



SETTING THE STANDARD

The Standardisation of Human Resource
Frameworks

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The Reality of the HR Crisis

Organisations are under threat due to the increasingly complex labour market and the volatility of global economies. The unpredictable trends of skills shortages, redundancies, employee expectations, demographic shifts and industrial relations changes have all contributed to the lack of confidence in the reliability of labour.

The reality is that people management has become reactive and dependent on the individual skill of human resource practitioners (and managers) as opposed to organisational capability. What was once a vague business management principle, the art of managing employees, has now become an essential capability of business leaders in ensuring the sustainability and growth of organisations.

The HR Challenges for Business Today

» Labour is on average one of the largest costs to organisations. Businesses report that the cost of labour is escalating due to employee expectations for pay increases, compounded by the higher education and increasing skill level of employees and their growing levels of personal debt as well as increased competition between employers for talent.

- » The Red Tape Commission, formed by the Australian Government, estimates 75% of organisations struggle with paperwork and compliance and that unnecessary compliance costs could amount to some \$8 billion nationally. A significant proportion of compliance, and the expected growth in this area, is centered around employee management.
- » COAG (Council of Australian Governments) has placed central importance on building Australia's Human Capital as a key reform stream. The Commission has estimated that improvements in workforce productivity could add 3% to annual GDP.
- » Changes in legislation have caused confusion and mistrust. Organisations are at risk externally with escalated claims for unfair dismissal and fines. It is a risk to organisations that left unchecked could have dire consequences.
- » 54% of workers are intending to look for new jobs in the coming year according to a report released by Adecco.
- » It is estimated that it can cost more than \$48,000 to replace an average employee earning a salary of \$45,000.

In light of these compelling factors, human resource practitioners and business leaders are struggling to strategically position and manage human resource initiatives to optimise their workforce potential.

SETTING THE STANDARD

The Standardisation of Human Resource Frameworks

Human Resource Management - A Constant Battle

The legal, accounting and information functions of corporate services are now well-respected as mature professions within businesses and by the broader community.

These functions are central to business planning and monitoring. However, professional human resource services have been lagging behind and now organisations are missing opportunities as a result. Already it is clear that the most successful organisations are the ones that take people matters seriously and build human resource management into an operational business process.

But many human resource practitioners have constant battles within their organisations:

- » validating the return on investment and value of human resource strategies
- » arguing for sufficient, timely resources to achieve a noticeable impact and support organisational goals
- » educating and supporting managers and supervisors in contemporary human resource practices to not only minimise exposure to risk, but also to maximise employee output and outcomes.

Human resource issues arise from day one of employing people. Even micro-businesses (up to 6 employees) cannot ignore their obligations and must make maximum use of everyone's effort. Owner managers of small organisations

usually maintain human resource responsibilities for all their staff. In medium size entities, human resource management may be one aspect of a busy business manager's role. On average a distinctive human resource function emerges with organisations of over 75 employees (HR Coach Research Institute 2004).

Regardless of size, consistency across the human resource profession and across organisations provides clarity and streamlines practices.

Hence, the human resource function is the domain of both trained and expert practitioners as well as untrained managers who depend on intuition and personal experience. Their competence in the people management role is pivotal to the organisation's success.

Meeting the Need

The first national human resource standard, Human Resource Framework NS HRF-101:2010, was developed by representatives of industry across Australia, New Zealand and Asia Pacific to provide the consistency and security in human resource practices that organisations now need. Based on four years of research by the HR Coach Research Institute, the standard is designed to suit the full array of organisations - profit, not-for-profit, government, private, large and small.

Importantly, the standard is there to provide guidance to organisations. It is a voluntary standard to help organisations meet their obligations as well as to develop their employees to optimise their goals.

The national human resource standard, Human Resource Framework NS HRF-101:2010, also establishes the credibility of the human resource discipline and positions Human Resources strategically, as an essential component of competent business practice.

