

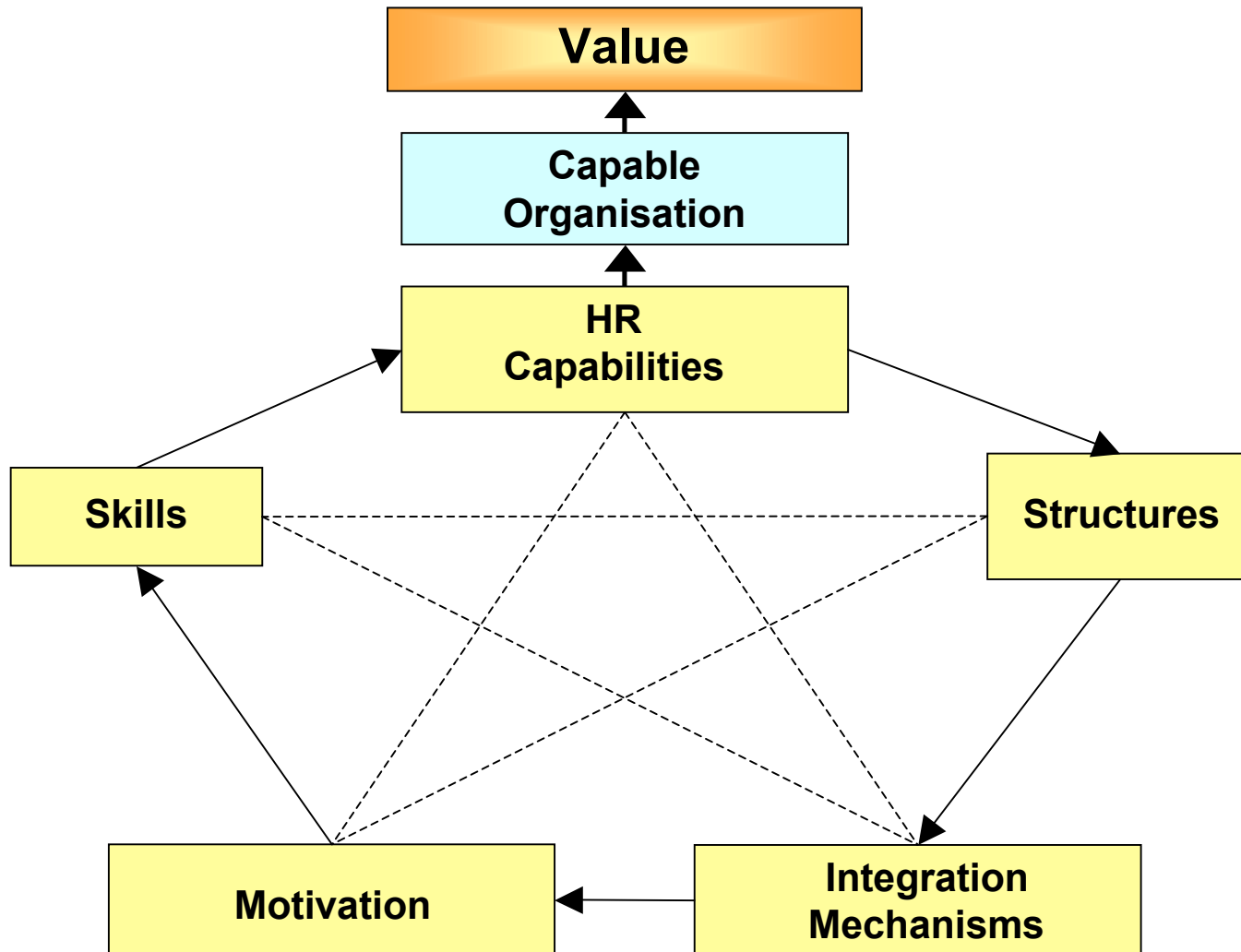


The Challenge of HR Transformation

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HR Transformation – Thinking systematically about HR design



