset,” said Plink. “But what has been missing is a way to more systematically manage and optimize the effectiveness of that asset. With rigorous validation of HR practices at the company-wide and individual HR professional level, which comprises a systematic way to apply, evaluate, adapt and measure the impact of HR best practices, we are showing a way forward.”

The paper concludes that HR best practices, like best practices in general, can have the most impact on business performance when they are embraced company-wide, starting at the top, and adapted smartly and sensitively by expert professionals.

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 and founded in 1991, is an independent organization that certifies excellence in HR practices and the environment employers have in place for employees to advance their development. For 25 years, Top Employers Institute has certified exceptional employers around the world with its annual Top Employers Global, Top Employers Continental, and Top Employers Country certifications. In 2016 alone, Top Employers Institute has certified more than 1,100 companies in 100 countries. Top Employers opened its Americas headquarters in Alexandria, VA in 2016. In 2015, Top Employers entered into a strategic global partnership with U.S.-based HR Certification Institute, the premier credentialing organization for HR professionals worldwide to expand the global

reach of both organizations in a shared mission to raise the level of excellence of the worldwide human resource management profession.

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