SETTING THE STANDARD

The Standardisation of Human Resource Frameworks



The Human Resource Framework (NS HRF-101:2010)

The Human Resource Framework NS HRF-101:2010 consists of five (5) key components within an organisation. The five (5) stages of business decision making:

- 1 Organisational measurement and planning
- 2 Human resource process and systems
- 3 Governance and compliance
- 4 Performance management
- 5 Workplace improvement

Each stage includes elements of evidence-based data and strategies to minimise risk and maximise sustainability.

The framework organises the human resource function of an organisation into a logical and

balanced sequence. It provides for objectivity, planning and ordered actions as a business discipline. It is not a replication of existing human resource systems, nor is it additional red tape.

Why Should Organisations Apply HR Standards?

The motivation for organisations applying standards has changed in the past two decades. Organisations have to streamline business systems to stay competitive. Certification and corroboration is no longer just a necessity of contracts and tenders, but an everyday compliance requirement.

The Human Resource Framework NS HRF-101:2010 is a business improvement tool, providing structure and authority to human resource functions. It enables simple mapping of existing systems, harmonising many requirements imposed by legislation and external bodies.

The Human Resource Framework NS HRF-101:2010 can be applied, irrespective of organisational size. It can assist professionals in many ways including education, training, mapping, auditing and certification.

SETTING THE STANDARD

The Standardisation of Human Resource Frameworks

What is Driving this Change?

Economic and labour reforms have instigated critical shifts in HR practice. The new industrial relations climate along with global financial influences is the trigger now for human resource management to come of age. The National Human Resource Standard is a blueprint, assuring sustainable human resource practice for future organisations.

A Blueprint for Business

For organisations without a structured internal human resource function, the Human Resource Framework NS HRF-101:2010 provides a simple and consistent method of managing people on an annual basis. The framework provides a guide to good human resource disciplines within the organisation, much the same as an accounting process.

For publicly listed companies, government organisations and multinational businesses, governance is under scrutiny. The Human Resource Framework NS HRF-101:2010 provides human resource professionals, management and Boards with peace of mind that their human capital strategies are being managed in a measured, disciplined and logical manner.

To request a copy of the Human Resource Framework NS HRF-101:2010 or to attend an information session please visit:

www.hrcoach.com.au
or call 1300 550 674.

HR Coach Research Institute

Human resources and business practice constantly evolve to keep pace with emerging issues and trends. At the HR Coach Research Institute, we understand that it is important to identify these changes as they happen, and to identify trends before they take effect in order to best deal with and benefit from them.

Our collaborative approach to research brings together senior executives, advisors, human resource professionals, special interest groups and expert matter specialists to make a difference to our understanding and application of knowledge for organisations now and in the future.

Our research is:

- » Collaborative - to maximise research resources
- » About understanding through knowledge
- » Challenging to conventional or assumed thinking
- » Practical - our research is directly linked to application to improve work practice and social wellbeing for employees and employers

SETTING THE STANDARD

The Standardisation of Human Resource Frameworks

Independent Committee

A Human Resource Framework Committee was established in 2009 and sponsored by the HR Coach Research Institute. It included due process for selection of a committee from industry bodies and associations including representatives from New Zealand. The Committee is chaired by an independent expert in industry standards and includes key representatives from:

- >> ASB Bank - New Zealand
- >> Australia Post
- >> Legal Practice Managers Association of Australia
- >> Franchise Council of Australia
- >> HR Coach Network Australia
- >> Recruitment and Consulting Services Association Ltd
- >> University of Queensland
- >> Griffith University
- >> University of Auckland
- >> Independent Advisors

The HR Coach Group

The HR Coach Group is backed by the HR Coach Research Institute and includes the Training Academy, Employee and Industrial Relations Services, Audit Division and 60 Network Offices across Australia, New Zealand and Papua New Guinea. For more information on HR Coach and the HR Coach Network visit www.hrcoach.com.au

For Further Information

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