

Global

HR

СПИСАНИЕ ЗА ЧОВЕКОВИ РЕСУРСИ

Самопроценка во
кариерното советување:
**Како до работата која
ќе ја работиме со насмевка?**



150 денари

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HR Етика



Етика Човекови права во
човековите ресурси -
Дискриминација при
вработување

HR Работни односи



Годишен одмор
согласно закон
за работни односи

HR Истражување



Индекс на бизн
климата во
Македонија

Dr Tony Miller

Part 2

Millers focus on HR added value has seen him being a popular chat show guest on international TV, having given attended two guest show appearances on international TV prior to traveling to the conference and two interviews for our own Balkans TV station. His views on the new role of today HR are summarized in this exclusive article.

Dr Tony Miller was a key note speaker at the HR Balkans conference in Kosovo, delivering two powerful key note speeches of the importance of HR and training with specific emphasis on the bottom line results that can be expected from focused HR activities.

During the two day post conference workshop Dr Miller demonstrated many techniques that could be used to upgrade HR efficiency. Delegates were able for

themselves to master business process re engineering and to use some of Dr. Millers efficiency formulas to improve workflow. In the exercise all participants were able to increase productivity by a staggering 30%.

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The second function of HR is HRD (human resource development). This covers training, education as well as the necessary actions for development and succession planning. In this function of HR all of the activities should be measurable and must provide measurable added value to the business. HRD is one of the easiest functions to turn into a profit centre and has the potential for developing masses of added value. A simple challenging question to ask yourself about training is "is this training added value to our business -if so can it be imperially measured?" If the answer is no, or if you are not sure -what's



the business basis for doing the training?

The third and without doubt the fastest growing area of HR is HRP (human resource planning), no this is not a new name for the old manpower planning. Human resource planning encompasses:

- HR process re engineering
- Predictive planning and results prediction
- Succession planning
- Market employment analysis
- Looking at each of these in sequence you will be able to see what added value techniques you might want to try.

HR process re engineering

No matter how well motivated people are or how well trained they are, they will be unable to reach maximum efficiency if the process they are using is outdated or inefficient. The use of ineffective process is demoralising and counterproductive, yet HR harbors many processes that need to be completely reviewed. In the September 2005 edition we looked at the appraisal process. It is very expensive and in the majority of cases it fails to produce any organisational results.

HR process re - engineering requires that the process in mapped on a swim lane diagram. The map can then be reviewed or completely redesigned to provide the business with a more effective process. The difference in time or cost provides instant added value. Delegates at the Balkans HR summit workshop were able to try this process out and all were amazed by the efficiency saving achieved.

The need to do HR re - engineering applies to all HR processes. In a recent study we came across a holiday application system that took 2 ½ hours to process for every holiday application. The company employs 8000 people and each employee on average makes four applications per year. Using £11.80 as the average unit cost per hour -this system costs £377,600 in lost time every year. The process was 20 years old and was designed when the company was a lot smaller. This

may seem an extreme example but shows where wasted effort can be reduced, creating an HR actioned added value.

Many of the processes referred in the staff hand book will be ideal to review. HR process re - engineering specifically looks at any process that diverts energy away from key business goals.

Also, examine which processes are no longer needed, often we have too many checks and reviews in a process, this normally applies to processes that are over three years old.

Predictive Planning and results prediction

The old manpower planning was great at producing retrospective information. This was produced mainly as data. Now we look to transform data into management information so that financially sound decisions can be made. Most of this is done by analysing trends and coming to predictive decisions, often with a clear financial outcome (added value).

Most of the data needed for predictive work is already available. To correlate two sets of data to see if we have a trend the commonly used formula is Pearson's moment correlation. This formula can be implemented using either of two inexpensive software packages: www.analyse-it.com or www.texasoft.com/winkpear.html

Correlation possibilities

- Capital investment (training costs per employee) and performance
- Competence and the link with performance
- Performance and age bands



- Absence and seasonal changes (possible link with SAD syndrome)
- Mood swings and seasonal changes (possible link with SAD)
- Absence and link with weekends / public holidays
- Appraisal grading and actual performance
- Age trends and retirement
- Personality profile and success in the business
- Personality types and staff turnover
- Staff turnover -1)age, 2)sex.
- Motivation and leadership style
- Training investment and improved performance
- Training investment and staff retention
- Training and sickness reduction
- Corporate culture and staff beliefs
- Interviewer and retention of the employee
- Interviewer and performance in the job
- Interviewer and the cost of additional training
- Cost of benefits and bonus and performance
- Consistency of appraisal scoring and performance in the job
- Trends of training and employee
- Trends of training and department.
- Complaints and employee profile
- Increments and performance improvement
- Right sizing per percentage reduction and productivity
- Link between psychometric tests and performance in the job
- Link between Personality profiles and performance in the job
- Overweight employees and sickness
- Smokers and sickness
- Time at work non smokers/ smokers

As you can see the possibilities are endless. The analysis will show if there is a correlation and you can work on a solution and cost out the benefit of the HR action. What is good about this approach is that is based on facts and as such will give

you a good degree of credibility when pressing for change to create added value. An example of this in action is the positive correlation between sickness and long term smoking, recent legislation and the stance that companies are now taking is a direct result of statistical information gained from correlation exercises. One question that is often asked with this approach –is “is a statistician better at doing this than an HR professional?” With the current software the answer is no. The skill lies in deciding what trends should be examined. The calculation process is done by the software packages.

