

THE **SABPP**™

FACT SHEET

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SA BOARD FOR
PEOPLE PRACTICES
Setting HR standards

FUTURE WORLD OF WORK SERIES: EVOLVING DEFINITION OF EMPLOYEES | FUTURE WORLD OF WORK SERIES: FUTURE READINESS, EMPLOYABILITY, AND ACTIVISM | FUTURE WORLD OF WORK SERIES: FUTURE HUMAN LIFESPAN AND THE EMPLOYEE LIFECYCLE | FUTURE WORLD OF WORK SERIES: KEY THEMES AND QUESTIONS FOR HR 4.0 | UNDERSTANDING AND ADDRESSING STIGMA DURING THE PANDEMIC | HYBRID TEAMS: GROUP AND RELATED INDIVIDUAL DYNAMICS | RETURN TO THE OFFICE DEBATE: CONTEXTS, DILEMMAS, AND PARADOXES | DEVELOPMENTS IN TALENT MANAGEMENT: THE INTERNAL TALENT MARKETPLACE | NET - ZERO: THE ROLE OF HR | UNDERSTANDING AND MAPPING ORGANISATIONAL NETWORKS | SNAPSHOT OF LABOUR RELATIONS IN SOUTH AFRICA



HR maturity models

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INTRODUCTION

In the October and November 2022 Fact Sheets and other published updates we discussed the review of the HRM Standards. As was noted in these publications, since the Standards were developed in 2013, the context within which HR Management is practised has evolved in several respects. We shared the following proposals that were developed through the many engagements with the HR community on the review of the HR Standards:

- People strategy themes to understand our evolving context
- Future HR practitioner skills aligned with these strategic themes
- Revision of the strategic alignment Standard Elements: Strategic HRM, Talent Management and the HR Risk Management Standards
- Revision of the HR Technology Standard
- Introduction of the people champion or stewardship role in addition to the people management role implied in each Standard Element to feature explicitly the people practices aspirational aspects

During the HR Standards review we had also developed proposals for the incorporation of the idea of a maturity model for the HR function in a particular organisation when applying the SABPP HRM system and playing the people champion role. In this Fact Sheet we outline these models. For context we will first discuss HR systems in the context of the development of Strategic Human Resource Management (SHRM). We then explore available HR maturity models. Thereafter, we share the proposals for the HRM System maturity levels and the levels of maturity of the people champion role.

