

Taking a mature approach



While a lot of talk surrounds human capital frameworks, ARVIND HICKMAN explores another concept to raise standards – HR maturity



In its bid to raise professional standards, one of the more interesting concepts HR magazine has come across is HR maturity, developed by the Institute of HR Maturity (IHRM).

This involves an ‘ARC’ assessment on how ‘mature’ an organisation is across 10 ‘pillars’ (see chart, below and box, right), considering the views of the HR function, senior executives and line managers. Afterwards, a ‘maturity partner’ makes recommendations to help the company improve its maturity score and close gaps between the different organisation levels.

An example of where the HR maturity approach is leading to positive outcomes is at Australian water supplier State Water. It owns and operates infrastructure to deliver water across rural New South Wales, an area more than three times the size of the UK. It has a workforce (pictured) of 315 (mostly engineers) and while HR had positive feedback on internal

service provision, it failed to gain traction from senior management on new initiatives and processes.

The main problem was performance management. State Water was a government agency previously, but became a state-owned corporation a decade ago. This led to the introduction of a performance management model linked to pay, which has struggled to receive the full backing from management.

“We weren’t aligned in our thinking and approach with other parts of the business,” said Rod Smith, State Water’s manager of human resources.

Smith looked at several options to tackle the problem, but most focused on improving the HR function, rather than making HR effective across the business.

He opted for an HR maturity assessment, delivered by maturity partner Rob Scott, who is global lead of HR strategy and innovation at consultancy Presence of IT.

State Water achieved an HR maturity score of 2.46, which meant their management team viewed the function as operating slightly above a “basic professional” level.

“The HR group tend to view themselves differently. In performance management, the team were seeing pressures in it not working, but all three levels saw that as a problem,” Smith said. “The major recommendation we made was to decouple it from remuneration, so it would drive more of a developmental need.”

Since the review in January, State Water has established a talent

management board to better align HR and senior management views. Smith said the process has raised the function’s profile and credibility: “It has started to change the way we engage with the business, the language we use and our philosophy...we now find solutions that match the maturity of the business, rather than just adopting best practices.”

The 10 pillars of HR maturity

- 1 Value motive (profit/societal)
- 2 Human capital (the organisation’s view of HR)
- 3 Whole system (integration between strategy/OD)
- 4 Learning organisation
- 5 People risk management
- 6 Integration of people strategy
- 7 Improvement philosophy
- 8 Trust, engagement and co-operation
- 9 Performance system
- 10 Communication

THE ORGANISATIONAL MATURITY SCALE

