

TimelessTime

Enduring Support to Senior Management



GAINING CONTROL OF HR AND EFFECTING CHANGE

Developing an HR System



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Synopsis

This paper proposes a set of tools that permits a newly appointed HR Director or HR Manager to gain control. To do this the paper considers HR as a process to which process control methods can be applied. It further identifies that in the first six weeks the HR manager can be expected to be working tactically but that at the end of this period, management will expect that the incumbent to be more strategic in outlook. There is not long in such a timeframe to achieve control and have everything in place to contribute to business plan execution. In the initial phase, methods for performance determination and performance maintenance are discussed. As the strategic phase approaches, methods of achieving performance improvement and indeed system change are described. This paper is part theoretical, discussing how the HR function should work, and part practical, suggesting a toolkit that has been developed by TimelessTime over several years.



Introduction

It's a fraught period when a new HR manager is appointed to a company where there has either been no HR function or where the function has been inadequate or absent for a time. It is very likely that the new appointee will be sucked into the vacuum, spending all day, every day fire fighting and reacting to events. It takes a strong personality and a basket of skills to prevent this and for the HR manager to be substantially proactive, thereby controlling his or her own destiny. But often skills alone are not enough. The appointee needs a toolkit or a set of methods for visualising what HR activities, policies and procedures already exist before change is made. He or she can then move the company forward under control evolving the systems in line with an evolving policy.

This paper begins by describing this toolkit. It shows how to use the toolkit to visualise current activities and it goes on to discuss how the toolkit can be used to maintain performance at some level through performance audit. It also shows how the toolkit can be used to set up and monitor key performance indicators. Recognising that HR is much about change and that the HR director will spend time with colleagues discussing how HR can contribute to the business plan, the paper then illustrates the use of the toolkit to improve the HR system performance and to change the HR system itself in a controlled fashion. One of the key approaches taken in the paper is the adoption of language that all managers will understand. A key tool in this is systems thinking.

Systems Thinking

Systems thinking is a way of looking at organisations and is used in many industries, particularly those associated with engineering and manufacturing. Indeed 'business process engineering' is a sub-set of this larger family of approaches. Systems thinking identifies and develops the relationships between various parts of the business and builds up a map of how the various entities and activities are linked, normally using a systems diagramming methodology such as data flow, activity or relationship modelling. The use of such models will transform the way in which HR is perceived. Systems modelling is simple to understand and others in the organisation will immediately understand what the HR function is all about. There is a host of information available on the Internet to explain systems thinking more fully. Simply type 'Systems Thinking' on your web browser.

'Business process' is a term that has been used widely for the last fifteen years. Hammer and Champy define a process as a set "*a set of activities that, taken together, produces a result of value to a customer*"¹. "*A set of*

¹ Hammer, M. and Champy, J. (1993), *Reengineering the corporation*, Harper Collins Books, New York.



logically related tasks performed to achieve a defined business outcome” is how Davenport and Short describe it².

In conducting the research for this paper the author only uncovered one paper dealing with the modelling of HRM as a business process. Figen Cakar and Umit Bittitci from the Department of Design Manufacture and Engineering Management at Strathclyde University have developed an HR module based on business process architectures. Cakar and Bittitci’s paper³ considers HRM practices using the business process methodology with the aim of developing an approach for HR professionals to use based on systems thinking.

The tool used by Cakar and Bititci is a methodology developed for the US Department of Defence called the Integrated Definition Method (IDEF). The first level in a suite of six is IDEF0. The IDEF website describes IDEF0 as a “method designed to model the decisions, actions, and activities of an organization”⁴. The Strathclyde paper proposes a high level model for HRM process but does not explain how to implement it. The theory proposed in their paper is demonstrated here using a working example implemented by the author in a Kent based public body. IDEF0 is a de facto standard in many industries, it is easily understood, and when used in HR is a boon to cross organisation understanding.

IDEF0

The basic concept to grasp before applying the tool to the HR system is how the IDEF0 system works (a more detailed explanation can be found by reading Waltman and Presley’s ‘Reading and Critiquing an IDEF0 Model’⁵).

A rectangle represents an activity. Each activity has (information) inputs and outputs. Each activity is controlled but also enabled. A key convention is that inputs are converted to outputs by the activity enabled by mechanisms (enablers) whilst under the guidance of controls. Figure 1 shows this as a single activity.

² Davenport, T.H. and Short, J. (1990), The new industrial engineering: Information technology and business process redesign, Sloan management Review, Summer, 11-27

³ Cakar F & Bititci U S (2002) *Modeling The HRM Business Process*, International Journal of Human Resources Development and Management, Vo. 2, Nos. 3-4, pp 223-248

⁴ IDEF0 Function Modelling Method at <http://www.idef.com/IDEF0.html> accessed on 12 May 2006.

