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# Obtaining Customer Feedback on HR: Finding out what managers and employees think of HR services and the HR function

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Alison Carter, Wendy Hirsh, Mary Mercer, Peter Reilly



REPORT 479





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## Institute for Employment Studies

IES is an independent, apolitical, international centre of research and consultancy in HR issues. It works closely with employers in all sectors, government departments, agencies, professional bodies and associations. IES is a focus of knowledge and practical experience in employment and training policy, the operation of labour markets, and HR planning and development. IES is a not-for-profit organisation.

## The IES HR Network

This is the second report from the '*Customer Views on HR*' research programme.

The first report is: Wendy Hirsh, Alison Carter, Jonny Gifford, Marie Strebler, Susanna Baldwin, *What Customers Want from HR*, IES Report 453, Brighton: Institute for Employment Studies, 2008.

This programme of research is supported by the IES HR Network, through which members finance, and often participate in, applied research on employment issues. Full information on Network membership is available from IES on request, or at [www.employment-studies.co.uk/network](http://www.employment-studies.co.uk/network).

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We would like to point out that the examples in this report have been collected over a three-year period and are designed to illustrate useful approaches. They do not necessarily reflect current practices in the organisations named.

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## Executive Summary

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Following on from previous IES research on customer views of HR (Hirsh et al., 2008), this report considers the process by which these views were obtained. Through interviews with people in the HR function of a number of organisations we discovered not only how they acquire customer feedback on the HR function and its services, but also how they use these insights. Furthermore, the interviews identified various issues with the process of data collection. This research was supplemented by reviewing the content of a discussion on the subject by IES Research Network members and by a literature review.

Other research, using survey evidence, suggests that the majority of organisations do seek the views of the internal customers of HR, but there is a small minority of HR people who seem actively to avoid asking for customer feedback, perhaps fearful of what they or their employees/managers might find out. Others were worried about the time and cost of getting feedback from their customers.

The first question to consider is what is this feedback for? This was not always clear because from one perspective the emphasis in HR management is on improving the performance of *people management*, which takes in the role of line management as well as *HR policy and practice*. From another perspective, the focus is on the *service* HR offers its customers and how well this is delivered. It is the latter that is the concern of this report.

Those organisations that seemed to have the clearest view of the value of customer feedback linked it to some form of improvement plan or journey for HR in the business. This is understandable since HR transformation has been prominent in many organisations and they naturally want to track their progress on their change journey. The report gives several illustrations of how this has been done. The more developed approaches to feedback on HR look to link measures of the HR function with business measurement through, for example, the business impact of HR; the difference between the HR functional and wider people

management contributions; the distinction between efficiency and effectiveness; and the reporting of Human Capital metrics.

This leads on to defining who the customers of HR are, since the content of the feedback is related to who gives it. Here again, if it is people management performance that is in the spotlight, then employees will have to be included. If the concentration is on HR functional performance and service delivery, then the customer group will always include line managers, probably senior executives separately and, depending on the service model, employees as well. This is because different customer groups are serviced by HR in different ways. Our case study organisations tended to concentrate most on feedback from managers.

When looking at the nature of the questions asked by HR functions of their customers, there were various foci:

- purpose(s) of HR – what is the function seeking to do?
- service use and satisfaction, often for specific areas of HR service
- value or importance of specific areas of HR service
- general characteristics of HR service, which can cover a multitude of other things
- skills and behaviour of people in HR who deliver the service.

Surveys, focus groups and interviews were the prime means through which customer feedback data was acquired, though instant feedback on a service (eg via a call centre) was also used. In terms of data collection, some very detailed information was obtained along with answers to general satisfaction questions. Questions sometimes also covered whether HR's performance is on an upward path and a broader view of what customers are seeking from the function.

It is important for HR to present the findings of their customer inputs in such a way that it leads to worthwhile action. We came across a number of methods of doing this including:

- using a SWOT analysis of the HR function
- setting out the 'HR journey' as customers see it by describing how HR is now and how it could be in future
- applying feedback from managers on various types of HR activities and subject areas to a value/satisfaction matrix to prioritise HR improvement
- showing data on how HR service is delivered to, and perceived by, its customers as an explicit part of broader metrics or scorecards on the contribution of HR and the quality of people management.

