

Using the HR Maturity Model to Develop Your HR Technology

By Lisa Laine
October 13, 2011



Agenda

- Introductions
- Presentation Goals
- Description of Model(s)
- Developing your HR Technology Roadmap
- Examples
- Wrap Up

Introduction



13 Years HRMS
Experience (functional,
technical, management,
practitioner)
Practice leader
Founder, mid-market
HCM solutions
organization



Who is People ROA?

- 100% Focused on Human Capital Management & Payroll Solutions
- 10 Years experience helping organizations implement Human Capital Solutions
 - HRIS Software Selection based on our clients specific needs.
 - Seasoned software industry professionals with extensive expertise with HRIS Solutions
 - Best practice knowledge
 - Providing customized services with the most cost-effective solution for clients
 - US Partner for 2interact and Sage Abra



Service Offerings

- HCM Software Selection
- HCM Software Solutions
- Implementation and Process Redesign
- Training
- HR Consulting



A Sampling of Our Experience

- Facilitate product selection process
- Business Case Development
- Assist organizations improving processes
 - Provide ability to grow without adding to head count
 - Automate processes
- Implement shared services model for HR and Payroll



Goals of Today's Presentation

- Provide a framework for developing your HR technology roadmap (theory)
- Understand model limits and how to fit to your organization
- Walk through case studies to reinforce theories (practice)
- Assumes participants have basic knowledge of creating a technology roadmap and focuses on the model



Evolution of HCM



Human Resources

- Administrative in nature
- Policy focused
- Process & Cost



Human Capital Management

- Strategically focused
- Business Partners
- Focused on Revenue & Profits

Description of People Capability

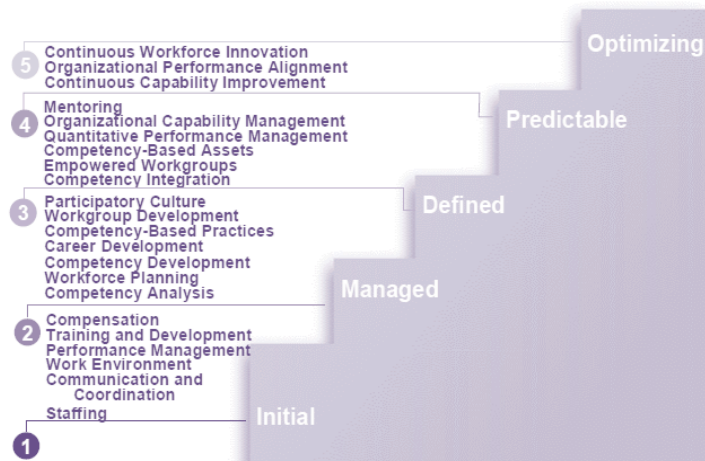
- Developed at the Software Engineering Institute (SEI)
- Model provides a framework for defining and prioritizing HCM initiatives to develop organizational capability
- Similar to the Software Capability Maturity Model used by defense contractors
- Process Based model with 5 levels
- Assumes workforce practices are standard organizational processes that can be improved continuously through the same methods that have

People CMM Objective

- Primary objective: to improve the capability of the workforce capabilities to perform and organization's business activities including
 - Knowledge
 - Skills
 - Process
- Workforce capability indicates an organization's
 - Readiness for performing business activities
 - Likely results from performing these business activities
 - Potential for benefiting from investments in process improvement or advanced technology



Maturity Level Focus Process Areas



Copyright 2009 Carnegie Mellon University. People Capability Maturity Model (P-CMM)
Version 2.0, Second Edition July 2009



The People CMM describes a system of practices. It helps an organization develop a vision of how to integrate a system of practices to achieve their workforce objectives and provides the framework to guide implementation of those practices. These practices guide the development of a human capital management framework for the organization.