⁵ Waltman, W D & Presley A (1993) *Reading and Critiquing an IDEF0 Model*, Enterprise Integration Framework Group Automation & Robotics Research Institute, Texas

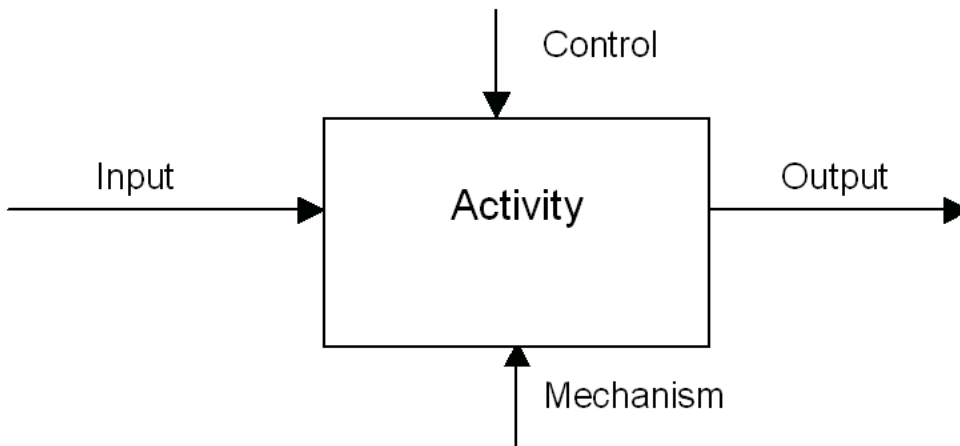


Figure 1 – A Simple Process Diagrammatically

The activity involves ‘doing’ and hence a verb or a verb phrase describes it. Figure 2 shows how the system would work using the recruitment of staff as a simple example.

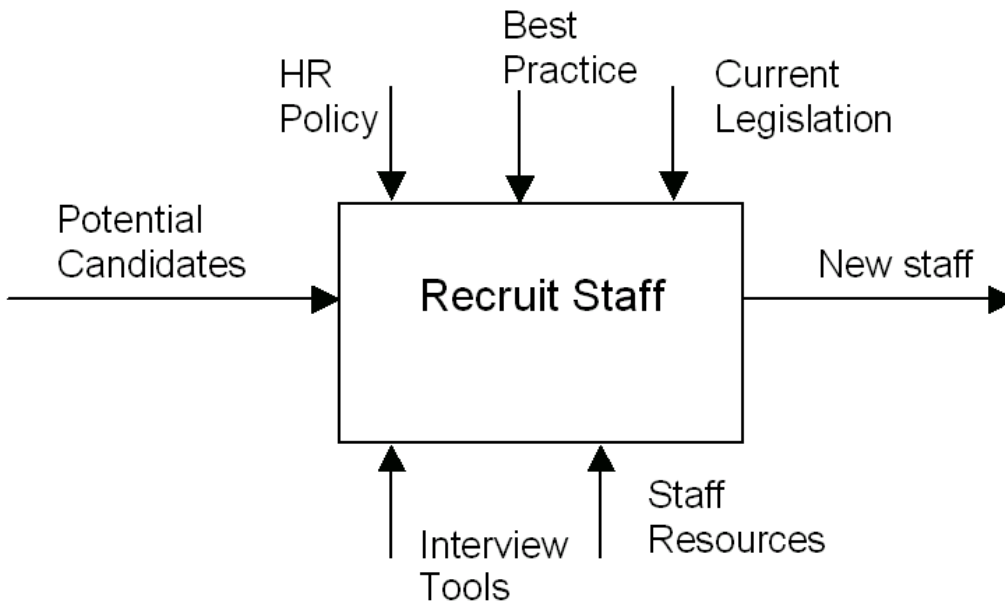


Figure 2 - Recruitment staff defined in terms of IDEF0

Activities link together as a concatenated, complete set to form a super-activity. ‘Recruit Staff’ is clearly one such super-activity. Each super-activity can be broken down to a set of five sub-activities. Each sub-activity can be broken down to sub-sub-activities and so on until at the very bottom level, no further break down is possible and the base level describes only a singular activity. The number of levels is not prescribed but the idea of nesting activities together in a number of tiers is a key facet of the process of creating



a comprehensive activity model. Further details about the discipline of building an IDEF0 model are given in the literature.

