The HR Maturity Matrix

“Linking HR Strategy and Practice”

Steve Flynn

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What is the Problem?

The Divide between:
- Real HR Practices; and
- Conceptual HR Strategy

“HR is not strategic!”
- “HR does not speak strategy”

Languages
- Business vs. HR
- Practices vs. Strategy
- Lost in translation?

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Strategy vs. Practice

The Climate Dilemma:
- Global Warming, yet
- 2009/10 Coldest Winter in 30 years!!
- 2010/11 Another Cold Winter
- Both 1 in 20 Year Events!!

You cannot see Climate, you can only see Weather

Climate as ‘Pattern of Weather’
Strategy as Pattern

You cannot see Strategy, only Practices

Strategy is to Climate as Practice is to Weather; thus

HR Strategy is a ‘Pattern of (HR) Practices’
- Which HR practices ‘fit’ and when?
- Which practices are complementary?
- Which are unnecessary luxuries and when?
- How do all practices hold together?
- HR Plans
  - “What Practices do we develop and implement next?”

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HR Maturity Matrix - Purpose

- HR *Roadmap* of ‘Patterns of Practices’
- A Generic Framework
  - Links HR Strategy *and* HR Practices
  - Applicable to all organisations and sectors
  - Applicable at all stages of organisational development
- Diagnostic tool
- Plan for HR action
- Putting Strategy back into HR!
  - ... and HR into Strategy!!!
Steve Flynn

- BA, Economics, York
- MBA, Durham
  - Industrial Relations
  - Organisational Behaviour
- FCIPD
- 32 years in HR
- HR Director
  - 14 years
  - 3 Boards of Directors
- 18 years struggling with HR Strategy
  - 5 different businesses

- British Rail
- BR Engineering Ltd
- Du Pont & Fuji Film
  - Crosfield Electronics
- Alchemy
  - Consultancy
- Coca Cola
- Cadbury Schweppes
- British Bakeries, RHM
- Sun Chemical
- Office Depot
  - Viking Direct

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HR Maturity Matrix
Background and Sources

Practical

- Real HR Plans
  - "What should we do next?"
  - "What fits?"
- Business Challenges
  - 100s Colleagues
  - 1000s of Employees!

Theoretical

- Maturity Model
  - People Capability Maturity Model
  - P-CMM
- HR Strategic Framework
# HR Maturity Matrix

<table>
<thead>
<tr>
<th>Organisational Maturity Level</th>
<th>HR Maturity Level</th>
<th>OE</th>
<th>C&amp;T</th>
<th>EE</th>
<th>PMS</th>
<th>ED</th>
<th>R&amp;R</th>
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<td>2. Process Management</td>
<td>Foundation</td>
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<tr>
<td>3. Capability Management</td>
<td>HR Agenda</td>
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<td></td>
</tr>
<tr>
<td>4. Strategic (Cultural)</td>
<td>Integrated People</td>
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</tbody>
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Organisational Maturity Levels
Maturity Level

“A stage of capability that is an evolutionary plateau on an organisational improvement path” (Curtis et al, 2002)

Levels are Cumulative

Energy and Resource required to move to next higher Level
Food for Thought

“What (maturity) level is your organisation currently at?”

“What (maturity) level is your HR function at?”

What is your evidence?
– Beware the ‘evidence gap’!!!

Levels of Evidence:
A. Absent/Tentative
B. Documented
C. Practised
D. Embedded

‘In the DNA’

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# Organisational Maturity Levels

| 1 | Compliance Management | Min. External and Internal Compliance  
|   |  |  
|   |   |  
|   |   | Heroic’ Leadership  
|   |   | ‘Gut-feel’ decision-making  
|   |   | ‘Irresponsible Autonomy’  
| 2 | Process Management | Process discipline and adherence  
|   |   | Standard Operating Procedures (SOP)  
|   |   | Policies & Procedures  
|   |   | Goal-oriented decision-making  
| 3 | Capability Management | Formal Functional Agendas  
|   |   | Continuous Improvement (CI)  
|   |   | Programme Management Processes  
|   |   | Management Toolkits  
|   |   | Data-driven decision-making  
| 4 | Strategic (Culture) Management | Integrated Business Strategy  
|   |   | Environments Screened and Monitored  
|   |   | Systemic decision-making  
|   |   | ‘Responsible Autonomy’  

