

Advances in Strategic Human Resource Management
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Strategic Human Resource Management (SHRM) and People Competency
Maturity Model
Lecture - 01 E
Competence Maturity Model and People Competence Maturity Model

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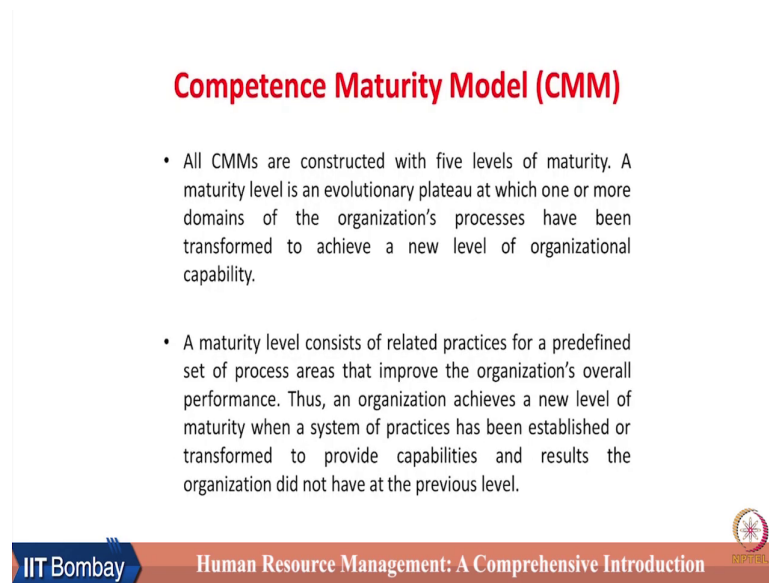
Few More Examples

- The Bon-Ton chain of more than 280 department stores in USA leveraged its data to identify attributes that made cosmetics sales reps successful : cognitive ability, situational judgement, initiative taking (increase of \$1400 in sales per representative and 25 percent lower turnover)

IIT Bombay Human Resource Management: A Comprehensive Introduction

In order to understand, what is considered to be the mature HR function, what can be considered to be a high quality HR function, a framework can be very useful. That framework is called competency maturity model, in terms of the people function. That is why it is called PCMM.

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Competence Maturity Model (CMM)

- All CMMs are constructed with five levels of maturity. A maturity level is an evolutionary plateau at which one or more domains of the organization's processes have been transformed to achieve a new level of organizational capability.
- A maturity level consists of related practices for a predefined set of process areas that improve the organization's overall performance. Thus, an organization achieves a new level of maturity when a system of practices has been established or transformed to provide capabilities and results the organization did not have at the previous level.

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Many of you must be aware about the CMM very popular in the software industry. All CMM are constructed with the 5 levels of maturity. One maturity level is actually reflection of a evolutionary plateau at which one or more domains of organizational processes have been transformed to achieve a new level of organizational capability.

A maturity level consists of related practices for a predefined set of process areas that improve the organization's overall performance. Thus, an organization achieves a new level of maturity when a system of practices has been established or transformed to provide capabilities and results, the organization did not have at the previous levels.



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CMM Cont...

- The method of transformation is different at each level, and requires capabilities established at earlier levels. Consequently, each maturity level provides a foundation of practices on which practices at subsequent maturity levels can be built. In order to be a true CMM, the maturity framework underlying a model must use the principles established in the process maturity framework for transforming the organization at each level.

Maturity level

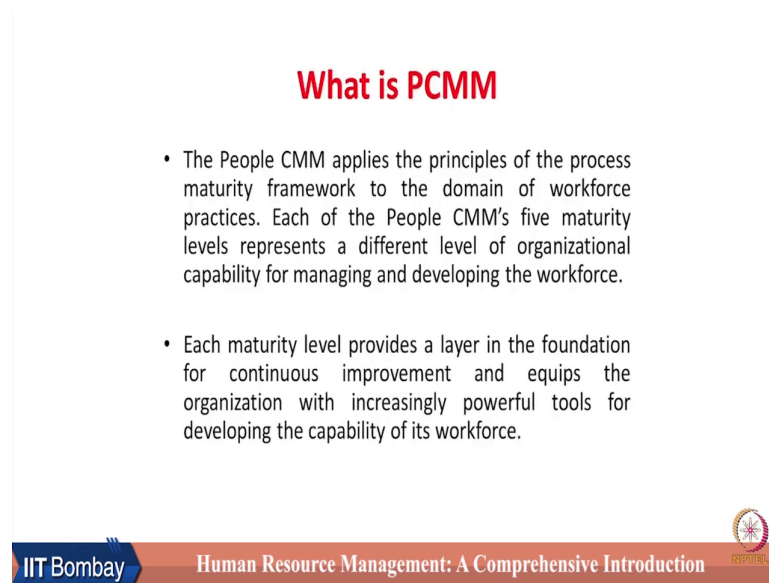
- A maturity level represents a new level of organizational capability created by the transformation of one or more domains of an organization's processes.