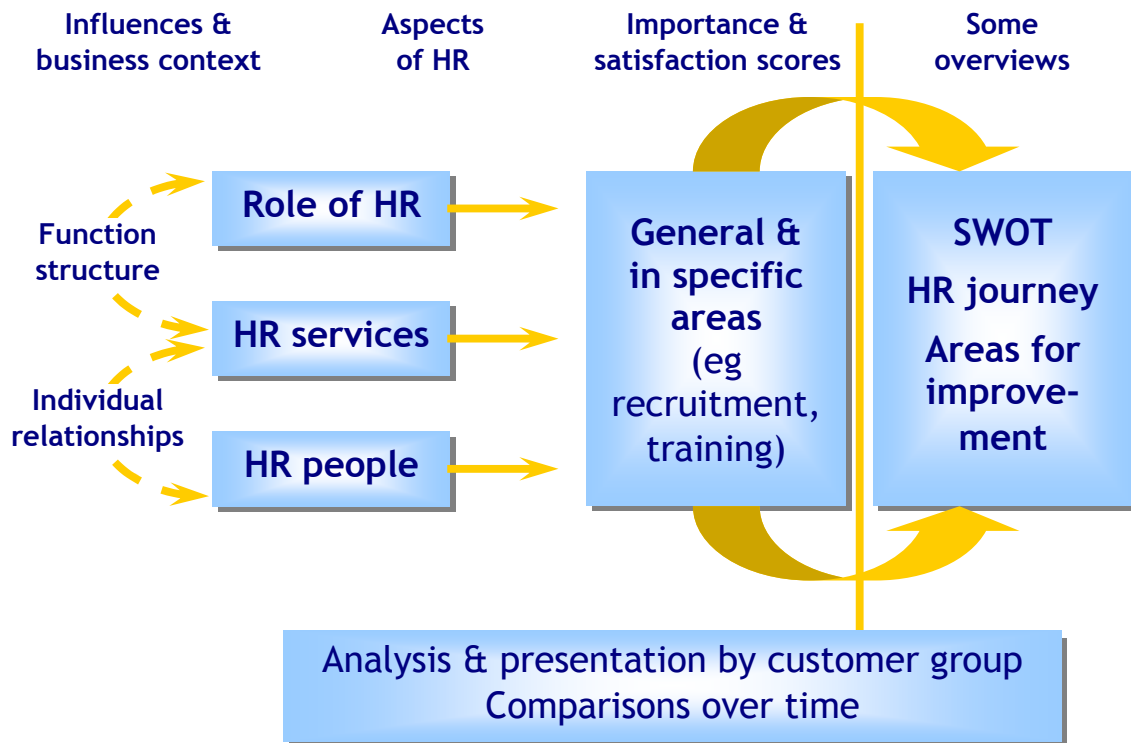


Other organisations used press releases and newsletters, websites, powerful visual images and ‘stories’ of their HR function improvement journeys to convey messages about views received and what was being done.

The insights from this research led IES to construct the following model of how the customer inputs link together and can lead to the end goal of performance improvement.

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#### Presenting customer feedback on HR



Source: IES, 2011

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Our member discussions suggested that organisations face a number of challenges in measuring the HR contribution, namely:

- an over emphasis on process and quantitative measures of service
- problems with the interpretation of results
- a tendency towards a short-term rather than a long-term focus
- difficulty with qualitative and softer measures.

The core of these issues relates to an overemphasis on measuring the transactional elements of interaction (eg speed and accuracy of service delivery) because they are easy to monitor, rather than the more strategic elements of HR’s work (such as influence, quality of advice and impact). Such an approach neglects the fact that many of the so-called ‘hard’ metrics are simply numerical representations of ‘soft’

attitudinal data. The irony here is that many HR teams are trying to shift the emphasis of their work away from the administrative to the more strategic, yet customer feedback (and other forms of HR measurement) emphasise the quantitative, short-term performance of the function. This is of course not an argument to neglect doing the basics well and getting customer perceptions on performance in this regard, but that to get at more complex performance issues, more thought needs to go into the method. Critical incident techniques could be used more often to elicit real examples of functional contribution, as could proper evaluations of policy initiatives and change projects.

The case study organisations did not seem to be so troubled by these issues or, rather, still felt it worth the effort to try and obtain the customer perspective on HR alongside other measures. As befits those that have a better-developed customer feedback system, they are more likely to use rather more sophisticated and well-designed techniques.

The conclusion of the report argues for a customer feedback process that is better thought through. This needs a clear purpose, which defines who gives feedback and what information is obtained. Data needs to be well-analysed and reported, and integrated with other business and people management measures. As a service function, HR needs to know how well it is supporting its customers in the organisation, but as a business function it also needs to know how it is adding value. Customer feedback obviously addresses the first but can also make a significant contribution to understanding the second.