INTRODUCTION

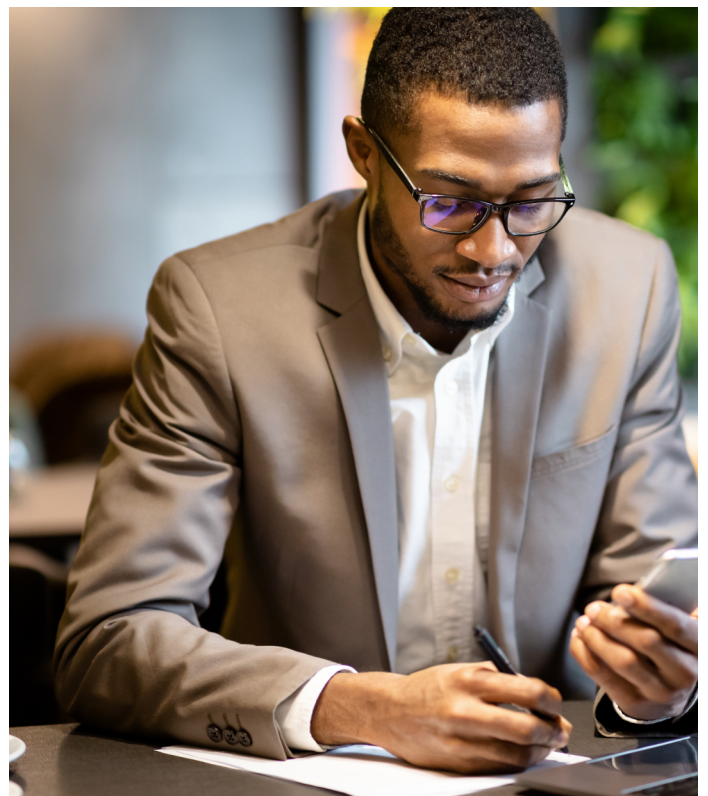
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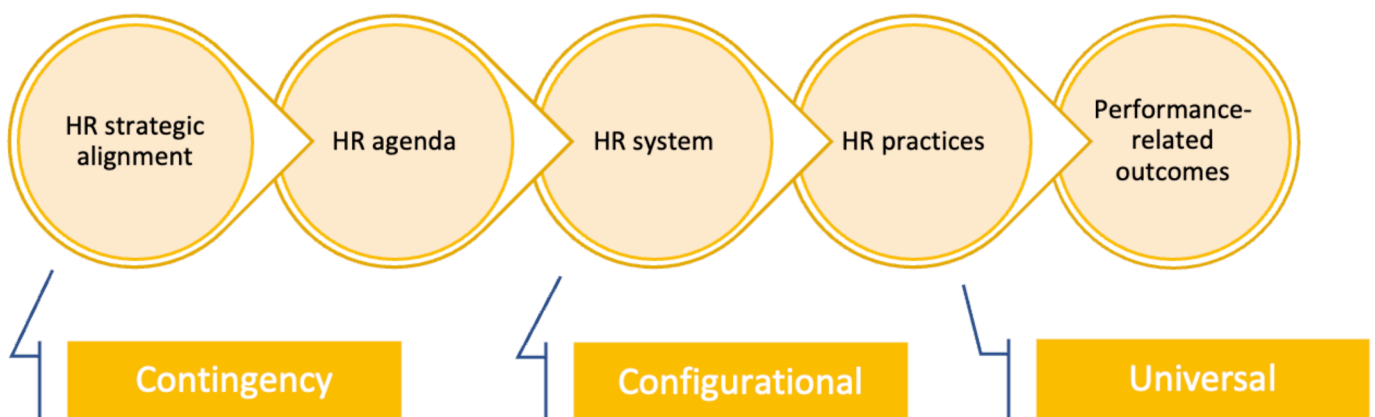
HR SYSTEMS

The development of SHRM has meant the shift in focus to HRM as a system. It initiated the exploration of the constituents of HR systems as well as the configuration, arrangement, alignment or synergy of individual HR practices within the HRM system and the impact thereof on organisational performance. This includes research on the interactions within the system and how the various HR practices complement each other or multiply their individual effects.

We can outline the development of SHRM, for the purposes of this Fact Sheet, in terms of three commonly cited SHRM perspectives (Lengnick-Hall, Lengnick-Hall, Andrade, & Drake, 2009):

- Universal perspective that suggests that there is a set of best practices that universally applies across all contexts and lead to organisational performance-related outcomes
- Configurational perspective suggests that the arrangement and alignment of specific HR practices is critical for organisational performance-related outcomes
- Contingency perspective suggests that the selection and alignment of HR practices with the business strategy and context will lead to organisational performance-related outcomes

From the perspective of a HR practitioner employed within a specific organisation, we can for practical purposes map these perspectives in terms of the strategic HRM process as follows:



The term HR architecture captures the idea that there could many HR systems as well as components, practices and processes within an organisation that target different segments of the workforce. We can also note that there are many subsystems within the HR system. For example, we can suggest that there is a learning and development subsystem and a performance management subsystem. This then reinforces the need to examine how these subsystems fit and work together. It highlights the need to focus on the HRM or HR integrated system, as articulated by Boon, Den Hartog, & Lepak (2019) in the below cited quotations:

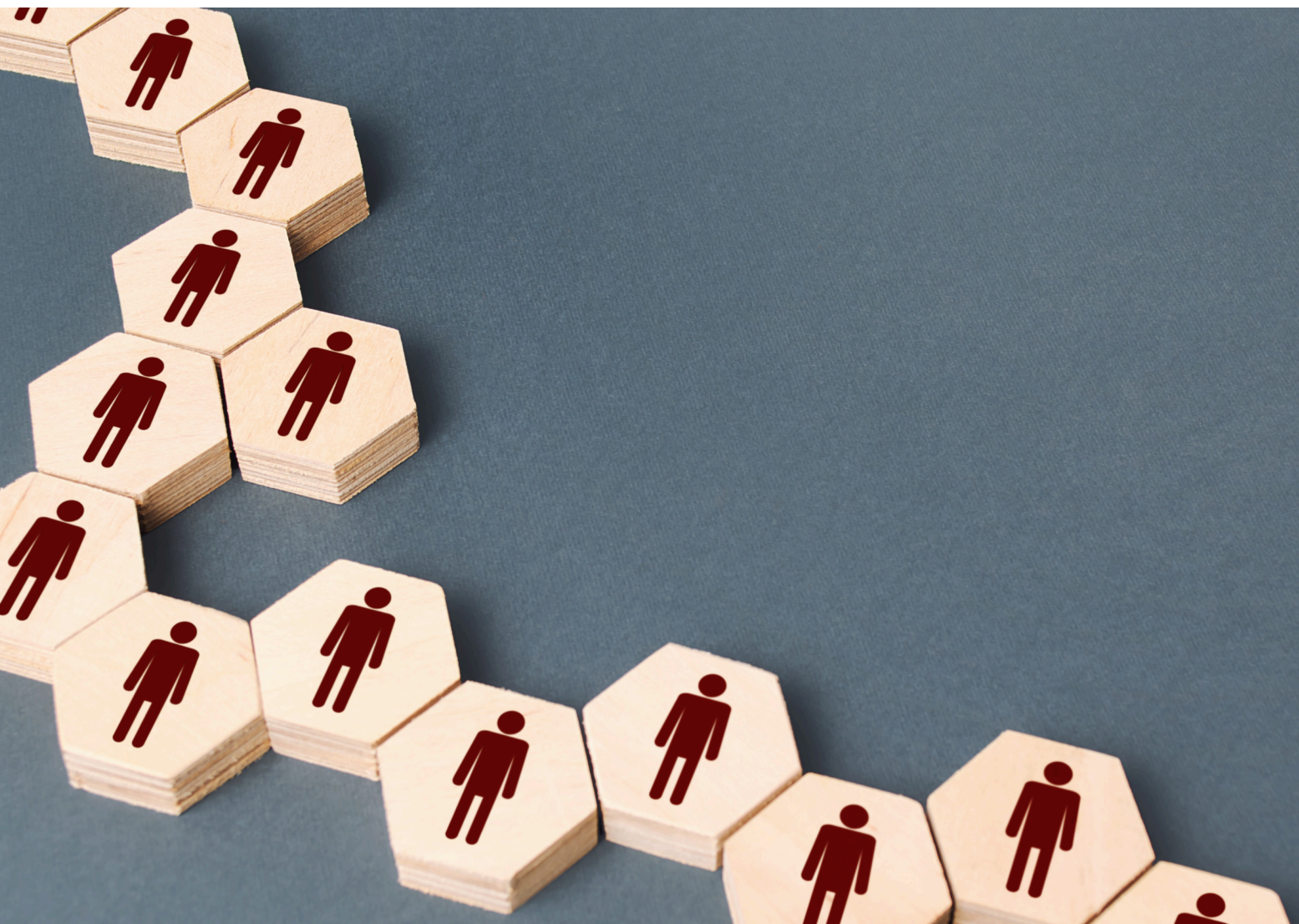
“In the strategic human resource management literature, over the past three decades, a shared consensus has developed that the focus should be on HR systems rather than individual HR practices because the effects of HR practices are likely to depend on the other practices within the system. Despite this agreement, the extent to which the fundamental assumption in the field of interactions and synergy in the system holds true is unclear” (p2498)

“[...] the field has emphasized the importance of focusing on whether and how “systems” or “bundles” of HR practices jointly help organizations achieve strategic goals, rather than on single HR practices individually” (p2501)

Developing on the review of SHRM by Boon et al, we can suggest that the key questions HR practitioners need to address include:

- whether and how the business strategy influences the HR configuration
- how the HR configuration and system within the organisation develops over time
- and whether other factors such as the phase or maturity of the industry and the organisation plays a role.

