Keynote Address

HRD SCORE CARD AND PCMM
A COMPARISON

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*T*HE People Capability Maturity Model was developed by Dr. Bill Curtis and team at the Carnegie Mellon University to improve workforce practices in Software Organizations. The HRD Score card was developed by Dr. T.V. Rao to assess and improve the HRD competencies *(strategies and business linkages, systems, structure, competencies, styles, culture and values) of organizations. A comparison is presented below of the same. Each of these assessment and improvement methods is described in detail first and a comparison is attempted.*

The People-CMM Model

Most improvement programs in software organizations have emphasized improvements in process and technology and not people. Improving software organizations however, requires continual improvement of its people and of the conditions that empower their performance. To motivate its people the organization must perceive them assets. Old labor relations methodologies cannot be carried into knowledge industry where people deal with high technology and intellectual complexity. The people Capability Maturity Model (P-CMM) aims at providing guidance to organizations that want to improve the way they address the people related issues. It provides guidance on how to improve the ability of software organizations to attract, develop, motivate, organize and retain the talent needed to steadily improve their software development capability. The strategic objectives of PCMM are:

✍ Improving the capability of software organizations by increasing the capability of the workforce;

✍ Ensuring that the software development capability is an attribute of an organization rather than that of a few individuals;

✍ Aligning the motivation of individuals with that of the organization;

✍ Retaining human assets (i.e. people with critical knowledge and skills within the organization

A fundamental premise of the maturity framework is that a practice cannot be improved if it cannot be repeated. In an organization's least mature state systematic and repeated performance of practices is sporadic. The repeatable level of the CMM.

The P-CMM describes an evolutionary improvement path from an ad hoc. Inconsistently performed practices, to a continuously mature, disciplined, and continuously improving development of the knowledge, skills, and motivation of the work force.

It is intended to help the software organizations to: a) Characterize the maturity of their work force practices; b) guide a program of continuous workforce development; c) set priorities for

immediate actions; d) integrate work force development with process improvement; and e) establish a culture of software engineering excellence. It is designed to guide software organizations in selecting immediate improvement actions based on the current maturity of their workforce practices. The P-CMM includes practices such as work environment, communication, staffing, managing performance, training, compensation, competency development, career development, team building, and culture development.

The P-CMM is based on the assumptions that organizations establish and improve their people management practices progress through the following five stages of maturity:

Level 1: Initial

Level 2: Repeatable

Level 3: Defined

Level 4: Managed

Level 5: Optimizing

Each of the maturity levels comprises of several Key Process Areas (KPAs) that identify clusters of related workforce practices. When performed collectively, the practices of a key process area achieve a set of goals considered important for enhancing work force capability.

"In maturing from the Initial to the repeatable level, the organization installs the discipline of performing basic practices for managing its work force. In maturing to the defined level, these practices are tailored to enhance the particular knowledge, skills, and work methods that best support the organization's business. The core competencies of the organization are identified; the work force activities are aligned to the development of these competencies. In maturing to the Managed level, the organization uses data to evaluate how effective its work force practices are and to reduce variation in their execution. The organization quantitatively manages organizational growth in work force capabilities, and when appropriate, establishes competency-based teams. In maturing to the Optimizing level, the organization looks continuously for innovative ways to improve its overall talent. The organization is actively involved in applying and continuously improving methods for developing individual and organizational competence." (Bill Curtis, William E Hefley and Sally Miller; Overview of the People Capability Maturity Model; Software Engineering Institute, Carnegie Mellon University, September 1995).

HRD Score Card
The description below is taken from Dr. T. V. Rao's forthcoming book on HRD Audit (Response BOOKs, Sage Publications, New Delhi).

The HRD Score card assigns a four letter rating for each organization on the extent of maturity level of HRD in it. The letters represent the four critical dimensions of HRD that contribute to business performance or organizational performance (for non-profit organizations). These four dimensions include:

- HRD Systems Maturity
- HRD Competencies in the Company
- HRD Styles, Culture and Values
- Business linkages with HRD

HRD Systems Maturity

The HRD systems maturity assesses the extent to which various HRD subsystems and tools are well designed and are being implemented.

3 First the systems should be appropriate and relevant to business goals or organizational goals.

3 Second they should focus on as well as balance between current and future needs of the corporation.

3 Third the HRD strategies and systems should flow from the corporate strategies.

3 Fourth the systems should be well designed and should have a structural maturity.

3 Fifth they should be implemented well. The employees should be taking them seriously and follow meticulously what has been envisaged in each system. The overheads of implementation should be low. That is the monitoring requirements should be less arising out of the employees taking them seriously.

3 Sixth the subsystems should be well integrated and should have internal synergy.

3 Seventh they should be adequate and should take care of the HRD requirements of the organization.

The following subsystems are assessed on the above criteria and depending upon the extent to which they meet the requirements a score is assigned.