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# 1 Introduction

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## 1.1 Background to the research

The past 10 to 15 years has been a period of frequent reorganisation and re-branding of HR functions in organisations. Cost pressures have been acute in many sectors, and economies of scale have been sought increasingly through shared services, the use of computer technology and outsourcing. Those in HR might characterise their function as being on a journey to increase its effectiveness and strategic influence.

At IES, we started to wonder, while HR was busy reshaping itself, what this looked like from the perspective of those at the receiving end of HR support and services.

Running from 2006 to 2010 and supported by IES HR Network members, a programme of research on *Customer Views of HR* focused on how the customers of HR have been experiencing the evolving nature of the HR function and its services.

This programme has added significantly to the knowledge base in this field. In undertaking it, we were building on and complementing a wide range of other IES work about the HR function, including:

- IES research for the Chartered Institute for Personnel and Development (CIPD): 'The Changing HR Function: Transforming HR?' and 'Managing and developing HR careers'
- other IES Research Network sponsored research, eg Human Capital Measurement.
- consultancy experience of auditing and re-designing HR and learning and development functions, involving range of methods.

## 1.2 Programme of research on HR Customers

As the first stage of *Customer Views of HR* programme, we conducted a literature review, an email survey of IES members and five in-depth cases studies. We also conducted a number of mini-case studies as described below, mostly following up the email survey responses. All these strands of activity addressed two related topics:

- what customers think of HR services and the HR function
- how HR functions find out what their customers think.

In the five main case studies, we covered both of these topics and held in-depth discussions with the HR function in each organisation on how it saw itself and how it engaged its customers in giving feedback. We also collected a large amount of empirical evidence direct from the customers of HR in the five in-depth case organisations during 2007. These five main case organisations were Sainsbury's (head office support to the retail business), East Sussex County Council, Government Communications Headquarters (GCHQ), an NHS Trust and Renesas (a high-tech company).

This empirical work focused on three customer groups – senior managers, line managers and non-managers. Data was collected through large-scale surveys in four of these organisations. Focus groups of managers and employees and interviews with senior managers were conducted in each main case organisation. A survey was also completed by all those attending focus groups. Over a hundred customers of HR participated in this research face-to-face and nearly 850 filled in survey questionnaires.

The feedback provided by this empirical work was the basis for the first report from this research programme: *'What Customers Want from HR'*, published in 2008.

Coming out of the e-survey and some IES Network events, we had further discussions with a number of other organisations, called mini-case studies in this report. Here we talked to HR but did not conduct our own empirical work with internal customers. We looked at methods they had used themselves to obtain customer feedback and at the results of such exercises. These mini-cases included the Civil Aviation Authority, a major bank, HSBC, the Ministry of Defence and London Councils.

In the period since the main research was conducted in 2007/2008, IES has worked with a number of other organisations on customer perspectives of the HR function. These include the NHS North West Strategic Health Authority and Boehringer Ingelheim (BI) (a pharmaceutical company) and a police force.

This second report picks up the second topic of the research programme – how HR functions find out what their customers think. It uses material from the discussions with HR in both the main and mini-case studies.

## 1.3 So what do customers want from HR?

The executive summary of the first report is given as Appendix 1. Here we will highlight just a few of the main messages. The report covered:

- what customers say about the role of HR – what is function for?
- feedback on HR services in specific areas of HR activity and how customers see these areas and their evolution
- more general aspects of HR service – how the function behaves with its customers and the kind of relationship customers are looking for.
- feedback on what is looked for in HR people, and implications for the skills and development of HR professionals.

### 1.3.1 Key messages on ‘what customers want’

Six key messages arose from the first stage of the IES research. What customers of HR want is:

- an HR function seriously *engaged* with its customers’ needs
- *responsive* HR, which has strong customer focus and gets the basics right
- an *independent-minded* HR function which can balance employee and business needs and challenge the line where necessary
- HR solving problems that are strategically important for the business
- a *‘proactive’* HR function, helping managers look ahead and ‘nipping potential problems in the bud’
- *professional* HR which has real expertise and can act as real ‘people partners’ to line managers, ie partner with them on their people issues.

### 1.3.2 Issues about the nature of HR

Some issues were also raised about the nature of HR:

- HR tends to use language and ways of thinking about itself which are not always sufficiently connected to the rest of the business.