The reference to ‘development over time’ and ‘maturity’ of the industry and organisation leads us to a discussion on HR maturity models in the next section. These may help us understand and assess how organisations develop and evolve their HR system over time. HR systems do not come fully formed ‘out of the box’, nor are HR systems simple ‘plug and play’. The application of the SABPP HRM System Standard Model needs to take this into account.



HR MATURITY MODELS

There are various maturity models available for use by HR practitioners. These may focus on a particular subsystem of the HR function or the whole HR system. The models may be informed by a particular outcome or measure. For example, the models can be informed by the phases to develop over time:

- strategic alignment to the business
- efficiency of HR processes
- HR capabilities
- HR technologies and related capabilities
- HR information systems
- HR or people analytics.

Below we will share examples of HR maturity models. First, though, we will begin with the model by Yeung and Ulrich (2019) of how an organisation's strategic choice evolves over time. It is illustrated below and shows how the organisational strategic choice evolves from an inside-out approach to an outside-in one. This means that over time the organisation's context and its strategy and business model inform how the organisation's internal environment is configured and developed. Given that the context is dynamic, this requires the strategy and consequently the internal environment to be agile and continuously reshaped in response to the environment.



Over the years Bersin has provided models of the HR system and various HR subsystems. Below, the following examples are illustrated:

- HRM, or Human Capital Management, Excellence Maturity Model that explores the evolving operational, strategic and transformational excellence of the HR or human capital system as follows: from being technology-centred and process focused to outcome-driven and business transformation focused;
- Talent Acquisition Model that outlines the development from reactive and fragmented to standardised and then personalised to integrated and human-centred approaches to talent acquisition;
- Corporate Learning Maturity Model that suggests the following levels: incidental training, training and development excellence, talent and performance improvement, and organisational capability;
- Technology systems model that maps the shifts from systems of automation to systems of engagement and thereafter systems of productivity;
- Model of the use of technology and related employee experience evolving from transactional efficiency to purpose-driven business and then equitable growth.

The HCM Excellence Maturity Model



Source: The Definitive Guide: HCM Excellence, The Josh Bersin Company, 2021

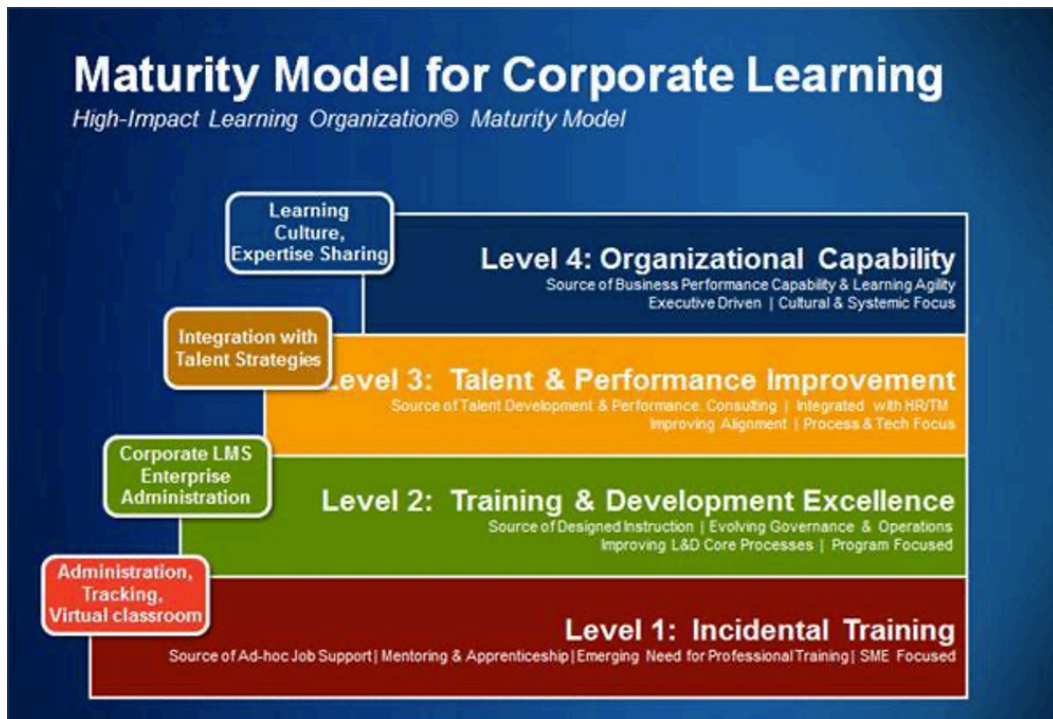
Source: Bersin (<https://joshbersin.com/2021/07/research-reveals-secrets-to-success-with-human-capital-management-systems/>)