Each maturity level of the People CMM, with the exception of the Initial Level, consists of three to seven process areas. Each process area identifies a cluster of related practices that, when performed collectively, achieve a set of goals considered important for enhancing workforce capability. Each process area organizes a set of interrelated practices in a critical area of workforce management, such as staffing, compensation, or workgroup development. Each of these areas constitutes an important organizational process. The process areas at each level of maturity create a linked system of processes that systematically implement and transformationally improve the organization's capability to manage and empower its workforce. At each maturity level, the organizational focus builds on that deployed at the lower levels. For example, as an organization moves towards implementing the Maturity Level 3 practices, the organizational focus shifts from stabilizing local work units and ensuring they can meet their performance requirements at Maturity Level 2 to focusing on the organization and meeting its strategic workforce needs and performance requirements at Maturity Level 3

Maturity Level by Process Area

Maturity levels	Process Area Threads			
	Developing individual capability	Building workgroups & culture	Motivating & managing performance	Shaping the workforce
5 Optimizing	Continuous Capability Improvement		Organizational Performance Alignment	Continuous Workforce Innovation
4 Predictable	Competency Based Assets Mentoring	Competency Integration Empowered Workgroups	Quantitative Performance Management	Organizational Capability Management
3 Defined	Competency Development Competency Analysis	Workgroup Development Participatory Culture	Competency Based Practices Career Development	Workforce Planning
2 Managed	Training and Development	Communication & Coordination	Compensation Performance Management Work Environment	Staffing

Copyright 2009 Carnegie Mellon University People Capability Maturity Model (P-CMM)
Version 2.0, Second Edition July 2009



HR Maturity Model

- Focuses on IT's ability to support organizational abilities
- Blends functional strategies to system capabilities
- 3 Levels
- Idea borrowed from Sage Software
- Model is Evolving
- Technique is adaptable

How Mature is Your

Foundational

- No HR Application
- Manual Processes
- Not scalable

Transitional

- Some process automation; moving towards paperless
- Using HCM applications
- Deploying HR Globally
- Reporting focuses on operations and not yet Strategic in nature

Strategic

- Emerging strategic HCM practices, but needs improvement
- Focused on improving business results through Alignment of Human Capital
- Prioritizes value added activities to drive corporate performance
- Strategically recruits and manages talent
- Automated processes

Transitional HR Organizations – Pain

- Global
 - Unable to produce timely headcount report (global)
 - Unable to forecast or manage labor costs
 - Unable to manage/benefits/HR delivery globally
- Domestic
 - Paper processes
 - Dual entry
 - Ad Hoc reporting

Strategic HR Organizations – Pain

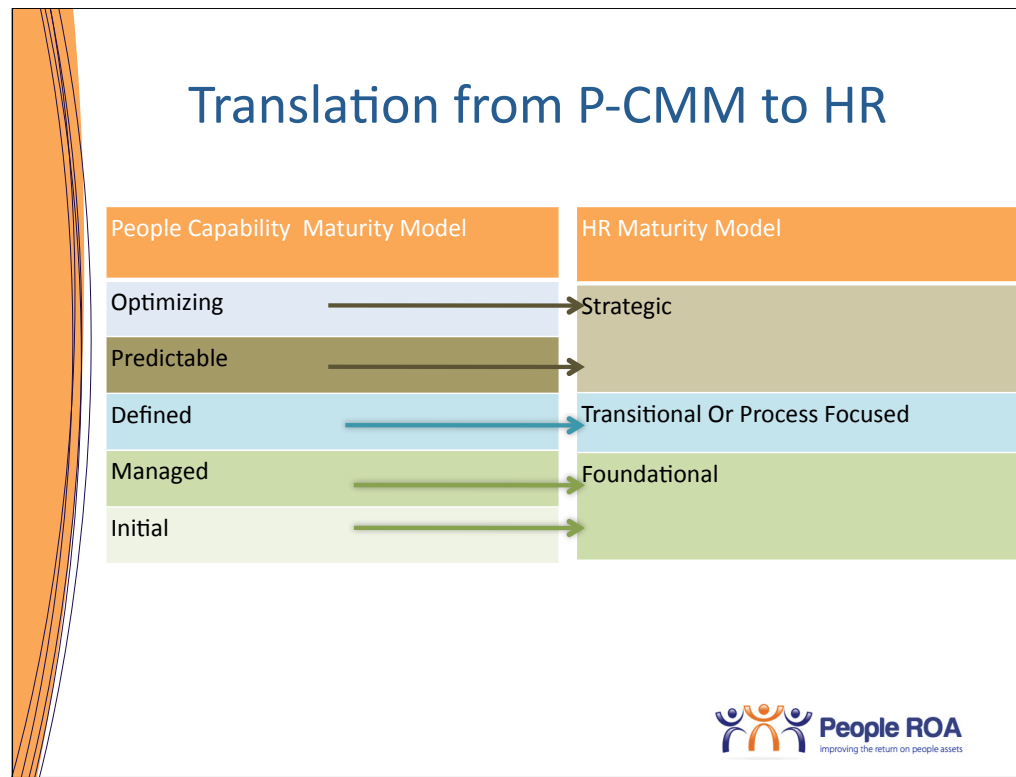
- Pressure to be more strategic
- Difficulty in improving margins thru human capital
- Develop corporate brand
- Lack of analytic reporting
- Tools not flexible enough
- Manage workforce trends
 - Aging workforce
 - Health care changes



