Model Behavior

Lies, Damns Lies, and Metrics—with apologies to Mark Twain. Part II
By Naomi Bloom

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I n last month's column, we began discussing the importance and use of metrics in the running of the HRM business and its HRM delivery system to include those metrics needed in the service level agreement when any part of the HRM business and/or HRM delivery system is outsourced. We also emphasized the importance of staying focused on business outcomes, both HRMs and those of the organization as a whole, so that running the HRM business and HRM delivery system (HRMDS) does not become an end in itself. As promised, this month's column introduces the precisely organized and stable HRM domain model that's needed to provide consistent terminology for discussing the HRM processes for which we want to define metrics and outcomes. You'll also need a taxonomy for categorizing and defining the most appropriate set of HRM and HRMDS metrics for your organization, and we'll present a suggested one in next month's column.

The diagrams on the opposing page present the seven highest level processes in the HRM domain along with their next level decomposition. Then, via bulleted examples of the types of work products produced at that second level, these diagrams provide a rough definition of the scope of those processes. It may be of interest to know that the extremely high-level representation of the HRM domain shown here was extracted from Bloom & Wallace's HRM Business Model "Starter Kit" that's been licensed throughout the HRM software and services industry. This "Starter Kit's" highest level view of the HRM domain, which is presented in the diagrams, has been very stable for more than twenty years, even as many of the lower level processes and accompanying data design have evolved in important ways, and even as we've applied more and more integrated automation to the delivery of this domain.

Nothing in this model suggests the specifics of people, work flows, and technology that, taken together, give life to the domain via an HRM delivery system. Nor does this model presuppose your own organization's very specific HRM policies, practices, or plans. Instead, the model provides the structure within which we design and then execute organization-specific HRM policies, practices, and plans. Furthermore there is a clearly implied but not shown companion data model which is critical to developing a deeper understanding of these processes and to creating the HRM delivery system. For example, the fact that contingent workers are addressed within "Staff The Organizational Structure" must be supported in the accompanying data model by a person rather than employee-centered design. We'll leave discussion of the desired HRM data model for another series of columns, but you may want to reread the April and May 2003 columns for some preliminary insights into this topic.

If you already have a well-defined and stable HRM domain model in use throughout your organization, by all means use that instead of the model introduced here. But one advantage of this particular model, which was developed using rigorous data, process, and object modeling techniques, is that it's entirely compatible with what you'll be seeing in every major HRM vendor's (or BPO provider's proprietary) next generation, service-oriented architecture HRM software. That's because, to systems professionals, the HRM Business Model "Starter Kit" functions as an object model "starter kit." For our purpose, it's sufficient to consider the domain model at its highest level—either yours or the one presented here—as a tool for ensuring that we don't overlook any part of the domain in designing our HRM and HRMDS metrics.

To get started with metrics, set up a giant spreadsheet with the HRM domain model arrayed as columns—where there's a summary column for each highest level process and then more detailed columns for that process's decomposition. Next month's column will suggest a metrics taxonomy (i.e., categorization) that will array itself as the rows. Then we can begin to consider which of these cells metrics should be proposed, which metrics would work best, who should be responsible for producing the metrics and accountable for achieving the target values (two very different roles), and which metrics should become a part of any outsourcing SLA, etc.? What we're building is a rigorous tool for ensuring that you have the right metrics in place for running the HRMDS, the HRM domain's business, and, of greatest importance, for achieving the needed business outcomes. When you outsource an HRM process, or a set of integrated HRM processes, some of the needed metrics are of
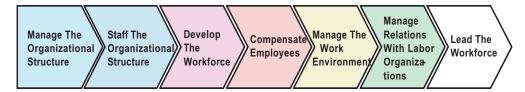
more interest to the outsourcing provider than to their customer. An understanding of the complete landscape of needed metrics will help you decide what to include in your service level agreements, what will be your own responsibility, and what analytics will be needed—regardless of who delivers them—to run your business and achieve its agreed upon outcomes. **HRO**

Figure 1: HRO Business Model

| Manage The Organizational Structure | Staff The Organizational Structure | Develop The Workforce | Compensate Employees | Manage The Work Environment | Manage Relations With Labor Organizations | Lead The Workforce |

Develop, Maintain & Evaluate The Organizational Structure Strategy
- organizational strategy assessment tools, metrics & benchmarks
- M&A/divestiture analysis & support
- cultural, leadership, mission, values assessment tools & metrics

Develop, Maintain & Evaluate Organizational Components
- job and position descriptions
- competency models
- designation of key & succession positions
- team/work unit descriptions

Develop, Maintain & Evaluate The Organizational Structure
- roles & responsibilities
- workforce planning tools & plans
- org designs, changes & charts
- reporting hierarchies & matrices
- competency forecasts

Manage Workforce Value
- budgets, actuals & variances - total labor costs, HRMDS costs & HRM costs
- cost acctg. structures
- programmatic ROI tools