Other trends which need constant monitoring, prior to action are: age distribution trends, key role retirement profiles and company productive profile per department, to mention but a few.

Succession Planning

The critical analysis needed for succession planning sits in HRP while the development needed sits in HRD. Successful succession planning can be done by three different approaches or a combination of all three.

The group approach –involves screening. Running assessment centres is the best way of actioning this, thus creating a pool of people who have the potential for critical positions within the company when they arise.

The individual approach, involves selecting –via assessment centres to find individuals who have the potential to fill pre determined roles.

The external approach. Filling key positions with the best available on the open market. Normally run with a mixture of internal and external candidates –again using an assessment centre for final selection

The added value contribution here is in the careful selection of those employees who have the potential, drive and commitment to move to another key level in the company. Comparisons on cost alone will provide added value using a different approach. All succes-

sion planning should be subject to a joint development contract which specifies what's required by both parties and what the measurable outcome is to be.

In many companies succession planning and individual development plans become a complex and inefficient blur, costing vast sums of money and producing very little in terms of results. Taking an added value approach makes sense and can be easily cost justified.

Market Employment analysis

This is not always necessarily to find best practice. What's preferable is to determine what techniques or methods that will really add value in your business with your employees. Some areas to look at include:

■ **Employee to Supervisor/leader ratios.** Ratios of one 1:50 are quite common with some industries in the production field pushing the boundaries to 1:200. With improving workforces these ratios make sense and tend to improve productivity and improve employee connectivity. Added value is considerable in this area.

■ **Is more pay the secret** of more productivity and employee happiness? Not necessarily so. Recent published case studies for The Container Warehouse and Toshiba both show that what really matters is how you are treated rather than

how much you are paid. The whole area of pay, rewards and benefits is an area where at no extra cost, tremendous added value can be created by re-thinking how employees are rewarded. This is a huge subject and in essence here are a couple of changes that can be made to radically change productivity. Employee benefits cease to be a motivator shortly after an employee starts work. Most employees when asked about the value of benefits they get are clueless on the subject – for all intents they have no value. Buying back benefits helps to build a pool of cash which can be used to create productivity and effort beyond normal bonus schemes. Needless to say benefits are brought back at a lower value than they are costing the company. Once this pool of money has been secured a creative approach is needed to create real added value. Here are two examples of techniques that have been used and the results have been amazing in both cases.

A large petroleum company. Faced with high levels of sickness decided to incentivise each department head. Whoever could reduce sickness by the biggest percentage would receive a Toyota Land Cruiser. The results were amazing and provided a measurable added value to the activity. The Land Cruiser was financed by the buying back of benefits.

A financial services company needed to improve productivity by 25%. The offer was that the team who achieved the best productivity improvement would win a holiday in Florida for the entire team, with family, all expenses paid. Record levels of productivity were achieved. The real winners were the company, which managed to exceed all its productivity forecasts, all paid for by re-managing the benefits packages.

The secret to achieving outstanding added value solutions is to find what works for your employees. There is not one universal solution, what worked well for a Middle East petroleum company is unlikely to work for a financial services company in Hong Kong. The easy way is to ask the employees – what it is that will really motivate them and produce outstanding performance.

Another activity that creates added value is to right size the organisation. It's not just reducing the manpower but making sure the organisation is the most effective size. Normally when organisations exceed just 100 employees it's difficult to establish exactly if all concerned are fully productive and needed. Organic growth of an organisation normally means it typically employs too many people and pays them too much. Getting the number right will not only make for a healthy organisation but also produces more productivity per employee.

In conclusion

HR is no different to any other function in that its activities can all be measured. The skill is to create real value through people. There has never been a better time for the Balkans to embrace HR as a key function than now - for HR to create added value, all it takes is forethought, creativity and imagination. Perhaps one method to expedite this would be to have all HR bonuses based of the amount of measurable added value created each year.

Dr. Tony Miller, adjunct professor, MBA, Chartered FCIPD, FInstAM, MRSH, MBPS, MAPS is the M.D. of Management Performance Solutions. He specialises in running International Master Classes on productivity improvement and creating added value through people and re-engineered HR processes.

He is the Author of eight books. His latest book "Improving Productivity by fair means or foul" is proving to be a best seller – all available through www.amazon.com

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