 **Human Resource Management: A Comprehensive Introduction** 

Method of transformation is different at each level that requires capabilities to be established at the earlier levels. And consequently, each maturity level provides a foundation of practices on which practices at subsequent maturity levels can be built. In order to be true CMM, the maturity framework underlying a model must use the principles established in the process maturity framework for transforming the organization at each level.

So, in the nutshell, maturity level represents a new level of organizational capability created by the transformation of one or more domains of organization's process.

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What is PCMM

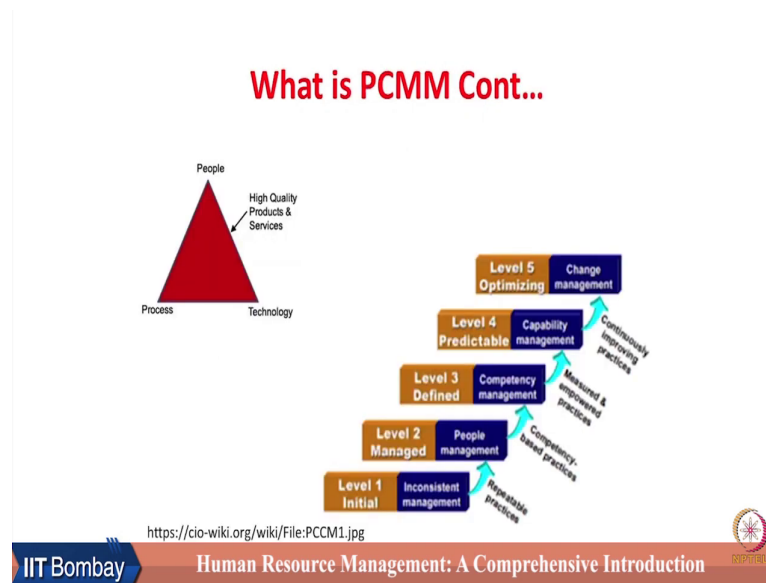
- The People CMM applies the principles of the process maturity framework to the domain of workforce practices. Each of the People CMM's five maturity levels represents a different level of organizational capability for managing and developing the workforce.
- Each maturity level provides a layer in the foundation for continuous improvement and equips the organization with increasingly powerful tools for developing the capability of its workforce.

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So, let us look at the people competency maturity model. The people CMM applies the principles of the process maturity framework to the domain of the workforce practices or HR functions. Each of the people CMM's 5 maturity level present a different level of organizational capability for managing and developing the workforce.

Each maturity level provides a layer in the foundation for continuous improvement and equips the organization with increasingly powerful tools for developing the capability of its workforce.

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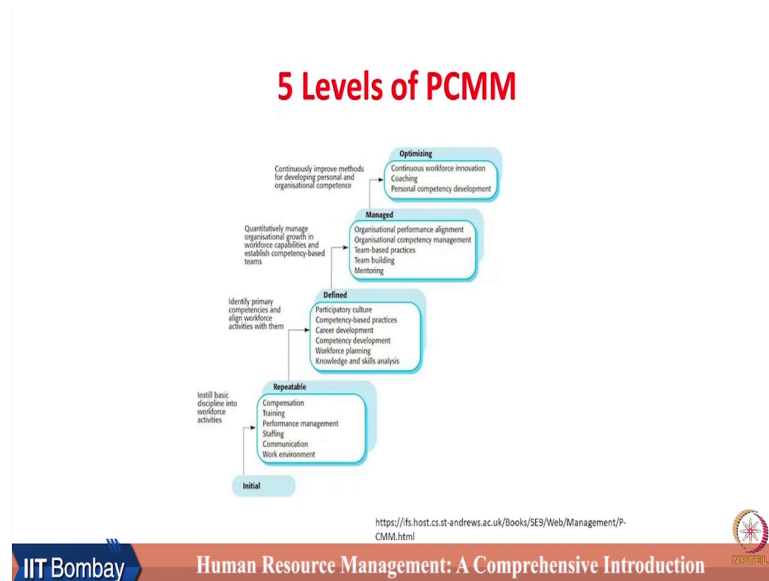


So, first we need to understand the; so, this is represented in this pictorial form. Each level is the combination of the people, process and technology. CMM looks at any function as a combination of people, process and technology. There are 5 principal combinations possible in any model of CMM and also in the people CMM.

