Evidence-Based HR
Gather good data to make better decisions.

By Shonna Waters

Imagine walking into your doctor's office and being handed a prescription for mercury, the chemical element found in old-school thermometers that has long been known to be poisonous and even deadly when contacted directly. Sounds crazy, right? But if you lived 100 years ago, mercury was commonly used to treat many illnesses.

Today, we have much higher standards for medicine. Over time, our desire to introduce more certainty into clinical decisions gave rise to what is known as evidence-based medicine. For example, prescription drugs now undergo rigorous testing before they can be used.

Should human resources follow suit? Could some of our common practices, such as annual performance reviews or unpaid parental leave, one day be considered the mercury of the business world?

Maybe so. Consider, for example, that many European employers and some U.S. firms rely on graphology, or handwriting analysis, as an assessment tool when hiring, even though studies show that a person's handwriting has no bearing on his or her job performance.

Disconnects like these may be more common than you think. A U.S. survey found large discrepancies between what HR practitioners believe works well and what research has found to be effective.

In the era of "big data," many HR professionals are feeling the pressure to provide proof that their practices work. Although analytics are a great first step on the path to developing evidence-based HR, they should fit into a broader framework. The Center for Evidence-Based Management, a nonprofit foundation, describes four sources you should consider, along with the quality of the evidence, when making a decision:

- Findings from empirical studies published in academic journals.
- Data, facts and figures gathered from within the organization.
- The experience and judgment of practitioners.
- The values and concerns of the stakeholders who may be affected by the decision.

Let's say you want to transform your organization's performance management system. Here's what evidence-based HR might look like in that scenario. First, meet with stakeholders to understand their pain points and concerns. Then develop a few basic design principles aligned with their goals, such as increasing perceptions of fairness and transparency and reducing administrative burdens.

Review relevant scientific literature to answer questions related to specific design features. For example, what strategies reduce inflated ratings? Are monetary bonuses effective in improving performance?

Gather organizational data to better understand the legacy system: How often do employees challenge their ratings? How long does each step of the process take? How have ratings been distributed over time and across subgroups? And so forth. Collect additional feedback from stakeholders, including end-users, on the proposed approach.

When the plan is finalized, test the new system on a small scale and make changes as needed before a full implementation. Finally, prepare a thorough evaluation plan to assess the extent to which the new system is meeting its intended objectives.

A new performance management system might be a pretty radical step for your organization, but having a predefined way to evaluate the outcomes and continuously tweak the program will help you get it right. How evidence-based is your HR? 🅁

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