Developing the HR System

Developing the model of the HR system involves a lot of talking around the organisation, asking questions that will allow you to draw up the each linked set of activities. That's pretty much what the new HR director should be doing anyway, but building the model gives reason to the talk. Refer back to the earlier discussions about systems thinking: verbs are doing words that suggest an activity. Nouns are entities and suggest a start point or a destination for some data flow between activities. Some questions to help you get started could be:

- What do you do? (activity - verb)
- What raw materials do you need for the process? (input – data from entities)
- What is the end result? (output – data to entities)
- What guidance and support do you have to help you carry out the activity? (control)
- What tools do you need to help you do your job? (mechanism)

Figure 3 below shows one such level of the HR system model covering audit. Other examples of activities within the model might include Absence Management, Staff Development and Appraisals.

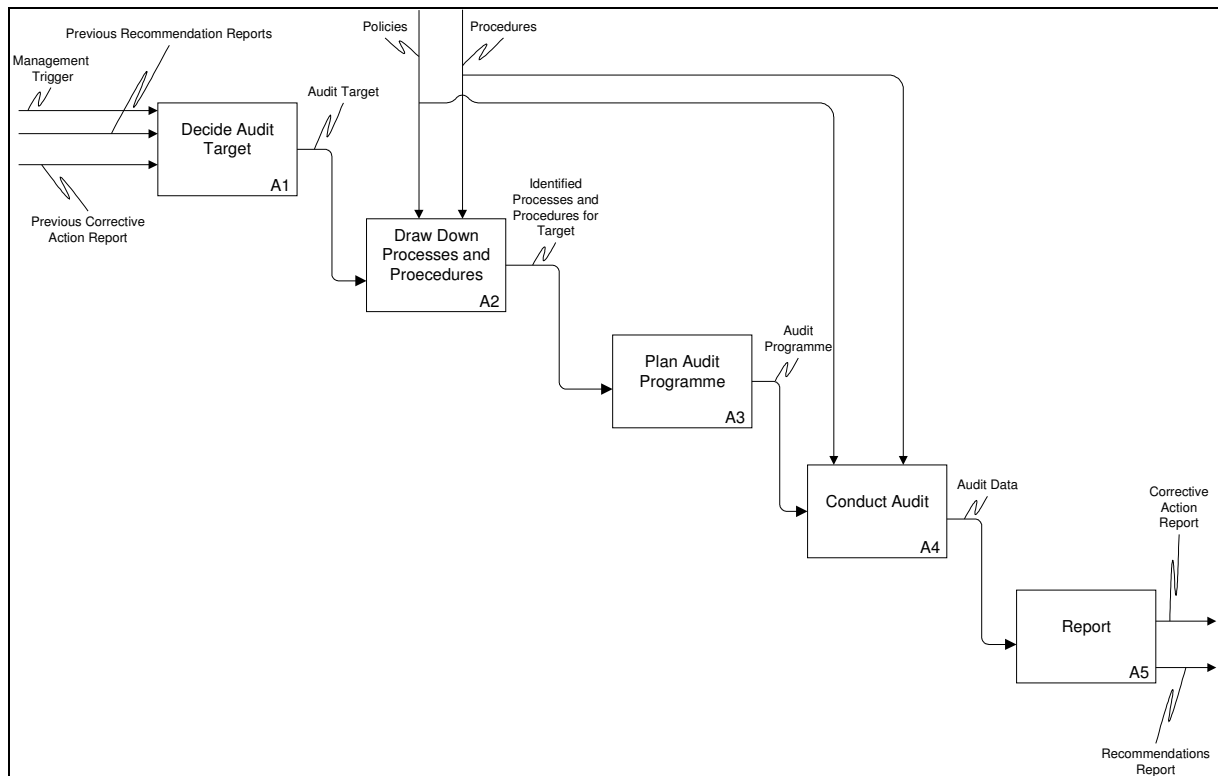


Figure 3 - IDEF0 Diagram for an Audit System



For many activities a simple phrase will be insufficient. 'Decide Audit Target' says little about how this should be done, who is to do it and indeed exactly what an audit comprises. Descriptions for those activities needing elaboration should be done as guidelines. They can be documented in a variety of forms but textual narrative is as good as any. An example is shown below.