- Customers are not interested in how HR organises itself and simply expect the function to behave in a seamless way – but HR increasingly talks about itself in structural terms, eg business partners, shared service, and the mystery beyond.
- Customers see the purpose of HR as *supporting* the business to *perform*. So they do see it as a support function, albeit a very important one. This is a perspective that the more self-inflated disciples of strategic HR find hard to swallow.
- Senior managers are more interested in HR service to employees than HR is. Customers recognise subtle issues about the interests of the staff and of the business and appreciate the need to motivate and engage staff through having their own HR concerns well dealt with.
- Customers do not naturally divide HR sharply into ‘transactional’ versus ‘strategic’ HR, in the way that HR often does. In particular, highly skilled HR *advice* is crucial – and certainly not transactional. Managers also see the development of their own people management skills, through good HR support on specific issues, as part of the function of HR and also part of their own leadership development.
- The role of HR is different in each area of HR work, and we need to unpick these contributions to figure out how best HR works with line managers on different kinds of issue. So, for example, the kind of administrative support which is an important part of effective recruitment or payroll is very different from employee relations advice or the delivery of management learning. The way HR needs to work with managers and the employee in different areas of HR is also very variable.
- Not all leaders wish to involve HR in what we might call ‘*demand*’ side issues – work design, organisation structure, productivity etc. Some see HR as having only addressed ‘supply side’ issues for many years (recruitment, reward, training etc.) and do not see HR as having real skills to offer in organisation design and productivity improvement. There is an opportunity here for HR to show it can add more value.
- Most managers want more practical help with *the future* – connecting workforce planning, careers, talent and change management. They find the fragmentation which HR terminology introduces into this area is unhelpful and gives them too many separate processes or toolkits to work with.

### 1.3.3 Engaging customers

The research also raised issues about how HR engages with its customers:

- HR does not often talk to people – even senior managers – about what they want and need.
- Getting feedback on specific experiences of HR service is not the same as a wider reflection on the function/service overall.
- The research showed that overall satisfaction with HR tended to correlate with satisfaction on aspects of service where people feel most vulnerable, eg getting good advice, managing change, dealing with difficult people and/or difficult situations. Delivering well on the 'basics' was also crucial.
- The customer views shed useful light on the strengths and weaknesses of HR people. In particular, people working in HR were often seen as very professional, skilful and good to work with. But sometimes the way the function was organised did not put these skills to effective use.

Customers were very keen to give challenging but constructive feedback to HR:

- Those interviewed often said they appreciated the chance to engage with HR in improving its service to the business.
- Sometimes they were concerned about whether they could speak in confidence and they were often nervous about hurting the feelings of people in HR, who they respected and valued.
- Customers were willing to fill in surveys from time to time but rather preferred talking about HR. This enabled them to put across more subtle views. It also gave them more chance to reflect on their views.
- If customers are asked to give feedback on HR, it is really important that the findings of such exercises are fed back to the business and to HR teams and that people know what action is going to be taken.

## **1.4 Exploring how to obtain customer feedback on HR**

The messages above and our in-depth interviews around collecting customer feedback are the start point for this second report. We collected a considerable volume of material about methods of obtaining customer feedback. We also developed and trialled our own approaches in the empirical part of this research programme.

### 1.4.1 What we asked about obtaining customer feedback in case organisations

In both the main and mini-case studies we conducted semi-structured interviews or group discussions with people in the HR function. These specifically addressed the issues of how to obtain customer feedback. We asked:

- What HR activities do you monitor, how do you report the data, and to whom?
- Do you ask for feedback from managers and/or employees on aspects of HR or the services HR provides? If so, what methods do you use and what kinds of questions do you ask? How often do you ask? (*Where possible examples of questions, survey questionnaires etc. were collected*).
- What have you learned from managers/employees about aspects of HR service which they see as (a) strengths, and (b) unmet needs or areas where they would wish to see a better or different service?
- Do HR professionals see the same strengths and weaknesses in HR provision as your internal customers?
- What do you do with customer feedback you obtain on HR? Have there been any changes made as a result of feedback and how were these communicated?
- If you do not ask for feedback, why is that? What would be the most appropriate way for HR to do this?

The results of these discussions, and especially the illustrations we collected, are used in Chapters 3 and 4 of this report.

### 1.4.2 IES Research Network discussions

Early on in the research programme, in spring 2007, we discussed the challenges of obtaining and using customer feedback on HR at an IES Network member event.

In June 2008, the emerging findings of the research were discussed by 40 senior HR delegates at an IES conference on 'HR Functional Excellence'. Each of seven round-table discussion groups was asked to discuss and record on flipcharts their answers to a range of questions about measuring HR performance:

- Is there anything you find hard to measure about HR?
- Why are these things difficult? What are the contextual or other issues?
- What's so difficult to measure that you have given up?