Premise of the Models

- Solid foundation is needed to be successful at the highest levels
- Skipping levels completely increases risk of failure
- Initiatives in specific areas that provide benefits to an organization are ok
- HR Maturity Model considers functional capabilities of organization

Translation from P-CMM to HR



Organizations at the Initial Level of maturity usually have difficulty retaining talented individuals. Organizations at the Initial Level typically exhibit four characteristics:

1. Inconsistency in performing practices
2. Displacement of responsibility
3. Ritualistic practices
4. An emotionally detached workforce

Frequent problems that keep people from performing effectively in low-maturity organizations include:

- Work overload
- Environmental distractions
- Unclear performance objectives or feedback
- Lack of relevant knowledge or skill
- Poor communication
- Low morale

At Maturity Level 2, units are identifying critical skills to determine qualifications for open positions, evaluate training needs, and provide performance feedback. However, there is no requirement at Maturity Level 2 for identifying common attributes among these skills across units or for determining the practices that are most effective in developing them.

P-CMM Maturity Level by Process Area

Maturity levels	Process Area Threads			
	Developing individual capability	Building workgroups & culture	Motivating & managing performance	Shaping the workforce
5 Optimizing	Continuous Capability Improvement		Organizational Performance Alignment	Continuous Workforce Innovation
4 Predictable	Competency Based Assets Mentoring	Competency Integration Empowered Workgroups	Quantitative Performance Management	Organizational Capability Management
3 Defined	Competency Development Competency Analysis	Workgroup Development Participatory Culture	Competency Based Practices Career Development	Workforce Planning
2 Managed	Training and Development	Communication & Coordination	Compensation Performance Management Work Environment	Staffing

Copyright 2009 Carnegie Mellon University. People Capability Maturity Model (P-CMM)
Version 2.0, Second Edition July 2009



Copyright 2009 Carnegie Mellon University.

NO WARRANTY

THIS CARNEGIE MELLON UNIVERSITY AND SOFTWARE ENGINEERING INSTITUTE MATERIAL IS FURNISHED ON AN "AS-IS" BASIS. CARNEGIE MELLON UNIVERSITY MAKES NO WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED, AS TO ANY MATTER INCLUDING, BUT NOT LIMITED TO, WARRANTY OF FITNESS FOR PURPOSE OR MERCHANTABILITY, EXCLUSIVITY, OR RESULTS OBTAINED FROM USE OF THE MATERIAL. CARNEGIE MELLON UNIVERSITY DOES NOT MAKE ANY WARRANTY OF ANY KIND WITH RESPECT TO FREEDOM FROM PATENT, TRADEMARK, OR COPYRIGHT INFRINGEMENT.

HR Maturity Model by Process Threads

Maturity Levels	Process Threads			
	Developing Individual Capability	Building Workgroups and Cultures	Motivating and Managing Performance	Shaping the Workforce
Strategic	Continuous Capability Improvement Competency Based Assets Mentoring	Continuous Improvement Competency Integration Empowered Workgroup	Organizational Performance Management Quantitative Performance Management	Continuous Workforce Innovation Organizational Capability Management
Transitional	Competency Development Competency Analysis	Workgroup Development Participatory Culture	Competency Based Practices Career Development	Workforce Planning
Foundational	Training and Development	Communication & Coordination	Compensation Performance Management	Staffing



Common Approaches to creating HR

- Return on Investment
- Total Cost of Ownership
- Herd Mentality
- Biggest Pains
- Strategic Plans



HR Technologies

- Core HR
- Payroll
- Time & Attendance
- Benefits
- Position Control
- EE Self Service
- Mgr Self Service
- Performance Mgmt
- Objectives Mgmt
- Talent Acquisition
- Succession Planning
- HR Analytics
- Social Media/EE Communications
- Learning
- Training & Development
- Outsourcing
- Portal
- Help Desk
- Relocation
- Screening
- Testing & Attendance
- Workforce Planning



