

What's New is Old Again

Integrating Management Processes within and across HR

Do you remember that old expression, “What’s old is new again”? Well, welcome back to the age of Jive.

In the 1940’s, Ned Hay—best known as the creator of the HAY Job Evaluation Guide Charts—used to say that job descriptions and his particular approach to job evaluation would provide management with benefits far beyond the simple establishment of a pay structure for jobs within an organization.

More than 60 years ago, he wrote that the process of documenting and evaluating the duties, requisite skills, challenges and responsibilities of any particular job would lead to an appropriate salary grade reflecting its internal worth to the organization. He also wrote that insights gleaned and expectations documented from the job evaluation process would yield measures important for other ‘personnel’ management processes including employee performance assessments, the identification of employee training needs, and the development of succession plans.

Truly, an insightful guy who was ahead of his time.

In the years since Ned’s writings, the whole process related to crafting job descriptions and evaluating their internal worth to the organization has gone mainstream. Indeed, in some state, provincial and federal jurisdictions, there is a legislated requirement to demonstrate how an organization evaluates jobs according to their required skill, effort, responsibility and working conditions.

As well, through the mid to late 20th century, the “Personnel Department” became increasingly sophisticated in terms of its specialized services and contributions to organizational dynamics. Moving past our historical roles of payroll and benefits administration, we have become experts in such areas as recruitment, compensation, performance management, organization design/effectiveness, training/development and succession planning. Indeed, the structure of the new “Human Resources Department” has taken on a higher profile in the organization as we have become experts in our various specialized fields of endeavour.

But this was also when the first disconnects began to happen. With growing sophistication and specialization, it is human nature to profoundly believe that *what* we are doing and *how* we are doing it is “the best way”. Indeed, as we have become recognized experts in our field, others in growing numbers look to us for related insights and guidance from inside, and eventually, possibly, from even outside our organization of employment.

That’s not a problem, and heck, pretty flattering when we get there. Here’s the rub.

For many years, our focus on ‘specialization’ led us into perspectives that were increasingly deep and narrow. While we continued to be an important part of the department called ‘Human Resources’, in many ways our specialized services became operational silos. Learning from and expanding on the expertise of others, we introduced policies and procedures that increasingly demonstrated the sophistication of our specialized knowledge, even as the connections of our work to the other functionally specialized groups within HR grew more tenuous.

One example I still fondly recall from years ago was the time we tried to figure out how our executive approved Pay-For-Performance approach to compensation management would align with the recommended “pass/fail” approach to performance measurement being suggested by the organization development team. It didn’t of course, but given the time, professional, psychological and financial investments made by OD specialists, the ensuing dialogue was somewhat difficult.

I think we all have examples of communications that failed within our HR departments.

As a profession, one of the things we did come together on was the recommended investment in Human Resource Information Systems (HRIS) to create one common place where information about people and the organization could be input and shared. Absolutely a great idea, and one that was needed to ensure the various specialized functions within HR could manage and share information with others within and outside the department. Unfortunately, HRIS was not viewed by operational management as a strategic tool, but more an administrative way for us to more effectively (that is, more accurately and quickly) get to data about people, performance and the organization. Certainly not the strategic approach we might have intended for impacting the organization’s operational effectiveness.

But here is the good news going forward: HR departments in growing numbers are recognizing they can take the best of their specialized expertise and embed it into an integrated process that positively impacts other areas of specialty within and across the department, so long as they start at the right place.

And that right place is, you guessed it, where Ned first started—getting jobs accurately described and evaluated. What’s different in 2008, something that Ned couldn’t have anticipated in the 1940’s, is the *way* jobs get evaluated. Rather than the guide charts of the day, organizations are developing and implementing pay-equity-compliant, computer-driven and competency-based job evaluation questionnaires to assess what a job does, and what it is worth. By consolidating and mapping the questionnaire responses selected, the methodology enables the job to be scored for compensation purposes, but also to consistently identify the key competencies related to successful performance of the role.

By the way, the scored, job specific and organizationally relevant competencies are the same ones early on identified by the experts in performance management (based on their work with executive leadership) that, in their opinion, will determine organizational and

strategic success. This then means that recruiting documents and performance measures related to how the job is to be done are automatically and consistently based on what the job is paid to do. Training needs become the gap between compensated job expectations and observed performance. And succession planning decisions become a calculated fit between an employee's measured past performance and the competencies required in the job opportunity.

To effectively assess employee performance, it is an absolute requirement to have a clear, upfront and consistent understanding between the supervisor and the employee about the 'what' and 'how' expectations of each job. Every day, increasing numbers of organizations are recognizing this fact. After all, to do otherwise ensures that the performance evaluation and feedback process will be less than satisfactory for both parties. A less than satisfactory performance management system and feedback loop will at the very least lead to inconsistent communication about individual and aggregated compensation recommendations, training needs assessments and succession readiness decisions. This is *not* an outcome any of us want to be responsible for enabling.

And for those increasingly fewer organizations that continue to believe that job descriptions, job evaluation and/or performance management are unneeded processes, let's remember; the best performing employees will leave if they feel their work and their contributions are not appropriately recognized, respected and rewarded; "poorer" performing employees have no reason to quit.

In today's incredibly competitive world, creating employee commitment to an organization's success is what we all strive to do as HR professionals. Integrated management processes *within and across* the Human Resource Department, where each specialized area drives and/or contributes to the specialized expertise of another, is the way to achieve that reality.

What's old is indeed new again. I think Ned would be pleased.

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