



Human Resource Maturity Diagnostic (HRMD)
Shareback Report for Singapore SMEs

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Introduction

The single greatest asset for any organization is its people and the culture they uphold. It is the people in an organization that innovate, market, produce and deliver the products and services that satisfy customer expectations and build relationships.

The best run organizations across the world have systematically invested in their people, HR systems and processes for business success. Like many organizations, SMEs can also benefit by investing in talent and enhancing their HR capabilities to support their business growth.

Overview of the HR Maturity Diagnostics Tool

Hay Group* developed the HR Maturity Diagnostics Tool (HRMD) for SMEs in Singapore to identify their HR needs and areas for improvement. The tool's assessment of a company's HR maturity is based on the HR Maturity Model, which is a growth framework that outlines progressive levels of HR maturity. These levels identify the state of HR maturity of a company, its management's HR mindset, and key steps that the organization can take to attain greater HR maturity.

How this report can help your organization

The shareback report can help you to understand your organization's:

1. **Current state of HR maturity.** Your organization's current state of HR maturity is determined through diagnosis of your HR processes and systems across 11 HR functional areas.
2. **HR Maturity Gaps.** Your organization's state of HR maturity is mapped against an ideal state of HR maturity. This ideal state is identified based on the growth stage of your organization. The mapping of current versus ideal state of HR maturity would highlight HR gaps in the 11 HR functional areas.
3. **Strengths and Opportunities for Improvement.** The diagnosis of your current vis-à-vis the ideal HR maturity levels help to identify strengths and opportunities for improvement for your organization. These would help you to focus your resources and make human capital decisions that could further harness your organization's strengths or address opportunities for improvement.

Your HR Maturity Level

Your organization's Overall HR Maturity Level is at **Level II**

An organization at HR Maturity Level II is likely to have achieved a good level of standardization and compliance in its HR processes. Managers are beginning to take ownership of people management responsibilities.

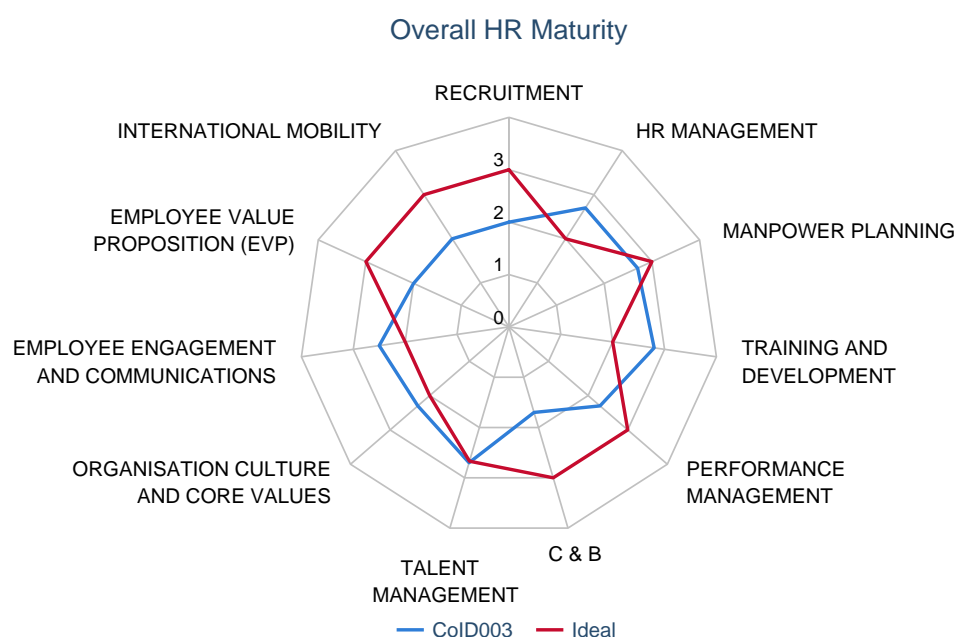
Advancement to HR Maturity Level III will require the creation of a professional HR function. HR processes and systems will need to be formalised, and more deliberate efforts to engage and develop employees should be adopted.