Steps to Develop your HR Technology

1. Identify organizational priorities/capabilities that pertain to the HR Maturity map from a functional perspective
2. Add any additional priorities that are not on the map by creating additional columns
3. Identify relevance to organization/strategic goals
4. Enter Data on Scale of 0-10 (10-highest)
 1. Functional capability, importance, system capability
5. Enter appropriate technology name if desired

Steps to Develop your HR Technology

1. Mismatch areas in colors or use standard deviation to highlight areas for you.
 - Good: Std Dev < 2
 - Review: $2 < \text{Std Dev}$
 - Mismatch is not always bad, so you need to evaluate each case
- Compile Results
 - Layout projects on timeline
 - Sell it to the organization

Maturity	Process Area Threads										
	Developing Individual Capability			Building Workgroups and Cultures			Motivating and Managing Performance			Shaping the Workforce	
Strategic	Continuous Capability Improvement	Competency Based Assets	Mentoring	Continuous Improvement	Competency Integration	Empowered Workgroup	Organizational Performance	Quantitative Performance Management		Continuous Workforce Innovation	Organizational Capability Management
Functional Capability											
Importance											
System											
System Technology		LMS, Training, Etc	Social Media		Talent Mgt		Perf. Mgmt	Analytics			
Std Deviation											
Transitional	Competency Development	Competency Analysis	Competency Development	Workgroup Development	Participatory Culture		Competency Based Practices	Career Development		Workforce Planning	
Functional Capability	● 10	▲ 6						▲ 5		◆ 2	
Importance	○ 8	▲ 7						○ 8		◆ 2	
System	◆ 0	◆ 0						◆ 3		◆ 0	
System Technology							HCM	Career Planning			
Std Deviation	5.29150262	3.7853389						2.51661148		1.15470054	
Foundational	Training & Development			Communication & Coordination			Compensation	Performance Management	Work Environment	Staffing	
Functional Capability	● 10			○ 8			● 10	○ 8	NA	▲ 6	
Importance	● 10			▲ 6			● 10	● 10	NA	▲ 5	
System	◆ 0			○ 8			● 10	○ 8	NA	◆ 0	
System Technology	Training & Development Tracking,			Portal			HCM	HCM	NA	Talent Acquisition	
Std Deviation	5.77350263			1.15470054			0	1.15470054		3.21455025	

Example: Foundational Company Training and Development

Foundational	Training & Development
Functional Capability	● 10
Importance	● 10
System	◆ 0
System Technology	Training & Development Tracking
Std Deviation	5.77350269

- Functional Capability: Training and Development Program Well Developed
- Importance: Has become a top priority for company
- System: No Training and Development System
- Std Deviation > 5 - High



Example: Transitional Company – Modified Map

	A	H	I	J	N	O
1	Maturity	Process Area Threads			Operational Bottlenecks	
2	Levels	Motivating and Managing Performance			Establish Global Processes	Eliminate Manual
3	Transitional	Competency Based Practices	Career Development		Global Comp Review process	Streamline Open Enrollment
9	Functional Capability		5		5	3
10	Importance		8		8	8
11	System		3		8	0
12	System Technology	HCM	Career Planning		HCM	SSBEN
14	Std Deviation		2.51861148		1.732050808	4.041451884
15	Foundational	Compensation	Performance Management	Work Environment		
16	Functional Capability	10	8	NA		
17	Importance	10	10	NA		
18	System	10	8	NA		
19	System Technology	HCM	HCM	NA		
20	Std Deviation	0	1.15470054			
21						

- Core modules (hr, comp, PM)
- No Strategic Programs
- Limited by Staff capabilities
- Expanding Globally

Example: Transitional Company - Compensation

Priority	Process Area Results				Operational Benchmarks			
	Strategy and Planning Performance		Execution and Performance		Financial Performance		Operational Performance	
1	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
2	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
3	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
4	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
5	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
6	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
7	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
8	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
9	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational
10	Strategic	Operational	Financial	Operational	Financial	Operational	Financial	Operational

Foundational	Compensation	Performance Management
Functional Capability	10	8
Importance	10	10
System	10	8
System Technology	HCM	HCM
Std Deviation	0	1.15470054