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HR Framework

- Organisational Effectiveness (OE)
- Calibre & Talent (C&T)
- Employee Engagement (EE)
- Performance Management Systems (PMS)
- Employee Development (ED)
- Reward & Recognition (R&R)

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HR Strategic Pillars

Definition
- Including the ‘Two Sides’ of HR

Detail of the HR Maturity Matrix
- Measures the degree to which the definition is fulfilled and how

By the organisation

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Organisational Effectiveness

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Organisational Effectiveness

- Creating Meaningful and Added-Value Roles and Structures
  - To enact the Organisational Strategy, and
  - To enable Business Processes; and

- Managing the Processes of Change

- Building and Maintaining Role Clarity and Job Satisfaction & Significance

‘Managing Through Organisation’
## Organisational Effectiveness - Levels

<table>
<thead>
<tr>
<th>Level</th>
<th>Inherited Structures and Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Inherited Structures and Roles</td>
</tr>
<tr>
<td></td>
<td>No coherent ‘organising principle’</td>
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<tr>
<td></td>
<td>‘Erratic’ Change Management</td>
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<tr>
<td></td>
<td>‘Mushroom Approach’</td>
</tr>
<tr>
<td>Level 2</td>
<td>Formal Functional Structures (‘organising principle’)</td>
</tr>
<tr>
<td></td>
<td>Job (Tasks/Duties) Descriptions</td>
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<tr>
<td></td>
<td>Organisation Charts</td>
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<tr>
<td></td>
<td>Basic Change Management (Short-Term)</td>
</tr>
<tr>
<td>Level 3</td>
<td>‘Flat’ Structures</td>
</tr>
<tr>
<td></td>
<td>Accountability Levels</td>
</tr>
<tr>
<td></td>
<td>Role Accountability Job Design</td>
</tr>
<tr>
<td></td>
<td>Role Descriptions</td>
</tr>
<tr>
<td></td>
<td>Intermediate Change Management</td>
</tr>
<tr>
<td>Level 4</td>
<td>‘Vision and Values’</td>
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<tr>
<td></td>
<td>Flexible Structures (‘organising principle’)</td>
</tr>
<tr>
<td></td>
<td>Role Profiles</td>
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<td></td>
<td>Advanced Change Management</td>
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</tbody>
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Calibre & Talent

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Calibre & Talent

- Defining, Attracting and Retaining the Workforce, and
- Creating a Critical Mass of Performance Drivers and Change Agents
- Offering Career Opportunities and Progression

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# Calibre & Talent - Levels

| Level 1       | ‘Hiring Hands’/‘Bums on Seats’
|               | Unstructured interviewing
|               | Hero model of leadership |
| Level 2       | Systematic Staffing and Resourcing
|               | Person Specifications
|               | Structured interviewing
|               | Talent Agenda – critical calibre roles |
| Level 3       | Functional Competency Framework
|               | CBI
|               | Career Ladders
|               | Succession Planning
|               | Leadership Model |
| Level 4       | Integrated Workforce Planning
|               | Strategic Competency Framework
|               | Talent List |

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Employee Engagement
Employee Engagement

Generating ‘Share of Mind’ for Business Messages

Increasing Employee Understanding of, Engagement with and Contribution to Business Plans

To Create a Positive Employee Relations Climate

Enabling Employee Voice and Participation, and

Building Employee Involvement

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<table>
<thead>
<tr>
<th>Level 1</th>
<th>Poor or absent communications (‘nois’)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Disputes and grievances</td>
</tr>
<tr>
<td>Level 2</td>
<td>Basic Communication Channels – ‘events and newsletters’</td>
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<tr>
<td></td>
<td>Effective management meetings</td>
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<tr>
<td></td>
<td>“Tell &amp; Sell”</td>
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<tr>
<td></td>
<td>Grievance etc. Procedures</td>
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<tr>
<td></td>
<td>Work Ecology addressed (H, S &amp; W)</td>
</tr>
<tr>
<td>Level 3</td>
<td>Functional Messages</td>
</tr>
<tr>
<td></td>
<td>Briefings</td>
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<tr>
<td></td>
<td>Indirect Employee Voice – Works Councils</td>
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<td></td>
<td>Focus Groups</td>
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<td></td>
<td>Job Enlargement</td>
</tr>
<tr>
<td></td>
<td>“Listen”</td>
</tr>
<tr>
<td>Level 4</td>
<td>Internal Marketing/Employer Brand</td>
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<tr>
<td></td>
<td>Direct Involvement</td>
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<tr>
<td></td>
<td>Job Enrichment</td>
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<tr>
<td></td>
<td>“Dialogue”</td>
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Performance Management Systems
Performance Management Systems