? Manpower planning and recruitment

? Performance Management Systems

? Feedback and Coaching Mechanisms

? Training

? Career development and Succession planning

? Job-rotation

? OD Interventions

? HR Information Systems

? Worker Development methods and systems

? HR Information System

? Potential Appraisal and Development

? Other subsystems, if any

Each of them is assessed on a ten point rating scale where a score of 10 represents an extremely high level of maturity, 5 represents a moderate level of maturity and 1 represents an extremely low level of maturity.

HRD Competencies in the Corporation

This dimension indicates the extent to which HRD competencies are well developed in the organization. The competencies include knowledge, attitudes, values and skills. The nature of competencies required for each category of employees are listed and assessed on the basis of

the HRD audit. The employee categories that need to be assessed for arriving at a rating on this include:

3   The HRD Staff
3   The Top Management
3   Line Managers and Supervisory Staff
3   Union and Association leaders
3   Workmen, Operators and Grass root level employees

Each of the groups is assessed on:

?   The level of HRD skills they possess
?   Their attitudes and support to learning and their own development
?   Extent to which they facilitate learning among others in the corporation and those who work with them
?   Their attitudes and support to HRD function and systems

Internal efficiency of the HRD function (HRD Department) is also assessed for this dimension. The dimensions on which the HRD functions' internal efficiency is dependent, is also assessed.

The following are the questions attempted to be answered again on a 10 point rating scale.

HRD Staff
?   How professionally qualified are they?
?   Do they seem to demonstrate adequate knowledge base?
?   Are adequately trained in the appropriate HRD systems?
?   Are they sensitive to internal customer requirements?
?   How good is their skill base in implementing various systems?
?   Do they demonstrate OCTAPACE values?
?   Are they quality conscious?
?   Are they familiar with the business goals of the corporation?
?   Are they cost conscious?
?   Are they empathetic?
?   Do they spend adequate time trying to understand the requirements of all categories of employees?

Top Management
?   Do they understand HRD and its significance in achieving business goals?
?   How supportive are they of HRD interventions and values?
?   Are their leadership styles facilitative of a learning culture?
?   Are they willing to give the time needed for HRD?

?   How well do they subscribe to the HRD values like the OCTAPACE values?

?   How well do they practice HRD values?

?   How committed are they to create a learning culture in the organization?

?   Do they invest their time, effort and energies in employee development?

Line Managers and Supervisory Staff

?   How much do they understand the significance of HRD?

?   Are they interested and motivated to develop themselves?

?   Are they willing to spend their time and effort in developing their subordinates?

?   How supportive are they of HRD efforts?

?   Do they have listening and other skills required facilitating development of their juniors?

Union and Association Leaders and representatives

?   How much developmental role are they playing?

?   Do they see their own role in HRD?

?   Are they committed to create a learning organization?

?   Are they willing to promote employee development?

?   Are they positive in their approach and perceive their own roles as supportive of organization building?

?   Do they perceive the significance of Employee development for Organization building?

HRD Function

?   Adequacy of manpower

?   Appropriateness of the structure

?   Cost consciousness of staff

?   Quality consciousness of the HRD staff

?   Responsiveness of the HRD department to the needs of employees? Managers, Staff, Workmen, Union Leaders?

?   Level of Internal customer satisfaction

?   Internal operational efficiency of the department?

?   Level of internal synergy among staff?

?   Are they the first to implement HRD systems? Do they implement them in an exemplary way?

A HRD Competency maturity score is assigned on the basis of the competency levels of all categories.

A* = All categories of employees have extremely high competence base in HRD (knowledge, attitudes, values and skills) and the HRD department has a high internal efficiency and satisfaction levels.

B = The Competence levels of every group is at an acceptable level and the internal efficiency of the HRD department and the internal customer satisfaction are acceptable levels.

D = The competencies of more than one group are below acceptable levels and/or the HRD department is not internally efficient and does not meet the requirements of the minimum internal customer satisfaction.

F = Total failure on almost all the dimensions.

Other scales are on similar grounds as above.

HRD Styles, Culture and Values
The extent to which the leadership and managerial styles are empowering and competence building is assessed by studying the leadership and supervisory styles of top, senior and middle level managers. Specialized questionnaires have been developed for those purpose.

The extent to which the HRD culture and values are practiced and stabilized in the corporation are measured and represented by the third letter. The HRD culture is a culture that promotes Human potential development. It is also a culture that promotes a learning organization. The culture is assessed on a questionnaire and the HRD Climate part of the HRD Audit questionnaire gives an idea of the culture. These need to be supplemented by the observations of the Auditor.

Business Relevance of HRD
This score indicates the extent to which HRD efforts (tools, processes, culture etc.) are driven to achieve business goals or goals of the organization. The business goals include:

- Business Excellence including profitability, and other outcomes the organization is expected to achieve;
- Internal operational efficiencies;
- Internal Customer satisfaction;
- External Customer satisfaction;
- Employee motivation and Commitment;
- Cost effectiveness and cost consciousness among employees;
- Quality orientation;
- Technology adoption

The HRD system should focus on the above dimensions.

