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HR Process Optimization: Get Rid of the Crappy Stuff

By Tara Morey

There's a story that makes the rounds in articles, anecdotes and speeches. Maybe you've heard it. The story recounts a time when Apple's late CEO, Steve Jobs, talked with Nike's CEO, Mark Parker. Parker asked Jobs if he had any advice for him. And Jobs answered: "Just one thing. Nike makes some of the best products in the world. Products that you lust after. But you also make a lot of crap. Just get rid of the crappy stuff and focus on the good stuff." Supposedly Parker laughed to fill the silence that followed, but Jobs didn't – he was absolutely serious and, Parker says, he was absolutely right.

What's the "crappy stuff" in your business? Sometimes the crappy stuff is hard to discern amongst multiple processes, deadlines, heavy workloads, stretched resources and even the routines that make up our workdays. Transforming an organization – making it better, even best in class – can start by taking four actions: simplify, standardize/centralize, and measure and communicate.

Simplify

Recently a large metropolitan health care system became bogged down amidst a series of complex mergers and acquisitions. Tasked with delivering best practices and responding to an organization that was changing rapidly, the human resources department took action.

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To improve any system or process, you have to understand it. The team immediately initiated a review of all of the human resources processes, documenting each one. This work brought to light that a number of tasks were passed back and forth between individuals – no single person owned it, and all those involved were doing many of the same tasks. This duplicative work, of course, increased the amount of effort and cost needed, and in some cases led to confusion and impaired the quality of services.

Next the team conducted a number of focus groups. Whereas the review revealed improvement opportunities, the compression planning sessions were designed to re-engineer the processes to achieve maximum efficiency, including removing duplicative tasks, explicitly defining each person's role and responsibilities and determining how existing systems can be used in ways that reduce effort and save time and money.

The process mapping described above is one way to simplify – reduce the "crappy stuff" of redundant activities to save time, money and effort.

Standardize

Have you ever painted your home's exterior? If you did it right, you first removed the dirt and dust buildup. Maybe you even used a pressure washer. If simplifying or streamlining processes is the pressure washing of human resources transformation, then standardization is the scraping, sanding, priming and caulking of transformation. Like simplifying, standardization can be time-consuming and difficult, but it paves the way for the glamour of a beautifully painted house or optimized performance for a business.

Standard Operating Procedures, or SOPs, are a set of fixed steps or instructions for carrying out routine operations. What are the most effective ways to onboard new hires and post requisitions? How are records maintained? What are the exit formalities? Uniform procedures result in deadlines that are never or rarely missed, uniform decision-making for routine tasks and fair resolutions. SOPs ensure that employees spend creative thinking time on creative, strategic activities, not on routine tasks. Also, providing clear, explicit instructions for core human resources activities means that employees do not spend precious time on work-arounds that solve only one part of a complex problem. These workarounds, or "Band-Aids," rarely solve the larger issue, and often create new ones.

Centralize

That first coat of paint is often not enough. It often takes multiple coats to make a difference. Similarly, it often takes more than simplifying and standardizing to transform an organization. Some larger organizations need to take it a step further and centralize core activities. Centralization, or shared services, has the power to eliminate the strain of day-to-day service delivery. A shared services model deploys a fixed set of resources to provide standardized services across the organization. Consider this question: How many groups in your organization are tasked with time and labor management, payroll management or benefits management? Pooling these administrative resources into shared services centers (either internally or outsourced to a third party) can lead to reduced costs and provides for more simplified and standardized service delivery.

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Organizations can also benefit from centralizing more strategic tasks into one place – even if it is a virtual place. How many groups in your organization are spending time and effort developing learning programs, developing succession plans, benchmarking salary data? These value-added centers of expertise can quickly become critical to the business as they become trusted partners with the units they support.

Measure and Communicate

A great coat of paint is visible to the entire neighborhood. How visible is the value – lower costs, increased revenue, greater reliability, positive experiences and seamless services – that your human resources center brings to the business?

Display the operational excellence that you have achieved by measuring what is important to the business. What are the key indicators of human resources' performance? Why? What do those measures indicate? Once you have determined the most meaningful indicators to measure, then make them visible. According to an article published by The Hackett Group ("The World-Class Performance findley.com

Advantage: How Leading HR Organizations Outperform Their Peers," May 2014), world-class businesses publish HR scorecards quarterly, using them as one of many methods to communicate their value to executives and stakeholders.

Simplifying, standardizing and centralizing reduce or eliminate the "crappy stuff," releasing time and energy to focus on the "good stuff" – meeting the intense challenges of a rapidly changing economic and business environment. Measuring and communicating your operational excellence creates alignment and trust with the larger business, leaving room to focus on big-picture issues that make a difference in the face of changing workforce demographics, globalization and new technologies. Human resources can drive overall business success by transforming how they provide needed services, and at the same time becoming a leader and a leading factor in that success.

Sources

"The World-Class Performance Advantage: How Leading HR Organizations Outperform Their Peers," by Tony DiRomualdo and Nathalie Bression, May 2014

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