- Deploying Organisational Intent and Aligning Personal Behaviour
- Holding Employees Accountable for Delivering Outcomes
- Creating an Environment in which each Employee can Succeed

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## Performance Management Systems - Levels

<table>
<thead>
<tr>
<th>Level</th>
<th>Activities</th>
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</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Budget Delivery</td>
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<tr>
<td></td>
<td>Poor or no feedback</td>
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<tr>
<td></td>
<td>Dismissal as the only corrective tool</td>
</tr>
<tr>
<td>Level 2</td>
<td>SMART Goals</td>
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<td></td>
<td>Annual Appraisals</td>
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<tr>
<td></td>
<td>Performance Improvement Plans (PIP)</td>
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<tr>
<td></td>
<td>Disciplinary Procedure</td>
</tr>
<tr>
<td>Level 3</td>
<td>Functional KPIs</td>
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<tr>
<td></td>
<td>Operational Balanced Scorecard</td>
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<tr>
<td></td>
<td>CI Targets and Plans</td>
</tr>
<tr>
<td>Level 4</td>
<td>Strategic Balanced Scorecard</td>
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<td></td>
<td>Deployment of Strategic KPIs</td>
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<td></td>
<td>Benchmarking</td>
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Employee Development

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Employee Development

- Raising People Capability
- Establishing Personal Competence, and
- Developing Performance Excellence

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## Employee Development - Levels

| Level 1 | ‘Sitting next to Nellie’  
Development for the favoured few |
|---------|---------------------------|
| Level 2 | “Establishing Operational Effectiveness”  
“Developing (Basic) Managerial Skills”  
Personal Competence  
Basic Job Training (SOPs)  
FLM Basic Training |
| Level 3 | “Enhancing Leadership”  
Leadership Development Plans (LDP)  
Career Development Training  
Toolkit Training |
| Level 4 | “Supporting Personal Development”  
Learning Organisation  
ROI  
Performance Excellence Training  
Personal Development Plans (PDPs) for all |

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Reward & Recognition

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Reward & Recognition

- Creating the ‘Message in the Money’
- Being Competitive in the Chosen Employment Market(s)
- Maintaining a ‘Good’ Standard of Living; and
- Attaining ‘Just’ Recognition and Desserts

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## Rewards & Recognition - Levels

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
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</thead>
</table>
| Level 1 | Payroll Administration  
Archaic ‘random’ Reward Practices (Legacy Systems)  
Money as the solution to all problems  
Bonuses for ‘heroics’ |
| Level 2 | Unified Company-Wide Compensation (“Parity”)  
Grading Structure  
Terms & Conditions Matrix  
Profit-Related Bonuses |
| Level 3 | Comprehensible Transparent Reward Structure  
Individual Performance-Related Bonuses  
Calibre-Differentiated Rewards |
| Level 4 | Contribution-Related Pay  
Flexible Benefits  
“Equity” |

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The Role of Human Resources

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# Organisational and HR Maturity

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## HR Role - Levels

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<th>HR Role</th>
<th>HR Style</th>
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<td><strong>Level 1</strong></td>
<td>Absent Fire-fighters Compliance ‘Police’</td>
<td>‘Reactive’</td>
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<td><strong>Level 2</strong></td>
<td>Service Providers</td>
<td>‘Responsive’</td>
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<tr>
<td><strong>Level 3</strong></td>
<td>Advisors</td>
<td>‘Active’</td>
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<tr>
<td><strong>Level 4</strong></td>
<td>Business Partners</td>
<td>‘Proactive’</td>
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</table>
Pulling it All Together

“Plan on a Page”
Diagnostics (1)

“What is the current maturity level of the/your Organisation?”

– Compliance Management
– Process Management
– Capability Management
– Strategic (Culture) Management
“What is the current maturity level of the/your HR practices and hence function?”
- Initial
- Foundation
- HR Agenda
- Integrated People Strategy

“Do the organisational and HR maturity levels match?”
- What is the gap?

“Where next?”
- Close the Gap(s)
"Plan on a Page"

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