Level 1 reflects the inconsistent management. That means, if we take the example of recruitment, recruitment today happens in some process, at tomorrow for some other employee it may happen in some other way. Performance management for one employee happening in some way or it is not happening in the same way for other employees.

So, or in 1 year performance management is done in some form and on another year performance management or performance appraisal is done in some other form. So, first level, the most basic level is about inconsistent management practices.

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Second level is related to the repeatable practices. Meaning from the inconsistency, organization reaches to some level of consistency in its process and systems. So, from level 1 to level 2, what are the processes we have to look at? Please note that CMM is based on a basic understanding that no organization cannot create very high level of matured processes, maybe HR or maybe any other processes without having a certain set a prerequisite sets of the prior required a priory required processes.

So, the so one level of process can come up only on the basis of certain kind of lower level of processes. So, from the initial level, managed level is about the repeatable process, and in that

process, they look at the compensation, training, performance management, staffing, communication and work environment.

So, from initial level to the repeatable level, organization has to have clear processes and systems about these 6 activities or HR functions. Level 3 in the CMM is a very important level because at this level organization operates at the sound framework of the people competencies. For the repeatable level, organizations need not to have the detailed competency map required at any level for any employee.

But for level 3, organization has to have a very strong, clear competency framework related to all the level of the employees. And all the processes gets aligned with that competency requirement.

So, here they identify the primary competencies and align the work force activities with them. And what are those activities? Those activities are competency based practices like career development, a work force planning, knowledge and skill analysis. As a result of it, a participatory culture is developed.

You can notice that participatory culture, career development and work force planning that is not possible until level 2, until repeatable level which is about compensation, training, performance management are not achieved.

When organization achieves and imbibes level 3, meaning what? Level 3 meaning when organization has a good framework of the competencies properly documented for the different employees working at different hierarchical levels. And when their processes of the compensation training PMS etcetera are aligned to these competency, then organization is ready to move to the level 4. That is called managed level.

At this level, there is a quantitatively managed organizational growth in the work force capability. This is the this is the stage where organization performance is aligned to individual performance. There is there are team based activities, there are team based practices.

Mentoring process is set as a organizational process, not the individual initiative. Mentoring, coaching, becomes the process of; mentoring becomes the part of the organizational process.

So, organization performance can be can become little more predictable. We can predict how organization can perform based on the aggregation of the individual competency or the performance competency gap or the performance, a competency required to achieve certain level of performance.

Not only that, a team aggregation of the at the competency level is also possible at level 4. Or better way of saying is when organization is capable of telling about the performance at the team level and organizational level, based on the aggregation of the individual level competencies and performance, then we can say organization is at the level 4 or which is called the managed level.

Last but not the least is level 5 which is called optimizing. Optimizing or CMM level 5 is that capability of organization wherein change, innovation, learning, adaptation of the new process, new systems become in-build in the organizational process and system. So, the coaching and the personal competency development becomes the regular features of the organizational functioning.

Level 5 organization are supposed to be the organization which have build the capability of renewing themselves according to the need of the environment and need of the organization. No organization as that can achieve level 5 without achieving all 4 levels. There is a robust documentation process, and there are lot of organizations consulting organization which help business organizations to achieve the PCMM at different levels.

So, I explain the PCMM in order to convey that HR, there is no one HR function. HR function can be there in organization at different level of maturity. Maturity level of HR function facilitates the organizations to attain their strategic objectives.

Here we come to the conclusion of the first session or the introduction introductory session of the HRM course. We looked at HR is not one homogeneous or one type of function. HR function can vary in its flavor according to the nature of the organization and the stage of organizational growth.

HR role can be of 4 types, strategic partner, change agent, employee champion, and administrative expert. For organizations to achieve the strategic objectives, they need to modify, they need to adapt the HR systems and processes. There is a huge cost of not following HR systems and processes. That cost in the form of intangible losses as well as tangible losses.

But there are systems and processes with which HR can be made truly a strategic partner, a change agent, a administrative expert and employee champion for its employees for or for the organization. PCMM is a is one framework we discussed which is readily available framework, following that an organization can evolve can develop its HR function.

Thank you very much. We will see you in the next session. [FL].