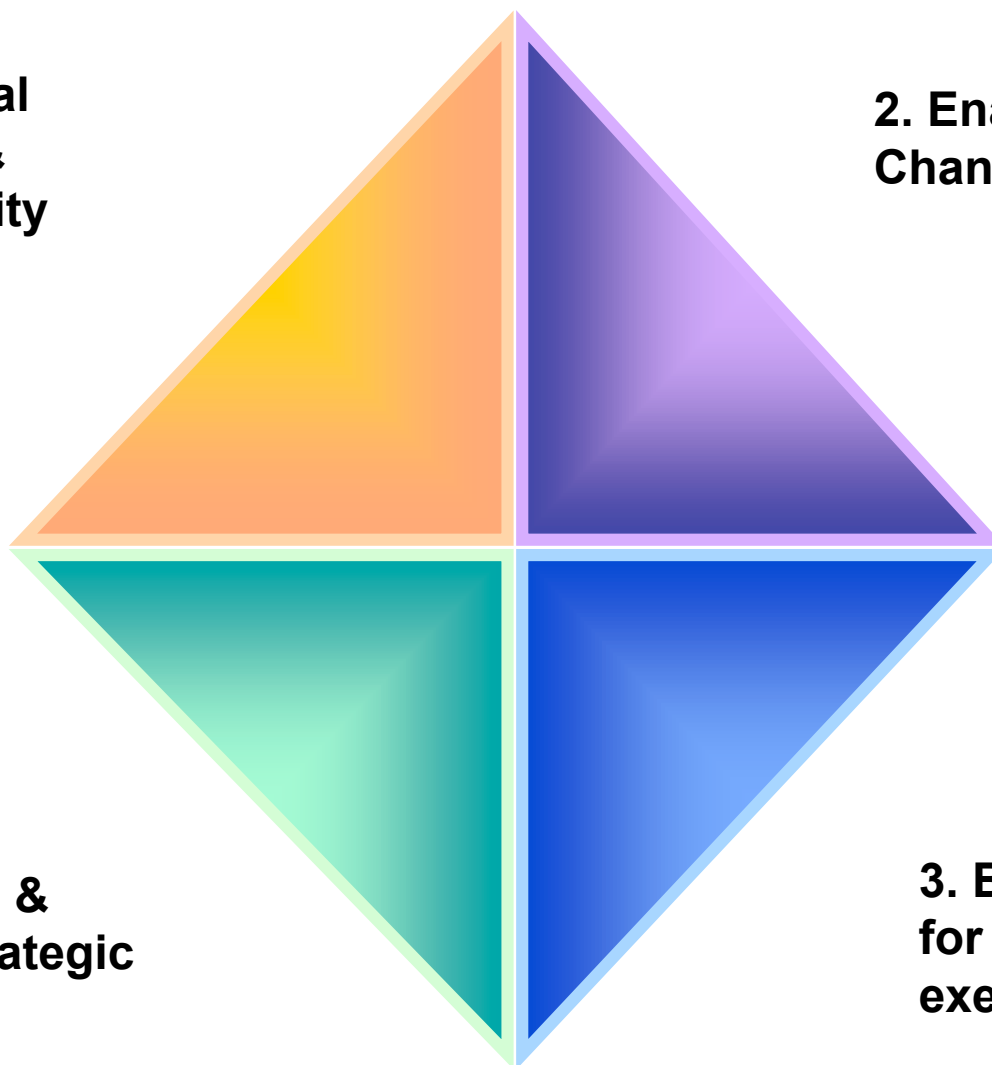
HR Transformation: what must HR be able to do? (a framework of capabilities)

