

A tale of two universes

– Process Management in HR

A few years ago, if you went into many HR Departments and asked them to describe their approach to process management you'd probably have been met with blank looks, or be told that

“we don't have processes, or at least none that can be managed”

This would quickly be followed by the assertion that

“we're a people department; it's not about processes”

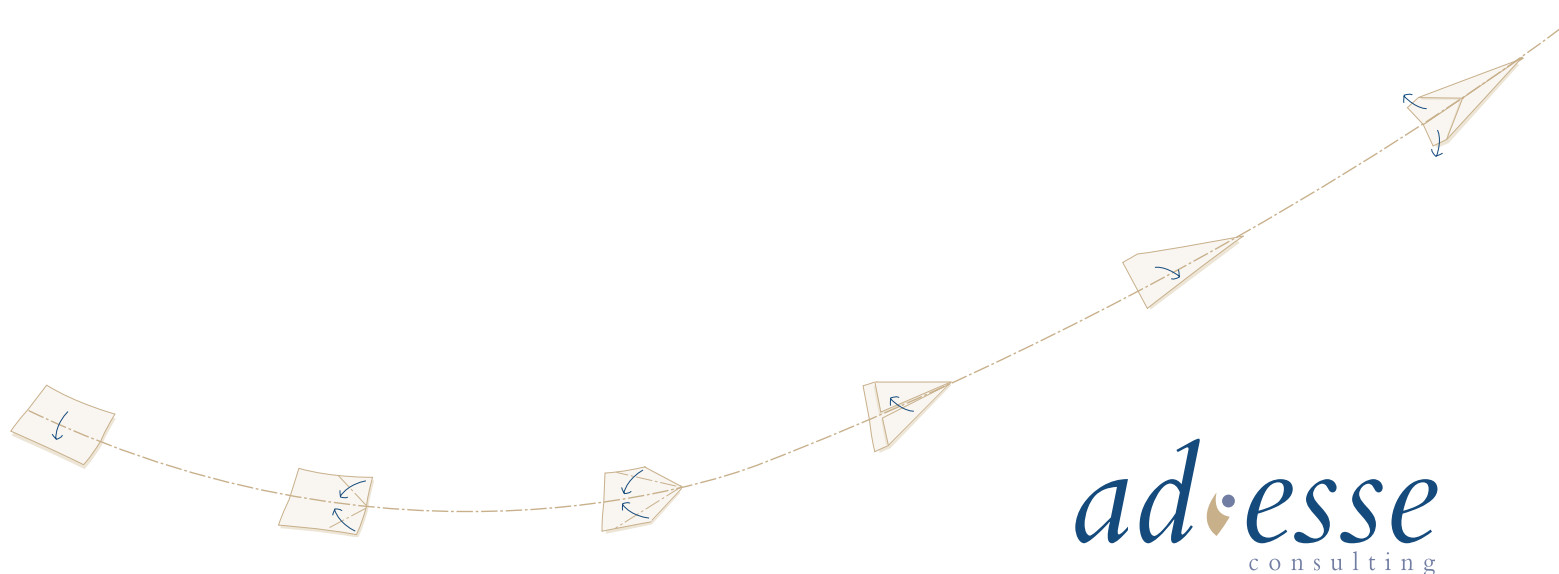
If you'd then followed up your visit to the HR Department with some discussions with their internal customers (senior managers, line managers and staff), you'd have heard a different story.

These people would have told you:

- HR is like a black hole – stuff goes in, but rarely comes out
- We're not treated like customers, we have to follow their policies and rules
- We can't quantify what contribution they make to achieving business strategy
- Their processes (actually, mostly procedures) are impossibly complicated and don't work anyway

So, here we have two parallel universes, and the people in each one simply don't have a common language with which to communicate.

More recently, as organisations have embraced the concepts and realities of Process Management, HR has discovered a new language it can use to engage with its customers and stakeholders.



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We must remember, though, that Process Management is no more than an enabler; it is not an end in itself. And, there have been a number of significant drivers that have meant that HR Departments have had to learn how to define, measure and improve the performance of their processes:

- the need for demonstrable gains in efficiency (more output, with the same, or fewer resources)
- a move towards “**business partners**”, with HR working more closely with the line and operations
- separation of those processes which are clearly “**routine transactions**” (e.g. payroll, booking training) from those where HR can add significant value through their professional expertise
- a desire to get line managers more actively involved in managing the performance of their people and not abdicating that responsibility to the HR Department

There have clearly been some useful technology enablers such as web-based self-service portals that have emerged and which allow HR to put the front-ends of its processes in the hands of its customers. These, and other IT have further opened up the possibility to outsource (and off-shore) many of the routine HR processes.