MGT MINDSET / BEHAVIOR	FOCUS	SME HRMM	Characteristic
Human Capital is viewed as a strategic resource that requires deep investment to power the business with an eye on developing capabilities for the future	Alignment to business objectives and development of organizational capabilities for near and long term needs	PROGRESSIVE IV	<ul style="list-style-type: none"> * alignment to business strategy and culture * empowered workforce. * talent management and succession planning. * competency tools used.
Human Capital is important and a necessary managerial duty in order to build up the right processes to avoid holding back business growth or to meet increasing business needs	Proficiency in unit level activities; employee engagement & creation of a professional HR function	DEVELOPING III	<ul style="list-style-type: none"> * formal HR processes in place * external benchmarking employed * deliberate workforce engagement & development * some employer brand differentiation
Human Capital is a constraint that needs to be managed or it will spiral out of control	Standardization and setting up of repeatable processes to meet near term needs	BASIC II	<ul style="list-style-type: none"> * basic HR processes in place * jobs designed around incumbents * ad hoc training * unclear employer brand
Human Capital is an after thought, a distraction, a means to an end.	Ad hoc processes to resolve immediate needs	RUBMENTARY I	<ul style="list-style-type: none"> * inconsistent or ritualistic HR processes * HR often driven by legal mandates * performance and rewards are typically discretionary in nature

Your HR Maturity Level

Process area	Current maturity level
Recruitment	2
HR Management	2.7
Manpower Planning	2.7
Training & Development	2.8
Performance Management	2.3
Compensation & Benefits	1.7
Talent Management & Succession Planning	2.7
Organization Culture & Core Values	2.3
Employee Engagement & Communications	2.5
Employee Value Proposition	2
International Mobility	2
Overall	2.3

Your HR Maturity Level



HR Maturity Gaps (Descending Order)

1. Recruitment
2. Manpower Planning
3. Performance Management
4. Compensation & Benefits
5. Employee Value Proposition (EVP)
6. International Mobility
7. Talent Management & Succession Planning
8. HR Management
9. Training & Development
10. Organization Culture & Core Values

The Ideal Score is based on reference Growth Stage:

BUDDING	SUSTAINING	INVESTING	EXPANDING	MATURING
The company has demonstrated a workable business model but is concerned with the ability to generate enough cash to break even (and to cover repair/ replacement of capital assets as they wear out) or scale up to a viable size	The company has healthy profits and the objective is to keep it stable without additional risks or investments. The management is concerned with keeping the status quo for as long as possible	The company has healthy profits and the objective is to consolidate and shore up financial resources (including securing additional funds or loans) so as to be able to expand. There is the decision to take the risk/challenge to "go big"	The company is currently expanding rapidly. It is investing and trying to balance control and the desire to grow. It is concerned with managing its cash and operations prudently to avoid expanding too fast with emphasis on improving its systems	The company has attained substantial size, finances and managerial talent. It is trying to control the financial gains and consolidate by professionalizing its systems and tools. It is concerned with how to preserve its agility, innovation and entrepreneurial spirit

Your HR Maturity Level

1. RECRUITMENT	1	2	3	4	Gap	Current
Job Requirements		◆			0	2
Recruitment Criteria		◆			-1	
Recruitment Process		◆			1	

2. HR MANAGEMENT	1	2	3	4	Gap	Current
HR Policies		◆			1	2.7
HR Processes	◆				2	
Employee Data	◆				1	

3. MANPOWER PLANNING	1	2	3	4	Gap	Current
Org & Role Design		◆			1	2.7
Manpower Projections	◆				2	
Manpower Review	◆				1	