1. Operational Excellence & Service quality

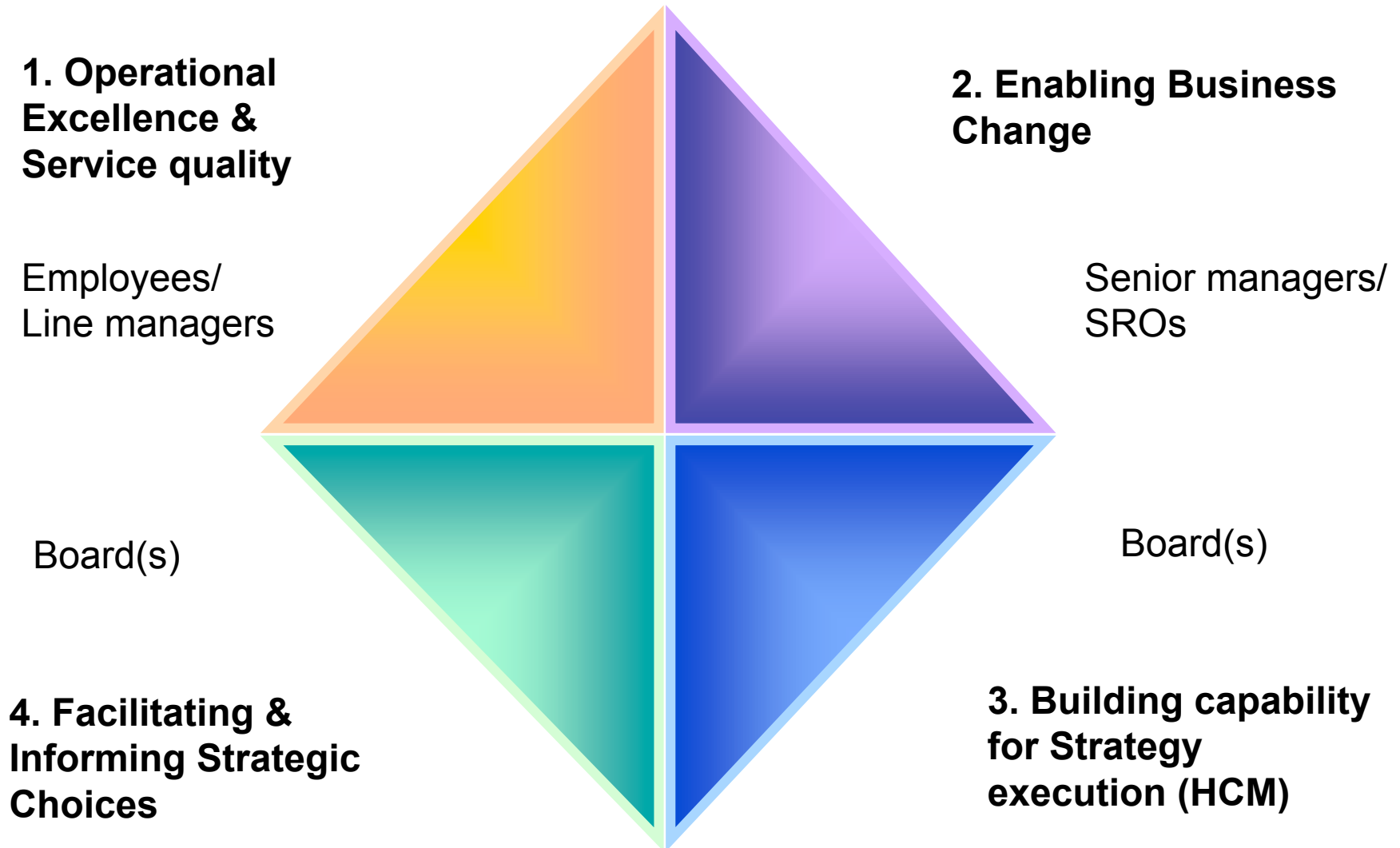
2. Enabling Business Change

4. Facilitating & Informing Strategic Choices

3. Building capability for Strategy execution (HCM)



HR Transformation: what must HR be able to do? (a framework of capabilities)



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1. Operational Excellence & Service quality

Employees/Line managers

HR provides value for money

2. Enabling Business Change

Senior managers/SROs

HR adds value

3. Building capability for Strategy execution (HCM)

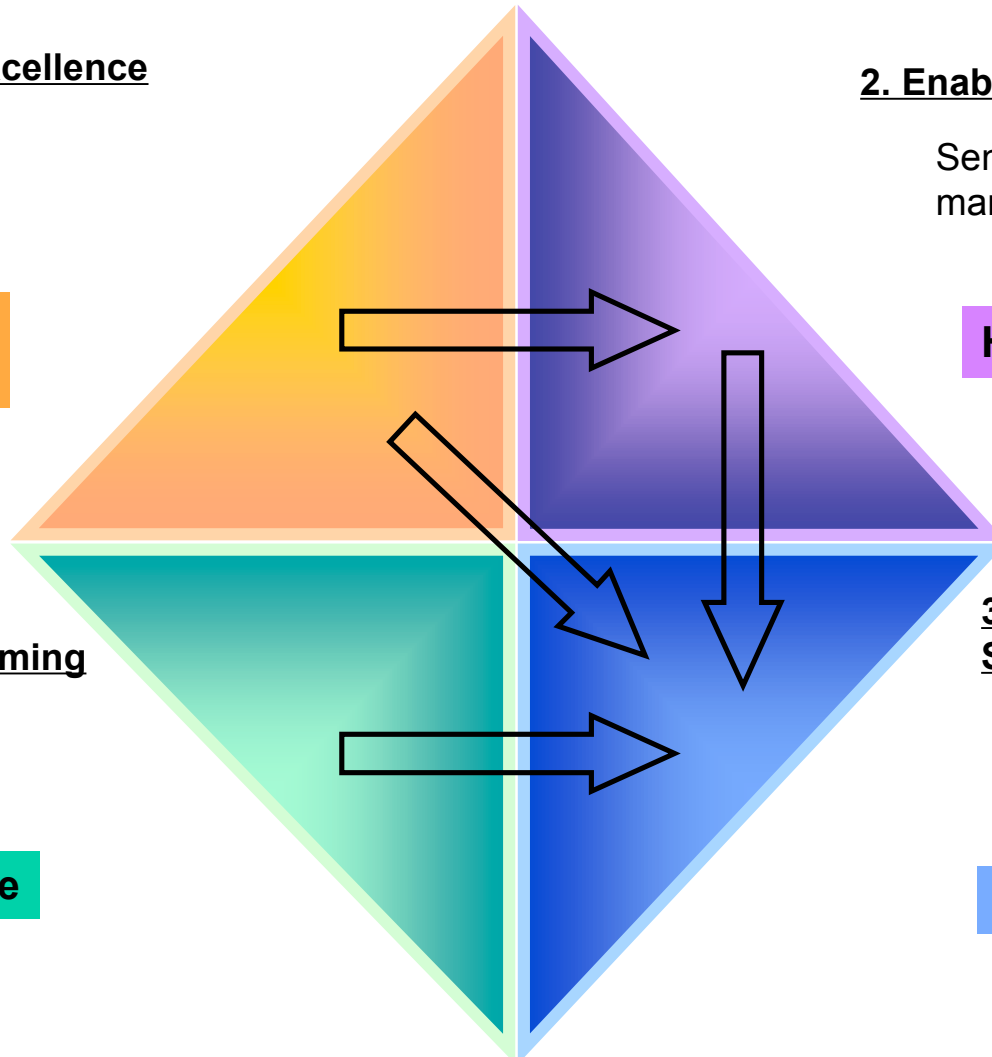
Board(s)