WHAT DOES GOOD PROCESS MANAGEMENT LOOK LIKE IN HR?

In our experience, the starting point has to be a discussion in language that is meaningful to HR people about what they are trying to achieve, what they deliver to their customers and how they go about doing that.

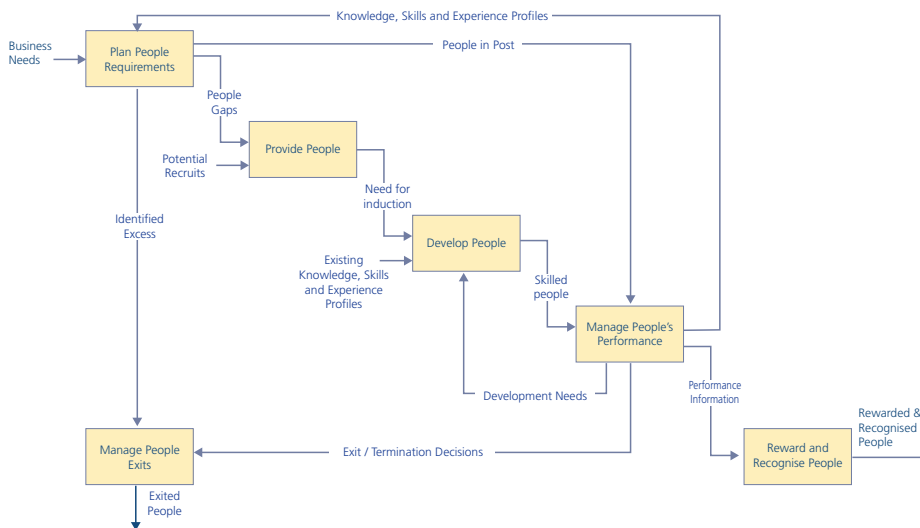
The vision is to have highly visible People Management processes; owned, managed, measured and continuously improved. Ownership is a key word here: every process should have a single, named Process Owner. But, with the functional organisation structures in most HR Departments, a good starting point is a facilitated workshop with the whole HR management team to develop a view of their “**business**” as a series of customer-facing processes. Each of these can then be given a Process Owner from among the management team – it’s usually obvious who owns which process.

A typical set of high-level HR processes would be:

- Plan people requirements
- Provide people
- Develop people
- Manage people’s performance
- Reward and recognise people
- Manage people exits

Note that each of these processes is named in Verb + Noun format to make it easier to define their inputs and outputs. They should be mapped as a set of interlinked processes, with clear inputs from the business and clear outputs to the business.

An example is shown below:



The HR Process Model provides the context diagram within which all subsequent process improvement work can be carried out. It defines the key processes, together with their inputs and outputs. Collectively, the HR team deploys these processes in order to achieve the organisation's People Outcomes. Each of the processes is owned by an HR Manager, who is responsible for developing the lower levels of detail of their process, together with measurement and improvement plans.

Processes only become "real" when they begin to describe the "day job", so one of the key tasks of each Process Owner is to drill down, through their process, to produce maps that describe how work is actually done, by their teams and HR's customers.

MAKING IT REAL

Taking two of the processes as examples, Provide People and Develop People, much of the initial work required is to identify exactly who the customers of these processes are and what they want. It would be very easy to say "everybody", but it is important to be much more specific and identify key groups, such as Line Managers who want the process outputs (such as Skilled People). It is also helpful to separate out those people who are Stakeholders; i.e. who have an interest in the process, but do not actually receive its output.

Producing Process Maps helps define how the work is done and highlights inconsistencies in approaches across different parts of the business. For example, in one organisation, some line managers seemed perfectly capable of specifying their requirements for new people and the "package" they would be offered, whereas others had a tendency to change the spec after they had carried out interviews. In order to help people use processes in a consistent way, Process Owners should be able to attach up-to-date copies of Policies and Procedures to relevant places on the maps. These are then made available to anyone viewing the maps via a browser on their desktop and represent a "single version of the truth".