4. TRAINING AND DEVELOPMENT	1	2	3	4	Gap	Current
Training Needs Analysis	◆				1	2.8
Training & Devt Roadmap	◆				2	
Training Participation		◆			1	
Employee Onboarding	◆				2	

5. PERFORMANCE MANAGEMENT	1	2	3	4	Gap	Current
Goal-Setting		◆			1	2.3
Performance Appraisal Process		◆			0	
Performance Coaching	◆				1	
Performance Incentives		◆			0	

6. COMPENSATION AND BENEFITS (C&B)	1	2	3	4	Gap	Current
C&B Structure		◆			0	1.7
Market Benchmarking		◆			0	
C&B Review		◆			-1	

7. TALENT MANAGEMENT AND SUCCESSION PLANNING	1	2	3	4	Gap	Current
Mission-Critical Roles	◆				2	2.7
Talent Identification Criteria	◆				1	
Succession Planning Process	◆				2	

8. ORGANISATION CULTURE AND CORE VALUES	1	2	3	4	Gap	Current
Culture Definition	◆				1	2.3
Culture Development	◆				2	
Culture Drivers	◆				1	

9. EMPLOYEE ENGAGEMENT AND COMMUNICATIONS	1	2	3	4	Gap	Current
Employee Engagement	◆				2	2.5
Employee Communications	◆				1	

10. EMPLOYEE VALUE PROPOSITION (EVP)	1	2	3	4	Gap	Current
EVP Definition	◆				1	2
EVP Execution	◆				1	
EVP Application through Employer Branding	◆				1	

11. INTERNATIONAL MOBILITY	1	2	3	4	Gap	Current
International Mobility Policies	◆				1	2
International Mobility Processes and Support Infrastructure	◆				1	
International Organisation Capability	◆				1	

OVERALL					2.3	
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Legend

	Current state (Level 1 score)
	Current state (Level 2 score)
	Current state (Level 3 score)
	Current state (Level 4 score)
◆	Ideal state (for specific Growth Stage)

Your HR Strengths & Opportunities

Strengths

Process Area Details	Gap	Strengths
Job Requirements	0	No Activity
Recruitment Process	1	No Activity
HR Policies	1	No Activity
HR Processes	2	No Activity
Employee Data	1	No Activity
Organisation & Role Design	1	No Activity
Manpower Projections	2	No Activity
Manpower Review	1	No Activity
Training Needs Analysis	1	No Activity
Training and Development Roadmap	2	No Activity
Training Participation	1	No Activity
Employee Onboarding	2	No Activity
Goal-Setting	1	No Activity
Performance Appraisal Process	0	No Activity
Performance Coaching	1	No Activity
Performance Incentives	0	No Activity

Process Area Details	Gap	Strengths
C&B Structure	0	No Activity
Market Benchmarking	0	No Activity
Mission-Critical Roles	2	No Activity
Talent Identification Criteria	1	No Activity
Succession Planning Process	2	No Activity
Culture Definition	1	No Activity
Culture Development	2	No Activity
Culture Drivers	1	No Activity
Employee Engagement	2	No Activity
Employee Communications	1	No Activity
EVP Definition	1	No Activity
EVP Execution	1	No Activity
EVP Application through Employer Branding	1	No Activity
International Mobility Policies	1	No Activity
International Mobility Processes and Support Infrastructure	1	No Activity
International Organisation Capability	1	No Activity

Opportunities

Process Area Details	Gap	Opportunities
Recruitment Criteria	-1	Identify recruitment criteria for specific job requirements with enough detail necessary to guide the recruitment process.
C&B Review	-1	Conduct regular compensation and benefits review to ensure continuous competitiveness with the market.