The Talent Acquisition Maturity Model



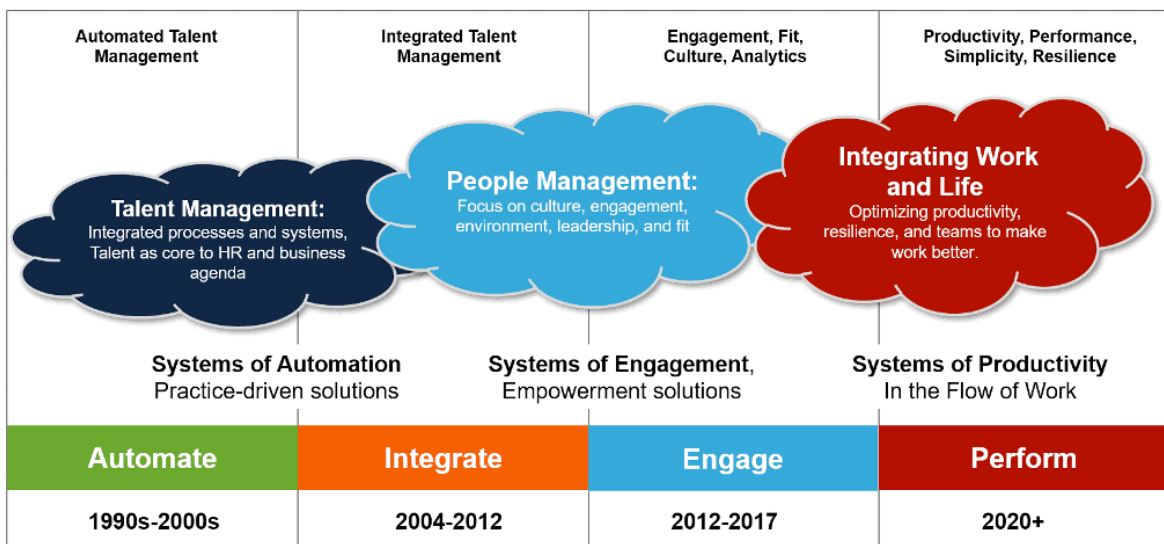
Source: The Josh Bersin Company, 2022

Source: Bersin (<https://joshbersin.com/2022/04/recruiting-is-harder-than-it-looks-74-of-companies-underperform/>)