- Which measures are worthwhile persevering with and finding a way to measure? What are your ideas for how they might be measured?

The points made in this discussion are reported as part of the next chapter.

## 1.5 Structure of this report

Thus, in this report we have a number of questions to ask:

- Who are the customers of the HR function and its services?
- Is HR asking their views?
- Where are the difficulties in getting customer feedback?
- What is the content of their inputs?
- How does HR obtain this information?
- What techniques seem to work best?
- How does HR analyse and present the material it gathers?
- How does this fit in with other measurement and assessments of HR and people issues conducted in the organisation?

The report is organised as follows:

**Chapter 2** sets the scene with issues raised in the literature about obtaining customer feedback on HR and inputs from an IES conference discussion on the same theme. It highlights some of the practical challenges faced by employers.

**Chapter 3** illustrates a range of approaches to, and data collection methods for, obtaining customer feedback on the HR function and HR services.

**Chapter 4** illustrates some options in presenting and using customer feedback obtained, and highlights the need to link to action.

**Chapter 5** reflects on the need to position customer views within a wider HR and people management context and illustrates some theoretical approaches and practical examples.

**Chapter 6** suggests how to approach obtaining and using customer feedback in your own organisation.

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## 2 Customer Feedback: the Challenges

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In this chapter we look at what the literature tells us about obtaining customer feedback on the HR function and HR services and also summarise the views of employers who discussed their challenges early on in this research project.

### 2.1 Different views on the ‘customers’ of HR

The possible customer groups which might comment on HR performance were identified by Reilly and Williams (2006) as including senior managers, line managers, employees, employee representatives, and external bodies such as government agencies, suppliers and contractors.

There is some academic debate over which of these or groups are best placed to provide the most helpful customer feedback on the HR function. Despite authors such as Huselid, et al. (1997) making the case that it is employees who will provide the most honest evaluations of HR programmes and practices, others (eg Wright, et al., 2001) argue that top line executives represent the best evaluative source for two main reasons. Firstly, they are the most involved of all ‘service users’, in that they are both subject to HR policies, and additionally have vested interests in their positive impact on employees. Secondly, they are in a good position to judge what practices are likely to be in the organisation’s best interests, providing a more rounded view that balances ‘what employees (think they) want’ against the actual returns to those employees, or the financial impact on the business, related to particular courses of action.

This difference of view may stem in part from what the feedback is for: what it is aimed at. Huselid, et al. (1997) were interested in ‘HRM effectiveness’ which is a very broad concept, and so they may be right that any assessments in this area should reflect the needs and desires of diverse stakeholders. Alternatively, if the question concerns the HR function’s organisational contribution, then managers rather than employees may be the best judge. This is especially true given HR’s desire to be more business aligned than in the past and less of an employee welfare

service. Indeed, in the UK at least, HR has roundly rejected Ulrich's notion of the function being the employees' 'champion'. In a 2007 CIPD survey (Reilly et al.) 'only eight per cent of respondents thought that helping employees was HR's most important task, and in nearly 800 written responses to the question of HR's purpose, nobody mentioned championing employees and only two saw HR's role as 'to encourage and facilitate employee voice'.

## 2.2 Is HR asking customers for their views?

Most of our 40 round-table discussants at the IES Research Network conference on HR Functional Excellence were enthusiastic about HR performance measurement and included customer feedback within their portfolio of measures. However, a small minority of HR people seemed actively to avoid asking for customer feedback, perhaps fearful of what they or their employees/managers might find out. Others saw the additional time and cost in asking for customer feedback leading to it being considered an 'optional extra'. HR's lack of expertise in evaluation and research methods was also suggested as another factor putting them off. One comment was:

*'We are not at the stage where we have asked what customers want – self preservation! What if we can't deliver what they want?'*

A related reason given for having hesitated in the past from getting customer feedback was around managing expectations and the difficulty of arriving at a balanced view of what's possible for the HR function in terms of taking account of both the service offer and the cost. Managers can only have everything they want at considerable cost, which may be unrealistic or at least greater than the business wants to pay. This is a common organisational dilemma: is it better to reduce HR staff numbers and expect line managers to do the work, or is it better to allow managers to do what they do best, and have a well-resourced HR function? Some felt that building HR credibility was central to having a better debate about the role of HR within the business. Some wished to spend more time getting the basics right before opening up HR services to criticism from their users. But this can easily become a reason for it never being the right time to involve customers directly!