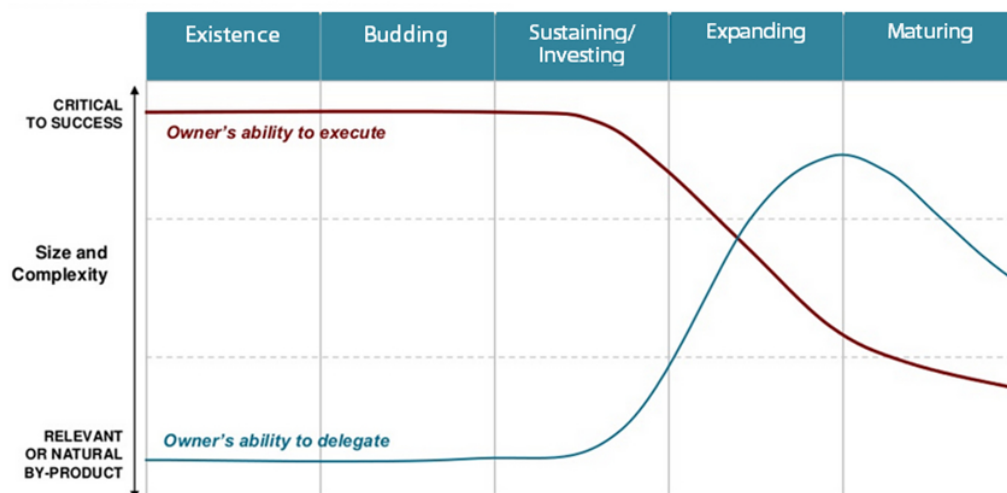
Appendix

Management Style

As the owner grows its business, there is a clear trade-off between the owner's ability to execute versus his ability to delegate. The more complex and the larger the business, the greater the need for the owner to focus on more strategic issues and rely on building up or brining in professionals to help him manage the needs of a more diversified company.

There is an optimal style for each Growth Stage and the owner needs to recognize the criticality of relinquishing and delegating responsibilities to ensure the company's continued growth.

Critical Success Factor - Owner's Abilities



EXISTENCE	BUDDING	SUSTAINING/ ASPIRING	EXPANDING	MATURING
DIRECT SUPERVISION	SUPERVISED SUPERVISION	FUNCTIONAL	DIVISIONAL	DECENTRALIZED
The owner manages everyone and everything	The owner is still synonymous with the business. Sales or general manager carrying out well defined orders of the owner	Functional managers to take over certain duties of the owner e.g. Financial Controller taking over financial matters	Owner and business reasonably separate but presence & stock control still strong. There are competent key managers in place	Business and owner are quite separate, both financially and operationally. Experienced and professional staff are operate with high degree of autonomy

Current style



Appendix – Leadership

Leadership support and commitment to human capital development is a key driver for building HR Maturity.

The following captures an initial diagnosis of your organisation's emphasis and commitment to addressing people capability issues.

*Note: This is an indicative assessment based on interviews and interactions in the course of the HR Maturity Diagnosis process.

EXISTENCE	BUDDING	SUSTAINING/ ASPIRING	EXPANDING	MATURING
On a Needs Basis	Control Constraint	Management Responsibility	Strategic Resource	Integrated into Business
Leaders are focused on managing day-to-day activities and the commercial aspects of the business. People capability issues are attended to when the need arises. Usually through direct intervention by the business owner(s).	Leaders recognize that people capability issues are a constraint that needs to be controlled or it will affect the commercial aspects of the business. Actions usually led by HR and/or the business owner(s).	Leaders see people capability issues as a key managerial responsibility. The focus is on implementing the right processes to avoid holding the business back or meeting the increasing needs of business. Usually coordination or guidance support is provided to business units by HR.	Leaders see people capability issues as a key strategic resource which requires deep investment. They seek to meet current and future needs with involvement from all managers in partnership with HR. Line managers are actively engaged in people matters.	Leaders regard people capability as an integral part of the competitive advantage of the business.. Their approach in addressing people capability issues is well-integrated with current and future organisational needs. Usually with involvement of all employees in leadership positions, in partnership with HR.

Thank you for completing the HRMD.

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