Manage Overall Regulatory & Contractual Relationships
- HRM vendor life cycle mgmt.
- compliance mgmt.
- regulatory recognition & relationship mgmt.
- internal audits
- formal compliance plans, e.g. AAP, and coordination

Develop, Maintain & Evaluate Workforce Development Strategy
- development strategy assessment tools, metrics & benchmarks
- rampup, seasonal acquisition and other bulk development program designs

Develop, Maintain & Evaluate DEVELOPMENTAL PRODUCTs
- curriculum design & development
- content design & development
- workforce competency assessment & gap analysis

Administer DEVELOPMENTAL EVENTs
- content delivery & delivery admin.
- leadership event mgmt.
- training records admin.
- delivery facilities & human resources scheduling

Develop, Maintain & Evaluate Work Environment Strategy
- work environment strategy assessment tools, metrics & benchmarks
- cultural assessment tools & results

Develop, Maintain, Administer & Evaluate WORK ENVIRONMENT PROGRAMs
- employee assistance pgms.
- labor relations pgms.
- event mgmt. pgms.
- best place to work pgms.
- work/life pgms.

Manage Work Environment Events
- suggestion life cycle support
- EHS incidents life cycle support
- grievances/complaints life cycle support
- incident prevention programs

Develop, Maintain & Evaluate Workforce Communications
- best practice support to communications design & delivery
- communications templates & delivery

Develop, Maintain & Evaluate HRM POLICYs
- best practice support to policy design & admin
- policy & practice design templates, delivery & tracking

Develop, Maintain & Evaluate Labor Relations Strategy
- labor relations strategy assessment tools, metrics & benchmarks

Negotiate, Maintain & Evaluate LABOR AGREEMENTs
- admin & labor cost estimates for current & proposed agreement terms
- negotiation & agreement mgmt. tools

Manage Work Disruptions
- workforce planning & scheduling support

Administer LABOR ORGANIZATION Relations
- CRM-style support
- membership admin.
- contract admin tools

Develop, Maintain & Evaluate Staffing Strategy
- staffing strategy assessment tools, metrics & benchmarks
- rampup, downsizing, seasonal swings and other bulk staffing program designs

Generate POSITION SEEKERs
- job/position posting
- employment verification
- campus recruiting or sourcing
- succession plan execution
- labor pools mgmt.
- prelim applicant screening/tracking

Manage HRM TESTing
- drug/medical pre-employment & ongoing testing
- skills assessment -- pre-employment & ongoing testing
- work shift acuity tests
- background investigations:

Fill/Empty POSITIONs & WORK UNITs
- position seeker assessment
- termination & outplacement
- new hire & contingent worker offers & acquisition
- onboarding & acculturation
- all deployment actions
- relocation & expat/repat admin
- succession plan development

Develop, Maintain & Evaluate Total Compensation Strategy
- total comp strategy assessment tools, metrics & benchmarks
- acquisition, merger and other bulk total comp reviews

Develop, Maintain & Evaluate TOTAL COMPENSATION PLANs
- comp & benefit plan designs
- comp & benefit plan admin designs
- plan goals & utilization

Administer TOTAL COMPENSATION PLAN Enrollment
- comp & benefit plan eligibility and enrollment
- plan participant life event changes

Administer TOTAL COMPENSATION PLAN Funds
- DC plan investment & match mgmt.
- stock options & shares
- DB plan valuations, funding & mgmt.

Administer TOTAL COMPENSATION PLAN Entitlements
- payroll zero-to-gross
- expat/repat plan admin.
- H&W plan admin.
- executive comp
- comp & benefit plan eligibility for payout

Manage HUMAN RESOURCE Financial Interactions
- payroll gross-to-net
- payroll, A/R & A/P reconciliation
- payroll disbursements
- labor distribution & G/L entries

Develop, Maintain & Evaluate Workforce Leadership Strategy
- leadership and performance strategy assessment tools, metrics & benchmarks
- acquisition, merger, rampup, seasonal bulk leadership programs

Manage Individual & Group Performance
- individual & group performance reviews & disciplinary actions
- individual & group performance plans
- organizational performance plans
- at risk total comp plan award decisions

Manage Individual & Group Development
- individual & group dev. plans & assessments
- mentoring and counseling pgms.
- organizational dev. plans & assessments
- career dev. pgms.

Schedule & Assign HUMAN RESOURCEs
- workforce leadership tools
- workload scheduling
- workforce scheduling & attendance mgmt.
- personal life event mgmt.
- timekeeping & work results
- worker/work coord.

Note: It's presumed in this model that, at every level, the following are included:
- Event processing with embedded intelligence and related communications
- Data collection, records management, and data analysis, with metrics, benchmarks, alerts, audit trail, and periodic reporting
- Regulatory and contractual compliance and external audit/claims support