So what of the quantitative evidence for customer feedback? In one of the most comprehensive surveys of practice in this field, the CIPD asked almost 1,200 senior HR practitioners about measures of HR performance (CIPD, 2003). Obtaining line managers' views was the most frequently cited form of assessment, with 70 per cent of respondents indicating that this was the method they used in their organisation. By comparison, 'business outcomes' was ranked second, with employee surveys the third most popular measurement tool – just over half of the

sample reported using these. Only a quarter spoke of relying on cost-benefit analyses.

Producing similar results but across Europe was a 2006 survey from the consultancy Mercer (2006). It found 60 per cent of HR respondents surveyed their customers and only 34 per cent examined the business impact of HR and a similar proportion the effectiveness of line managers as people managers.

In the later CIPD survey in 2007 (Reilly, et al.) of nearly 750 organisations, between a third and a half of organisations said that they sought line manager opinions, especially on the quality of the HR service and the effectiveness of the function. Around a half of organisations also appeared to be measuring business performance, employee attitudes, HR costs and ratios, and measures of people performance, like absence.

As to employees, around 40 per cent of the organisations in this same study asked employees about HR service, which is interestingly not that different from the proportion that survey managers.

Many organisations also carry out regular staff attitude surveys in order to gather feedback on a wide range of issues (Daniels, 2006). Through these attitude surveys, the HR department may canvass opinions pertaining to the general state of the business, or assess employee well-being, satisfaction and commitment. In addition, organisations often make use of specific feedback questionnaires in order to evaluate, for example, the usefulness of induction and training programmes. Such research will rarely ask for comments on the HR function per se, and generalised opinion data can at best provide only proxy measures of attitudes toward HR.

Some questions in these surveys, or specific surveys, obtain employee reaction to HR policies and practices. However, employee opinion may relate to the way the policy has been implemented rather than the policy itself, and even the content of the policy/practice is not wholly the responsibility of HR. For example, it may be hard to argue definitively that a dissatisfaction with pay constitutes a dissatisfaction with HR, or a strong level of organisational commitment reflects good HR practices. In this vein, Guest (1999) argues that we should ideally measure 'reactions to a set of practices'; that is, maintain a focus on the concept and system of people management as a whole, as opposed to disjointed elements of it.

So if you want to get employee opinions of the HR function, then it is best to ask for them directly, perhaps as Guest suggests, along with their views on people management practice.

The Royal Bank of Scotland surveys its customers annually, in three cohorts consisting of employees, front-facing HR staff, and executives/senior management (Thomas, 2005). The effectiveness of the HR function is assessed in terms of product delivery, service provision and business partnering respectively for the three groups. RBS subsequently employs an external consultancy to collate and present the findings, which are benchmarked against other companies to provide tangible results about how well HR is performing.

## 2.3 Deciding what to measure

When the IES Research Network conference debated the question of the measurement content, context was perceived as all-important. In part this is because the very purpose and role of HR varies between organisations. This makes it more difficult to use standardised measures with a relatively standardised set of stakeholder groups. For instance, one HR director was happy to seek feedback on certain services from managers but not employees (as HR was not contracted to provide those services to employees). Despite this, the meeting did agree that a small number of measures were worthwhile across all their organisations. Their suggestions included:

- who leaves the company and why they leave
- turnover and absence – expressed in terms of business impact, using business language, eg sales capacity lost
- employee confidence in using new technology
- line manager confidence in their people management skills
- quality of HR advice.

We note than only the last of these is a direct assessment of HR service. The others are more assessments of the workforce or of people management by the line.

This emphasises the question of what the objective is of any customer-sensing exercise: purely functional or activity based? It is not easy to separate them. Given the centrality of line managers to people management and HR's dependence on them to deliver functional initiatives, the extent of line management confidence and capability in delivering on people management issues is critical. A lack of well-trained managers means HR ends up doing 'handholding', which might explain the desire to measure line manager confidence in people management.

One of the complexities the participants identified was where the HR function is not purely responsible for the issue (eg Corporate Social Responsibility), so how you take account of that, not just in asking customers for their feedback, but also

in assessing the results. This raises the issue of causality: to what extent can you demonstrate that HR activity has beneficial organisational results, especially where, as is usually the case, there are other variables involved, not least the contribution of managers? We will return to this point later.

Despite these difficulties, some HR specialists thought that the HR function should not measure itself, just measure its support for organisational objectives/priorities. This chimes with the desire in some organisations to move from measuring inputs to assessing outputs or, even better, outcomes.