HR drives value

4. Facilitating & Informing Strategic Choices

Board(s)

HR creates value



(Examples of positive and counter indicators of good practice available)

An Example

1. Operational Excellence & Service Quality

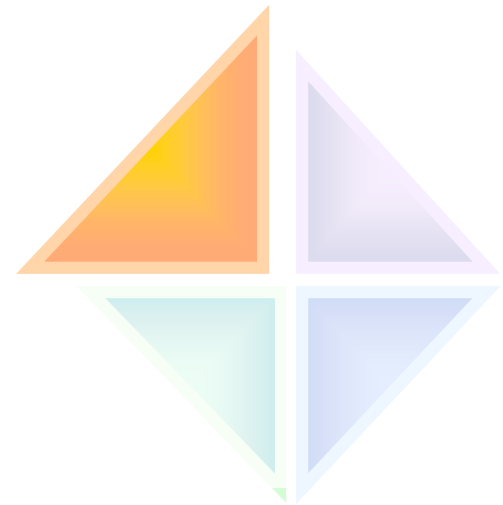
(HR provides value for money)

Definition: HR defines and achieves excellence in operational efficiency & service quality

Hr Focus: Excellent/consistent practice in all Key processes and relationships with users

Good =

- SLAs being met and continuously improved
- Cost of volume transactions in acceptable range for scale (benchmarks are clear)
- Managers believe that they get a service that helps them do their jobs
- Experience is well regarded by employees