- Functional Capability: Excellent
- Importance: High
- System: Excellent
- Std Deviation: Low

Example: Transitional Company – Performance Management

Priority	Process Area Results		Operational Benchmarks	
	Strategy and Planning Performance	Operational Performance	Operational Performance	Operational Performance
1	Operational	Operational	Operational	Operational
2	Operational	Operational	Operational	Operational
3	Operational	Operational	Operational	Operational
4	Operational	Operational	Operational	Operational
5	Operational	Operational	Operational	Operational
6	Operational	Operational	Operational	Operational
7	Operational	Operational	Operational	Operational
8	Operational	Operational	Operational	Operational
9	Operational	Operational	Operational	Operational
10	Operational	Operational	Operational	Operational

Foundational	Compensation	Performance Management
Functional Capability	10	8
Importance	10	10
System	10	8
System Technology	HCM	HCM
Std Deviation	0	1.15470054

- Functional Capability: Pretty Good
- Importance: High
- System: Excellent
- Std Deviation: Low

Example: Strategic Company –

Maternity	Process Area Threads			
Levels	Motivating and Managing Performance		Shaping the Workforce	
	Organizational Performance Management	Quantitative Performance Management	Continuous Workforce Innovation	Organizational Capability Management
Strategic				
Functional Capability	9	8		
Importance	10	9		
System	4	8		
System Technology	Perf. Mgmt	Analytics		
Std Deviation	3.24550054	1.5275262		
Transitional	Competency Based Practices	Career Development	Workforce Planning	
Functional Capability	8	10	2	
Importance	10	8	2	
System	8	8	0	
System Technology	HCM	Career Planning		
Std Deviation	1.154700538	1.15470054	1.15470054	
Foundational	Compensation	Performance Management	Work Environment	Staffing
Functional Capability	10	8	NA	6
Importance	10	10	NA	5
System	10	8	NA	0
System Technology	HCM	HCM	NA	Talent Acquisition
Std Deviation	0	1.15470054		3.24550025

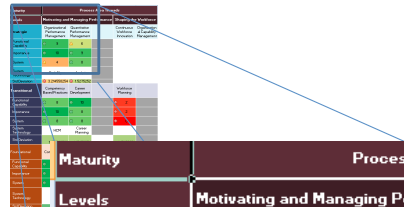
- Excellent Foundation
- Focusing on Performance
- Strategic Alignment of objectives
- Established KPIs

Example: Strategic Company – Organizational Performance Management

Maturity	Process	
Levels	Motivating and Managing P	
Strategic	Organizational Performance Management	Quantitative Performance Management
Functional Capability	9	6
Importance	10	9
System	4	8
System Technology	Perf. Mgmt	Analytics
Std Deviation	3.214550254	1.5275252

- Functional Capability: Excellent
- Importance: High
- System: Moderate (Custom Solution)
- Std Deviation: Moderate
- May want to consider replacing/enhancing system

Example: Strategic Company – Quantitative Performance Management



Maturity	Process	
Levels	Motivating and Managing P	
Strategic	Organizational Performance Management	Quantitative Performance Management
Functional Capability	● 9	▲ 6
Importance	● 10	● 9
System	▲ 4	● 8
System Technology	Perf. Mgmt	Analytics
Std Deviation	◆ 3.214550254	◆ 1.5275252

- Functional Capability: Moderate
- Importance: High
- System: Moderate (Custom Solution)
- Std Deviation: Low
- Lower priority on Roadmap

Wrap Up

- P-CMM helps organizations become more strategic by developing organization capability of its people
- The HR Maturity Model applies that to HRIS technology
- The HR Maturity Model Map Quantifies areas of potential concern

Upcoming Educational Events

- What's New in Sage HRMS 2012 (Formerly Sage Abra SQL HRMS)?
October 18, 2011 or November 1, 2011
at 11 a.m. PT
- What's New in Payroll for Sage HRMS 2012?
October 26, 2011 at 11 a.m. PT
- People ROA #HR Tweet Up
October 28, 2011 at 9 a.m. PT



Questions



Visit Us

- Website/blog: www.peopleroa.com
- Twitter: @PeopleROA
- Facebook: PeopleROA
- YouTube: PeopleROA
- Linked In: PeopleROA
- Phone: 310-372-2060
- e-mail: salesteam@peopleroa.com