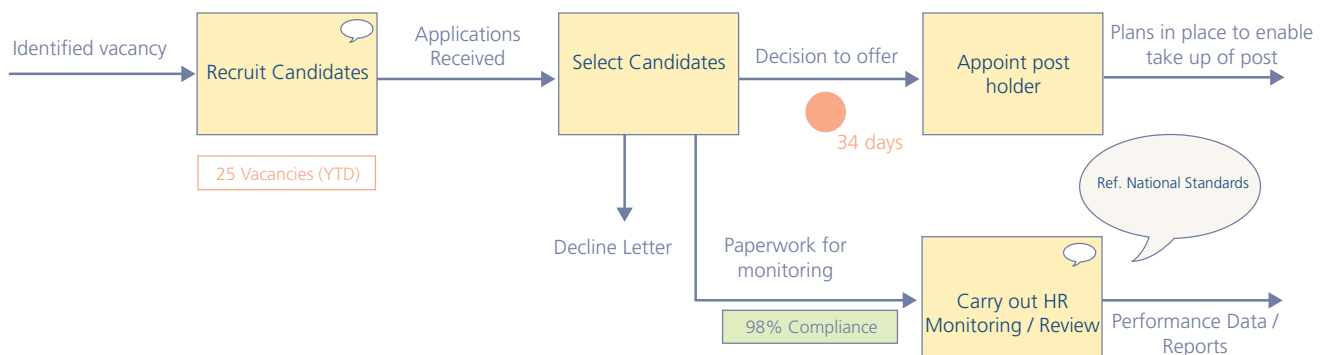
The maps also clarify the critical process interfaces, for example between recruitment and induction/orientation. The two Process Owners are then able to clarify and agree where orientation ends and where induction begins, and what needs to be handed over to make both processes work.

The final task in establishing an approach to Process Management is to agree a set of Performance Measurements for each process. These have to be "balanced" with a mixture of internal measures (e.g. Number of vacancies to be filled), output measures (e.g. Timeliness of vacancy filling) and satisfaction measures (e.g. Line Manager Satisfaction

Perceptions). At any given level in the process hierarchy, there will only need to be a few measurements – we usually aim to identify between 4 and 7. Too few and you can't manage performance because of a lack of balance and too many means you spend all your time collecting data about a process that you clearly don't understand. Our guiding principle is **"identify what the purpose of the process is, then define what you need to measure to confirm that you are achieving that purpose"**.

Perhaps unsurprisingly, in many organisations the existing set of HR Key Performance Indicators (KPIs) do not provide all the data required to quantify process performance or to enable continuous improvement. In one organisation, for the Provide People process, a set of seven KPIs was defined, of which three were new. You can then identify what to stop measuring (because it is not helping you improve performance) and put in the systems to give you accurate and timely data that will help focus on improvement.

The KPIs should be displayed as raw data, gauges or traffic lights on the appropriate process maps. The aim is to bring together processes and measurements in a way that enables Process Owners to go straight to **"how work gets done"** whenever they need to improve **"how well work gets done"**.



ENABLING PROCESS MANAGEMENT

Throughout this article I've implied the need for some technology to enable Process Management to be brought to life and put in the hands of Process Owners. You can do this in an HR (or any other) Department if you give people a tool that is friendly and works the way they do.

I believe some of the pre-requisites of such a tool are:

- it must be easy to use so that today's processes can be captured quickly in live, real-time mapping workshops (capture tools that require an expert immediately put a barrier between the users and their process)
- it must allow process owners and users to collaborate and raise suggestions for improvement
- it must provide a single repository of process information (which includes both maps and supporting documentation), with a means of change control and authorisation to help keep the content up-to-date
- it should allow users to test out scenarios or new process models before releasing them into the live, authorised version
- process analysts and improvers should be able to carry out activity costing and cost modelling so that quantitative resource and performance analysis can be done
- process metrics should be able to be linked to relevant process steps so that the root cause of under-performance can be traced quickly

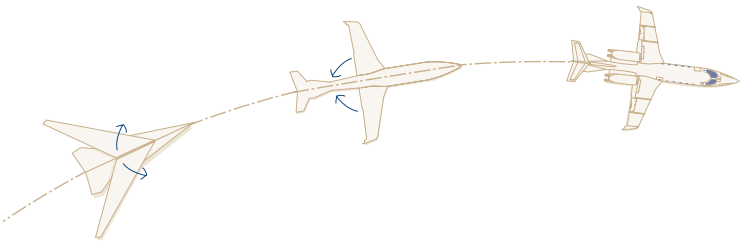
And finally, it should be available on user's desktops in a format that they can access readily, which probably means it will be browser-based, with a recognisable user-interface (probably corporate-branded so it looks like a familiar part of the intranet) and minimal learning curve.

It's pretty clear from this that we're almost certainly not talking about the typical IT analysts' process tools and, equally, we're not talking about the simple flowchart drawing tools.

THE BENEFITS

HR, Line Managers and staff should have access to up-to-date versions of the key HR processes, from their desktops. Current performance is visible and any areas where targets are not being achieved can be traced directly to the relevant process. Ownership is clear, as are responsibilities for carrying out the processes to the required standards. Finally, and most importantly, the focus on processes and measurement will inevitably cause a wide range of improvement opportunities to be identified and addressed.

So, to return to my starting point, we are aiming for a "single universe" where HR owns, measures and continuously improves its processes; and makes these available to line managers using language that both HR and their customers can understand.



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