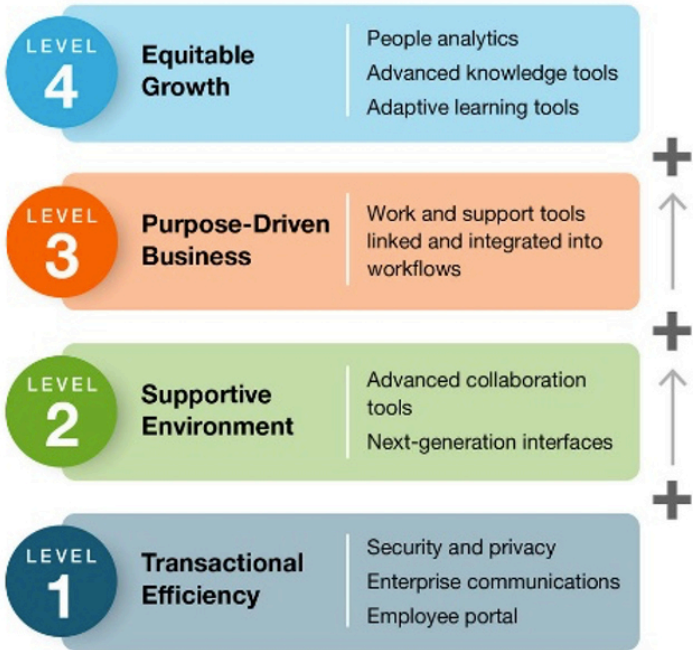


Source : Bersin (<https://www.forbes.com/sites/joshbersin/2013/03/20/how-corporate-learning-drives-competitive-advantage/?sh=487bb6817add>)

The New HR Tech: *Integrating Work and Life*



The Use of Technology and Its Correlation to Overall EX Maturity



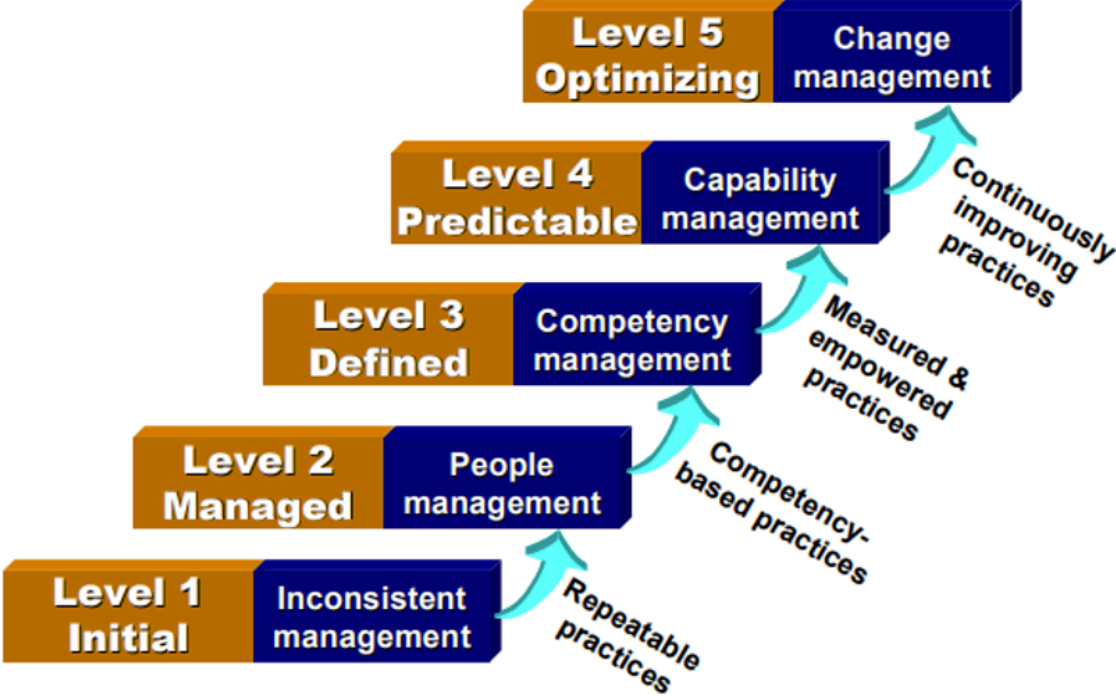
Source: The Josh Bersin Company, 2021

Source: Bersin (<https://www.prnewswire.com/news-releases/josh-bersin-research-finds-organizational-culture-is-top-driver-for-creating-excellent-employee-experience-301333283.html>)