## 2.4 Challenges in measurement

The round-table discussions identified a number of issues in measuring the HR contribution, namely:

- an over emphasis on process and quantitative measures
- problems with the interpretation of results
- a tendency towards a short-term rather than a long-term focus
- difficulty with qualitative and softer measures.

### 2.4.1 Process and quantitative measures

While employers involved in our round-table discussions felt that their HR functions were doing a good job in collecting quantitative information about a range of processes and systems, there was a concern that there is currently an overemphasis on measuring the transactional elements of interaction. This was evident especially in relation to advice given to employees by HR staff over the telephone. For example, they measure the proportion of phone calls answered in X number of rings rather than the content of any subsequent conversation. While these transactional measures are useful, the real value comes from the quality of the discussion during the call, and this was not often being measured in such a systematic way. Similarly, the number/percentage/frequency of appraisals undertaken is easy to measure, but were the discussions any use?

Some employers also collected data from users (employees and managers) of HR processes, usually on an occasional spot-check basis, to test ease of use and accessibility of these processes. However, again, in, say, a vacancy-filling/recruitment process it is easy to measure how long it takes to fill a vacancy and whether applicants perceived they had been treated 'fairly' but much harder to be certain the processes/procedures are optimal in terms of delivering the appropriate people at the appropriate time.

## 2.4.2 Interpretation

The employers we spoke to felt that interpreting customer responses was situation specific. Some felt that perceptions of HR would depend on how far along its journey HR is, eg if HR has re-organised and change is embedded, you would expect customers to be more satisfied. It therefore did not lend itself to crude inter-company comparisons or benchmarking.

There is also the potential for customer messages to get 'lost in translation', especially when it comes to managers saying 'I just want...'. What managers say they want may be difficult to measure. For example, while managers want advice and it is HR's role to give it, how do you determine whether the advice helps the organisation meet its business objectives? What does a high satisfaction rate actually mean? Could it be that HR is only telling managers what they want to hear and not what they need to hear?

Indeed, the quality of advice given was identified by most of our round-table discussion groups as one of the hardest things to measure. Most HR advice is a matter of judgement and takes place during conversations.

This issue overlaps with the concern employers have in measuring business partner advice to senior managers and line managers. It was suggested that the value of business partner advice might be more appropriately measured through the quality of the relationship and communication rather than focusing on interventions provided as a result of the relationship. So we came back to the need to ask managers themselves about this kind of support through questions such as:

*'What have you done differently as a result of advice provided by your business partner? What was the outcome?'*

## 2.4.3 Long-term and future-orientated activities

HR policy and workforce planning were two common examples of HR activities whose success can only reasonably be judged over the long term. Involving line managers in developing policy is commonly accepted as 'good practice' but that may make it even harder to know what to measure about policy. Dimensions might include: achievement of the policy aims, employee/line manager satisfaction with the policy itself, the extent of understanding and conformity to the policy or whether the policy has been developed 'proactively' rather than 'reactively'.

Measuring HR's contribution to strategic/corporate initiatives was also felt to be problematic when the timescales can be long. HR often do not 'own' such initiatives, so measuring contribution is complicated by the issue of how you might apportion success or lack of success. Sustainability of success was also



raised as something worthy of measurement as sometimes the benefit stops when the person who led/introduced the initiative leaves.

Impact assessments on the business, as well as outcomes, were mentioned as generally problematic in terms of difficult to measure. As one conference attendee said, *'We can count flexible working contracts but what's the effect on the business?'*

#### 2.4.4 Qualitative and softer measures

It can be expensive and time consuming to undertake evaluations of 'soft' interventions such as some personal skills training, leadership development and coaching schemes. There were diverging views among our round-table attendees about whether it was worthwhile to measure these.

Most agreed that it was straightforward to identify the impact of these interventions on individuals in terms of behaviour change and perceptions of quality of the interventions. Some employers also measured the self-perceptions of leaders about their own confidence levels in doing their people management role effectively. It was extremely difficult to identify the impact on the organisation and, in particular, whether the organisation performs better as a result. Some people thought trying to measure the RoI (return on investment) of HRD interventions was essential for credibility within the business, while others felt such methodologies were fundamentally subjective and a waste of resources.

Additional measures considered hard to measure were the:

- accessibility of personnel management information
- corporate HR function itself
- HR contribution to effective leadership
- employer brand.