- Are the HRD systems aligned towards the above mentioned or other important business goals of the corporation?
- Does the HRD staff reflect adequate understanding and commitment to the business goals of the organization?
- Are the HRD processes and culture drive employees and the corporation to achieve the business goals and address the business concerns?

The assessment on these issues is made on the basis of the observations and interviews of the auditor with the employees. Similar ratings are assigned for these dimensions.

HRD Audit and HRD Score Card

The HRD score card is an assessment of the HRD maturity level of any organization. The score card is resultant of the HRD audit. Using multiple methodologies described in the forthcoming book by Dr. T.V. Rao, any organization can be assigned a Score. The external auditors assign such scoring and the HRD audit is the ideal time to assign such scores. The scoring scheme is being evolved and the Academy of Human Resources development along with TVRLS is in the process of evolving such a system. The system is intended in due course to become like the ISO certification system.

HRD Score Card and People CMM: A Comparison

People CMM	*HRD Score Card*
1. Aims at improving work force practices in software industry	Aims at evaluating and improving HRD competencies in any organization
2. Focus is on software industry	Applicable to all types of organizations
3. Based on CMM models developed for software industry by Bill Curtis and team	Based on integrated HRD systems models and HRD Audit methods developed by Rao and Pareek in India
4. Certification available	Certification available as HRD Auditors
5. Focus is on People and HR practices	Also focuses on People and HR practices
6. Based on Quality, TQM and process improvement models	Based on HRD - HRD strategies, structure, competencies, styles, and culture and takes into consideration Quality concerns and OD
7. Conceptualizes the organization as passing through five maturity levels, one superior to the other and describes process areas of each level	Does not believe that organization could be classified into any one stage or level, assumes that any organization could be assessed on a 10-point maturity scale on any given dimension
8. Assesses an organization in terms of levels	Gives a letter grade to the organization on each of the five dimensions
9. Focus is on improving software organizations and their capabilities	Focus is on bringing more professionalism in HRD and aligning or realigning HRD with business goals.
10. Comprehensive from the point of view of software industry	Comprehensive from the point of view of HRD systems, practices and business linkages
11. Well defined Key Process Areas at every level	Well defined HRD systems in the HRD audit questionnaire - but levels not specified
12. Levels well defined	Levels broadly indicated
13. Useful to improve and institutionalize software development capabilities through people practices	Useful to improve HRD competencies (strategies, structure, systems, people competencies) of any organization
14. Provides guidance to move from one level to another	Provides insights into strengthening HRD and making it more business driven

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Recommendations for Indian Software Organizations in improving their HR Practices

A PC-MMM level 5 company has been discussing with the author of this paper for the last one year about the author undertaking a HRD Audit for their company. The discussion began about one year ago. The HR Chief first wrote to the author that his company is interested in HRD Audit, and asked for details. The details were sent promptly. He did not respond after that for several weeks. One fine morning he calls up and then asks for budget estimates. The budget estimates were sent promptly. He again did not respond for two months after the budget estimates were sent. After a reminder was sent he indicated that his company is not interested in the audit. A few weeks later, he again sent a confirmation letter by e-mail and requests for fixing up the Audit program and indicated the budget approval. As the Team was getting ready to visit he sent an e-mail asking for change of dates. The new dates were fixed up and a confirmation letter was sent to him but he did not respond again. After that a number of e-mails were sent asking for dates but the HRD manager did not respond. All materials needed for preparation of the Audit was sent and a lot of time of the author has gone into the preparations and correspondence. Yet the HRD manager did not think it his responsibility or even courtesy to reply about the change in the plans. Assuming that this behavior is representative of the HR Staff in this company, obviously PCMM is not sensitive to the competency and values of the HR staff. One can imagine what such HR Managers may be doing to the IT staff of their companies. HRD Audit methodology is very sensitive to the functioning of the HR department, their values, styles, what they do, can do and do not do for enhancing the value addition. A mere systems approach is not the solution to HR management in Indian organizations. Hence the need for HRD Audit even if you are a PCMM level 5 company.

IT organizations are systems driven. They normally prefer to get certification to project International acceptability. However in Managing HR what is more important for a company is not international acceptability of their HR practices but their quality of products and services. An IT company may follow all kinds of standardized practices in HR and yet may have a high employee turn over, value issues, reliability and service quality questions. With a high cost of Human Resource, IT organizations can ill afford systems that do not result in improved profits and business. A small investment in getting their HR audited may go a long way.

Suggested Reading

Rao, T. V. HRD Audit: Evaluating the HRD Function for Business Improvements, New Delhi, Response Books- SAGE India, 1999.