Another model of the HR system is the People Capability Maturity Model (Curtis, Hefley, & Miller, 2001), which is illustrated below. The model suggests that new systems of practices overlay earlier systems of practice and increase the sophistication and effectiveness with which the workforce is developed and empowered:

“As do all Capability Maturity Models, the People CMM consists of five maturity levels, or evolutionary stages, through which an organization’s workforce practices and processes evolve. At each maturity level, a new system of practices is overlaid on those implemented at earlier levels. Each overlay of practices raises the level of sophistication through which the organization develops its workforce. Within this environment individuals experience greater opportunity to develop their career potential and are more motivated to align their performance with the objectives of the organization” (p15).



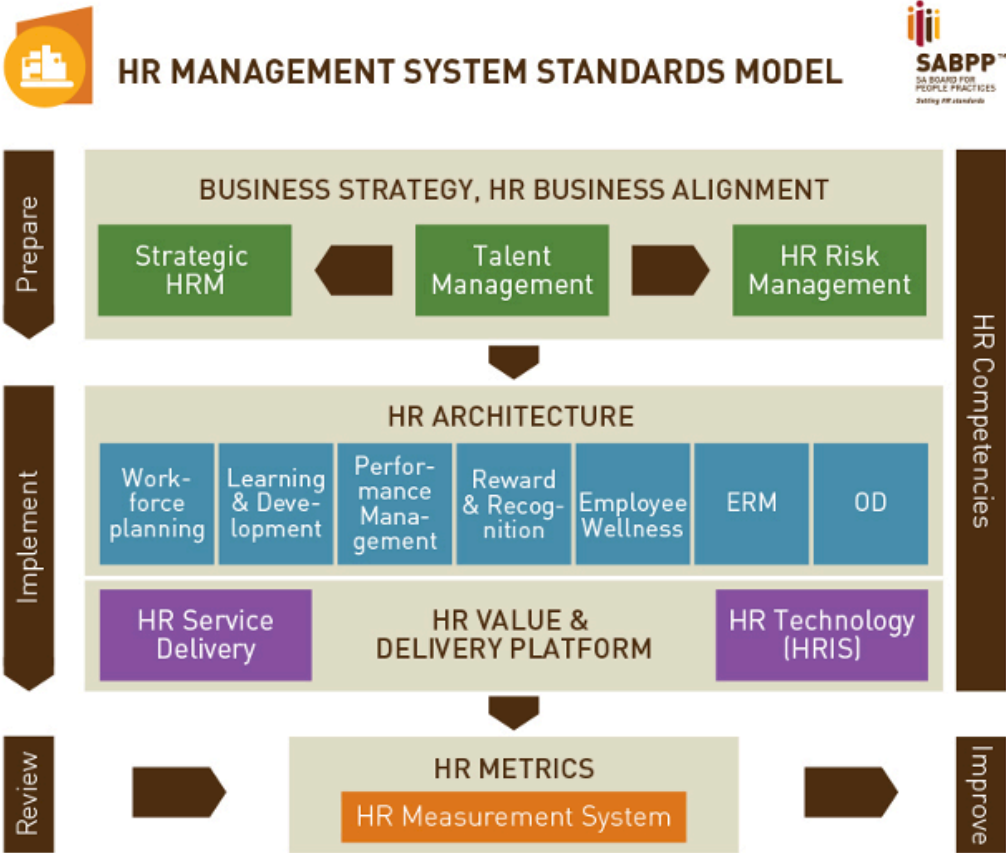


Source: (Curtis, Hefley, & Miller, 2001)



SABPP HRM SYSTEM STANDARDS MODEL AND PROPOSED MATURITY MODELS

The SABPP HRM System Model and the individual HRM Standard Elements were developed in 2013/14. The System Model is illustrated below and shows the HR Standard Elements arranged in accordance with the quality assurance model, comprising preparation, implementation, review and improvement phases. It guides the HR practitioner in working through their strategic alignment, the development of an aligned and integrated HR architecture, development of the platform and the delivery of HR value to the different stakeholders through it, and the measurement thereof and of the system as a whole.