Consequences of lack of capability

1. Operational Excellence and Service Quality

- Higher costs
- Unsupported managers
- Disenchanted employees

2. Enabling Business change

- Deeper resistance to change; and therefore
- Key changes take longer to embed

4. Facilitating and Informing Strategic choices

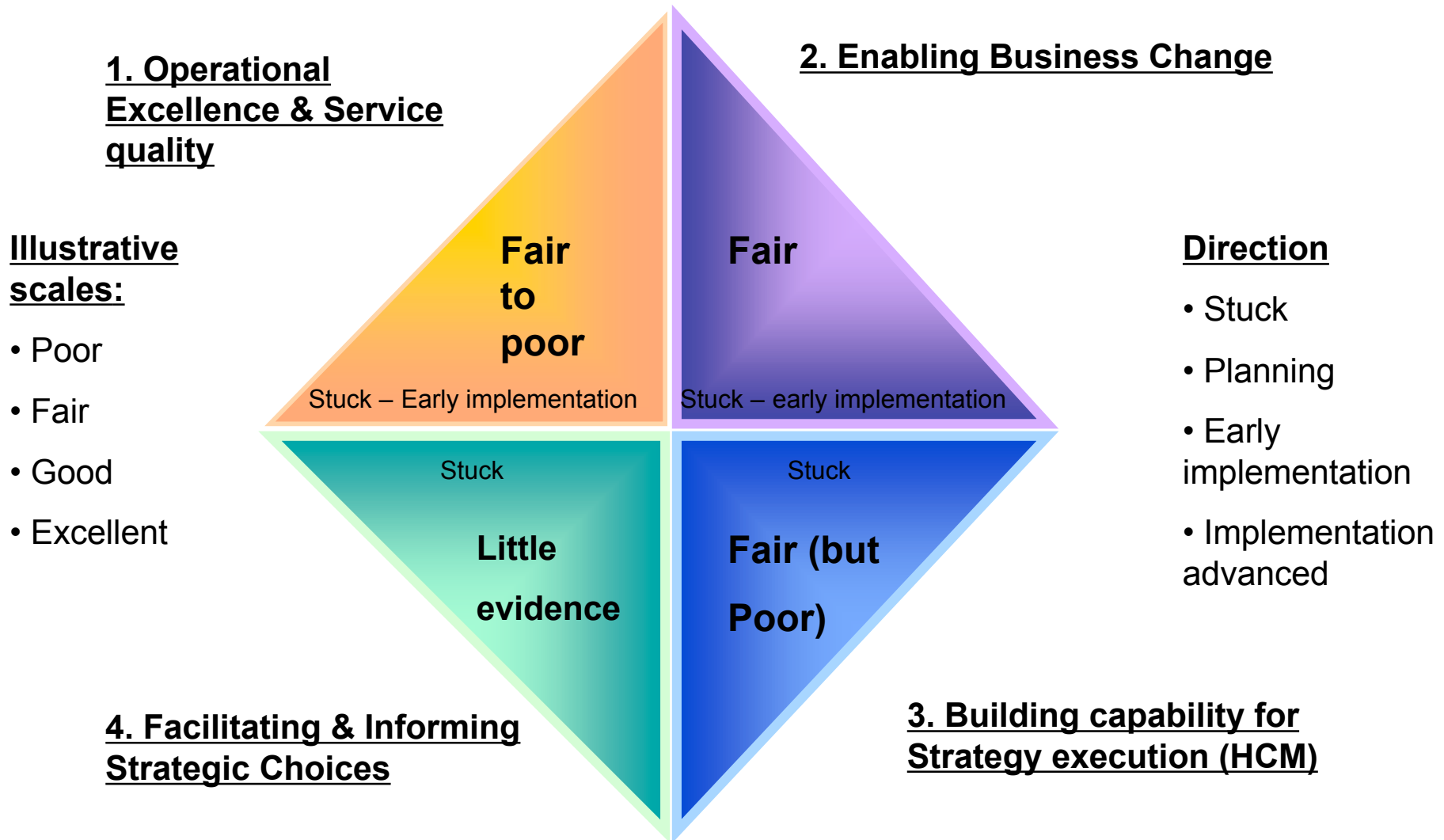
- Poorer choices
- Less commitment to the choices

3. Building capability for strategy execution

- Reduced readiness to deliver; and therefore
- Reduced future delivery



Where are we coming From? (on average)



Delivering HR Services: Headline structures

**Focus: Direction and sponsorship;
Team leadership; Review HR value and
impact**

“Front – back
model”
requires 1st class
leadership



**Focus: Business
leaders &
Strategic impact**

**Focus: High
quality HR
expertise**

**Focus: Cost-effective
administrative HR processes**



Common issues that we're addressing

- **Technology Base**
- **HR Silos**
- **Expectations of HR**
- **Line manager/People management skills**
- **HR Professionalism**



What are we doing about the Issues?

Technology base

- Shared Services transformation (convergence)
- Requirements of a common people record

HR Silos

- Signposting scalable & repeatable good practise & pushing synergies
- Roles and relationships work

Expectations of HR

- Consolidation of what represents “good” HR Capability
- Better return from Performance Management processes

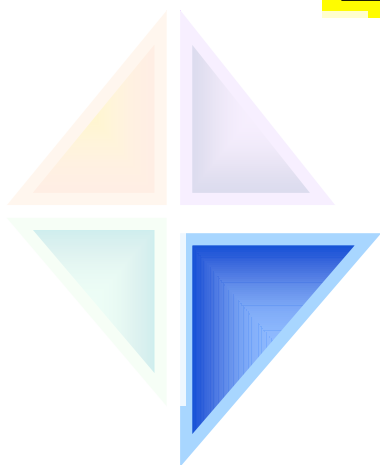
Line manager/people management skills

People management standards

HR professionalism

- HR standards
- Talent Management
- Professional Forums

Human Capital Management - Takeaways



- HCM Matters
- HCM starts when your strategy is conceived.
- HCM is about “readiness to deliver”.
- HCM is impacted by good Change Management.
- HCM is underpinned by solid HR practices & a technology base.
- HCM is reliant on well designed HR Functions.

1. Operational Excellence & Service quality

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