

# **Better practice studies and what they can do for your HR function**

**By David Parmenter**

Better practice and benchmarking are all about continuous improvement. They benefit HR functions at all stages of their development by showing them how to migrate to more added value services.

Better practice studies and benchmarking studies are two ways for HR functions and their organisation to measure their effectiveness, the level of service they are providing to users, providing a point of comparison, and also a source of inspiration.

Better practice studies are often confused with benchmarking studies, an unfortunate mistake that leads many HR functions to overlook better practice studies when they could in fact gain substantial benefits from participating.

In brief, benchmarking studies focus on quantitative measures and provide the opportunity for HR functions to assess where they are ranking. Such studies require the willingness to collect comparable data, good information systems and a substantial commitment in time, including liaison with fellow participants.

## **What is a better practice study?**

A better practice study, on the other hand, is a systematic process for evaluating work processes. Participating HR functions that are achieving efficiencies or have implemented innovative processes are interviewed to verify findings and to gather facts about how their particular success story came about.

Better practice studies analyse the practices HR functions are using and an evaluation is made as to which are the better practices. Information is gathered via a questionnaire and an interview. As involvement takes between 1-2 hours for participants, this is a far more efficient way of measuring one's effectiveness.

## **Why join a better practice study?**

### **Participants use better practice studies to:**

- **support their desire to continuously improve**
- **save time by finding pragmatic solutions**
- **reduce the risk of failure by copying successes**
- **feel good about their achievements**
- **help sell initiatives within their organisation**
- **create an HR team that enjoys coming to work**

Many participants also want to find out how the service mix within their function can maximise value to their clients - how their function can get a "thumbs up" rating from the CEO down. Often the best way to learn is to replicate or be inspired by the innovative practices from other HR functions.

If you are serious about continuous improvement you need to constantly learn from other HR functions adopting tried and tested processes rather than risking time consuming rebuilds.

A common theme, and one which might explain how leading HR functions keep getting better, is that they are using continuous improvement strategies.. Participation in a better practice exercise is also a useful, authoritative reminder to “leading edge” HR functions of how much they have already achieved.

If your HR function has a long “to do” list then you have the most to gain from participation. It is quicker, more cost effective, and easier to focus on specific areas for improvement which have already been identified by a better practice exercise. A company with an E commerce procurement project may not realise how quickly they can actually be installed when kept to the basics.

### **Comparison internationally or locally?**

A question often asked is should we compare our HR function internationally? The answer is clearly yes when you have matched the better practices that already exist in New Zealand. Remember that many New Zealand functions are already benefiting from overseas examples: many of your peers have worked abroad and have brought better practices with them. Another issue is that leading companies are looking to gain from information sharing as much as any new participant in a better practice study. Thus they need participants who have something to offer.

### **Warning signals**

Over the years what has become increasingly clear is that HR teams who stick to the status quo of ‘acceptable performance’ will soon find themselves slipping backwards, rather than keeping abreast of current practices.. If you can tick more than three of the points below then maybe it is time to compare and participate in a better practice study.

#### **Checklist**

- 1. Never ending HR projects.**
- 2. Too much time is spent in producing a large HR monthly report.**
- 3. Benchmarking is left to poorly targeted network meetings.**
- 4. Lack of knowledge about better practices.**
- 5. Staff get performance feedback only once a year.**
- 6. Over 40% of your key HR staff time is spent ‘fire fighting’.**
- 7. Succession planning has been put in the too hard basket.**
- 8. The last staff opinion survey was not a positive experience.**
- 9. Training is left to conference attendance.**
- 10. Recruitment is based on the interview, with little or no use of simulation exercises and assessment centres.**
- 11. Senior management have little or no structured training.**
- 12. There is an organisation wide Intranet but the HR function, with its policy manuals, is not represented on it.**
- 13. A user satisfaction survey is being postponed to next year.**
- 14. No “Back to work” programme has been initiated.**
- 15. HR staff have not bought into continuous improvement.**

## **Do not get sucked into sector navel gazing**

Probably the greatest waste of benchmarking resources is sector 'navel gazing', ignoring the fact that there is comparable data available from many other sectors.

Unlike other studies that only compare data from functions within one sector, all the *waymark* studies are cross sector based, so you're able to get ideas from a wider range of functions. Often it's the examples from companies totally different to yours that point the way forward to new and more effective methods. Our experience indicates that studies which compare different functions in the same sector don't have the same wealth of new ideas that a cross-sector study uncovers.

One is reminded of the North American airline who wanted a quicker turnaround time for their aircraft at stopover points. Instead of travelling the world, clocking up many flying miles and visiting alliance partners, they thought "outside the square". They turned to a team who thought a second wasted was a travesty - a formula one pit crew. As a result, instead of shaving off minutes they shaved off an hour!

## **Last words**

- **good HR functions keep on getting better**
- **do not get stuck with "sector navel gazing"**
- **other HR functions are willing to share their better practices**
- **take your HR staff to better practice sites and watch the result**
- **join a better practice study to get access to better practice templates and contacts**

\* *waymark solutions limited* run better practice studies throughout the year. The firm specialises in the measurement of performance, practices and satisfaction. David Parmenter is the Managing Director and can be contacted via phone (04 499 0007), Email: [parmenter@waymark.co.nz](mailto:parmenter@waymark.co.nz), or you may wish to visit our web site: [www.waymark.co.nz](http://www.waymark.co.nz)