In previous Fact Sheets¹ we discussed the review of the HRM Standards and the Systems Model. During the review the following maturity models were proposed along with proposals for the strategic alignment Standard Elements and the HR Technology Standard Element. The maturity models are meant to complement the HRM System Standard Model, which is seen as still relevant and applicable in our present context.

The first model outlines and describes five levels of HRM maturity. It can help to guide the HR practitioner in their development of their HR system and assist them to assess the maturity of the system and the how the Standards are internalised and implemented within their organisation. The levels are as follows and are described in the illustration below:

- transactional
- operational excellence
- integrated processes
- contextual and strategic
- people-centred high performance.



<p>Transactional</p> <p>HR work is concentrated purely on 'getting the job done', for example hiring, payroll, leave management.</p>	<p>Operational Excellence</p> <p>HR operations are focused on continual improvement, using internal customer feedback and benchmarking</p>	<p>Integrated Processes</p> <p>The HR function is integrated across sub-functions in such a way that managers and employees experience HR processes as easy, user-friendly and without duplication.</p>	<p>Contextual and Strategic</p> <p>The HR function is an integral and valued partner at C-suite level, noted for bringing contextual and strategic insights</p>
<p>People-centred High Performance</p> <p>The HR function focuses on a high-performance culture of engagement, focus, and accountability while ensuring that the organisation places people first</p>			

As can be seen in the figure above, the maturity model illustrates how people-centred high performance is increasingly focused on, and embedded within, the organisation with the development of HRM and people management capabilities. This includes a people-centred approach to the design and implementation of HR and other work technologies. The maturity model does not suggest or prescribe a strict linear development. We need to acknowledge that systems evolve dynamically and that organisations move in between the levels as they continuously adapt and reinvent themselves for their changing environment. As the HR system matures the HR function and practitioners develop agility and become more capable and effective in navigating and negotiating the various paradoxes², dilemmas and competing stakeholder demands within their respective organisations.

Along with the HRM maturity model, there is a proposal on the levels of maturity of the people champion or stewardship role that HR practitioners play alongside their people management role. The revised objectives of the Standard elements will incorporate the duty of care of organisations³ to speak to the people champion role and the people-centred aspirations of the HR profession in relation to each element. The levels of maturity of the people champion role indicate a meaningful shift from awareness to advocacy and then advancing and leading people-centredness and empowerment.

1. See the October and November 2022 Fact Sheets for example. Also, see the following article: <https://peoplefactor.co.za/the-review-of-the-hrm-standards-thus-far-pf-summit-engagement/>
 2. See pages 14-15 of the Fact Sheet on HR's role in shaping leadership in the new normal: https://cct.mycpd.co.za/SABPP/FactSheets/2020/fact_sheet_june_2020final.pdf
 3. The duty of care is defined in legislation such as the Companies Act as well as in corporate governance (such as the various King Reports), the integrated reporting framework, and professional codes.

Awareness	Advocating	Advancing	Leading
HR function leadership shows a basic awareness that people championship is important but is not operating at a level where their influence can be heard	HR leadership is making the right noises at senior levels, but the HR function is not well equipped to make a real impact	HR practitioners at all levels have sufficient credibility to meaningfully influence management decision-making towards people-centredness and empowerment aspirations	HR leadership exercises significant organisational leadership in people-centred and empowerment aspirations and there is evidence of meaningful progress



CONCLUSION

As we develop System Models and SHRM perspectives and options, we need to consider how organisations mature over time in internalising and embedding these in their workforce and workplaces. In this Fact Sheet we explored HR systems and examples of HR maturity models that are available for consideration. We also shared proposals for two maturity models related to the HRM System Standard Model, the HR Standards therein, and the review of these.

The HR performance audits carried out by the SABPP HR Audit unit will include assessments of the current state of maturity of the HR function and will offer developmental suggestions.

This fact sheet was written by:

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