<p style="text-align: center;">HR System</p> <p style="text-align: center;"><u>Support Narrative for: HR Systems Audit System</u></p> <p><u>System Owner</u>; N E Body</p> <p><u>Overview</u>: The inputs to this system are the Management requirement for an audit to be conducted, the Previous Recommendation Report and the Previous Corrective Action Report from the preceding Audit. These are converted into Corrective Action where the system is found to be lacking and Recommendations as to how the audited system may be developed and modified. This HR System Quality Manual provides the document standard against which the audit is performed.</p> <p>Internal audits will be conducted on at least three systems each quarter. This ensures that all systems receive an internal audit at least every 12 months. The Internal Audit Team, made up of Personnel and Development team members will be fully trained to undertake this role.</p> <p>Detailed Description:</p>
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Figure 4 - Extract from support narrative for HR Systems Audit System

Performance Maintenance and HR Audit

There is an established adage that you can't manage things you can't measure. Development of an HR system using systems thinking and a systems diagramming method such as IDEF0 permits measurement of how the existing system works. Take recruitment. It is simple to consider the means of advertisement, the numbers of candidates, the numbers invited for interview and ultimately the number that turned out as positive contributors to the organisation. Every metric can be measured and every metric should be measured. Every activity should be assessed for its effectiveness. Just before you consider this a tedious, fruitless task, consider the means of measurement. Here we take a leaf from the world of ISO9001 and indeed ISO9001:2000 where audit by peers is used extensively.

Audit is itself part of the HR system and should be documented by activities and guidelines. It might be employed once a year on some activities and more or less frequently on others. There is significant documentation on audit within the ISO standards. Audit determines if the HR system is actually working. It has huge spin-offs, though, including staff involvement and understanding. When asked to audit, junior staff always rise to the occasion but careful briefing and training is essential.



The model that you have developed in the first few weeks dictates how the organisation's HR systems should work. Audit and measurement say how it actually does work. Where there is a difference, you either got it wrong and in fact the model needs to change or corrective action is needed to maintain performance as documented. The new HR director is now in control of the HR department.

Implementing Change

The basics of change involve three simple questions.

- Where are we now?
- Where do we want to be?
- How do we get from where we are to where we want to be?

In terms of evolving the HR system, we've answered the first question –the development of the HR system and its auditing tells us precisely where we are. The second question moves HR to the strategic league. Take the example of recruitment again. This second question might be answered by an example statement that “the organisation must move to add value to all technical support activities rather than just simply answer the caller's question”. Whilst this will need more elaboration, perhaps using measurement of competence, it demands formal review of the appraisal, recruitment and staff development activities to determine if the system needs to be amended or if the guidelines simply need re-writing. Costs can be attributed to the various options proposed and with them the chance of success and associated risks. Thus the third question is answered. HR now moves to a performance improvement phase in order to effect the change albeit on selected activities only. HR strategy can be developed, tested and implemented though change to the HR system. Once the new targets for the system have been adopted, audit will once again tell if the new, enhanced system is delivering.

Conclusion

In the first few weeks a new HR director is likely to get sucked into the vacuum and spend the period reactively, emerging at the end no further forward than at the beginning. This paper has described a practical method of avoiding this. Documenting and diagramming an HR system using systems theory allows the HR director to visualise the organisation's HR function, to measure how well it works and most importantly to take control of it. Using a standard diagramming method such as IDEF0 allows HR to join the language of business – the new HR director becomes a manager in the organisation who happens to be an HR professional, rather than an HR professional who happens to work in the organisation.



Once documented, the HR system can be changed, evolved and enhanced. Its activities can be reviewed for fairness, equality and legal foundation. And it can be communicated.

This paper has been brief. It has not touched on other critical topics, such as how the HR system interfaces with other systems in the organisation. It has not discussed how strategy might be best developed to work with the HR system and it has not discussed the art of audit and review. These are for next time.



The Author



Sue Berry is a Director with TimelessTime, and has over 25 years of HR experience across many industry sectors in large multinationals and smaller enterprises, with the last six years being spent as the head HR practitioner in each establishment. With a BEd(Hons) in sociology and environmental science she is a qualified teacher, holds a Masters degree in Human Resource Management and is Chartered Fellow of the Chartered Institute of Personnel and Development.

Prior to founding TimelessTime she gained operational HR experience in a wide variety of niche markets including aerospace, electronics, chemicals, service industries, the Health Service, academia, non-for-profit NGO's and the charity sector. She has published two books and written several papers related to various aspects of HR.

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TimelessTime

TimelessTime is a limited company, based in Sussex and was founded by Sue Berry. With over 25 personal experience she has teamed with other like-minded professionals who can support the work of TimelessTime offering an extended portfolio of support for organisations of all sizes.

Unlike large organisations TimelessTime can be extremely versatile and nimble with the support service offered to all our clients. We understand that managers don't work in a 9-5 manner anymore. TimelessTime is a fact of life as is flexible working for senior business professionals. TimelessTime can help you redress your work-life balance by providing the support you need when you need it.

For more details about the concept of TimelessTime please visit www.timelesstime.co.uk