## 2.5 Summary

In this chapter we have set the scene with accounts from the literature of some of the main issues in assessing HR services and the effectiveness of people management more widely. These issues impact on ideas about HR performance measurement and the usefulness of customer feedback. This has been supported by the views of IES Research Network members. We have also outlined some of the practical challenges faced by employers and what they find hard to measure.

Questions have been raised as to who the customers of HR should be (for feedback purposes), what they should be asked and how this links to the purpose of obtaining customer feedback.



The picture painted of the difficulties in HR measurement was not replicated in the empirical part of this research programme. Some member reaction was rather defensive, although our research shows they need not be as the feedback collected was mostly very constructive. Similarly, reported difficulties with analysis are eased when breaking down questions by areas of HR, characteristics of service etc.

However, it is already evident that in gathering feedback, there is a need to separate people management performance from HR service. Moreover, it should also be recognised that customers are a tangible place to start in measuring the latter. This does not give the whole picture of the HR contribution or delivery, but it is a useful bit of the jigsaw.

Finally, the reported overemphasis on measuring the transactional elements of interaction because they are easy to monitor, rather than the more strategic elements of HR's work, is a key issue. This is because many HR functions are trying to shift their work away from the administrative to the more strategic. If customer feedback (and other forms of HR measurement) focus on quantitative, short-term performance, it will undermine this transition.

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## 3 Practical Approaches to Obtaining Customer Feedback

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There are three key dimensions to consider in obtaining feedback on HR:

- who you are going to get feedback from
- the content of the questions you will ask – what you want to ask about
- the method you will use to ask the questions and obtain feedback – data collection methods.

In this chapter we illustrate how our case study organisations addressed these choices.

### 3.1 Who will you ask for feedback on the HR function?

Quite a lot of the organisations taking part in this research programme only asked for feedback on HR from line managers.

- One of the key findings in the first report is that most senior business managers consider employees who do not manage others also to be key customers of HR. They may have access to less advice, but are certainly at the receiving end of personnel administration and training and have a legitimate stake in areas such as performance management, well-being and so forth. We would therefore strongly suggest that organisations should consider getting feedback on HR from non-managers as well as from those who manage others.
- Within the management populations IES also found that senior managers have a distinctive set of needs for HR services which are different from those of junior and middle managers. It is also difficult to include senior people in focus groups or in filling in surveys as their diaries are often problematic and their views can get lost in large aggregated data sets. So it is worth considering using

specific methods to obtain the views of a sample of senior people in the business.

- It is tempting to exclude the people who work in HR from giving feedback on their own function – after all they may be customers but also have a special interest in the function and, one hopes, a deeper understanding of what it is trying to do. The empirical part of this research programme did not include focus groups or surveys of HR staff in the main case organisations, but we did have in-depth conversations with people from the HR function in both the main cases and the mini-cases. Some of the examples below have included data collection from HR people and this can be most useful as long as they are examined as a separate stakeholder group to avoid diluting or contaminating the feedback from ‘genuine’ customers. This generates a kind of 360-degree feel to HR feedback, enabling comparison between perceptions in HR and outside HR – somewhat like 360-degree feedback for the HR function.

## 3.2 What might you want to ask about?

In our research we encountered a very great variety of questions being asked of HR customers, together with some advice and warnings from the organisations who had asked the questions.

### 3.2.1 Common areas for question content

We found several distinct areas of content that perceptual questions were built around:

- Purpose(s) of HR – what is the function seeking to do? What does the business need it to do? What would stakeholders/customers like it to do?
- Service use and satisfaction, often for specific areas of service – which services do customers of different kinds access, and how frequently? How do they experience the service and how satisfied are they with it? Asking these questions for specific areas of HR work (eg recruitment, training etc.) can usefully augment a blanket satisfaction rating.
- Value or importance of specific areas of service. In many ways a twin to satisfaction questions are questions about how important different aspects of HR service are. Again it is instructive to contrast different areas of HR work (eg recruitment versus training) or different modes of operation (eg policy advice versus administration). IES has found that feedback on importance may be more critical to understand than simple service satisfaction. Being able to combine feedback on importance with feedback on satisfaction is especially

powerful. Are you good at the things which matter most? Is a lot of HR effort going into activity which is not seen by customers as adding much value?

- General characteristics of service can cover a multitude of other things one would like to know. Is advice given seen as consistent? Does HR really act as a partner to the business? Does HR get the basics right? *What Customers Want from HR* shows the results of asking about such general service characteristics. It is important that each organisation thinks about which items to ask about here, reflecting what people feel is important in what HR has promised to perform.
- Skills and behaviour of people in HR delivering the service. The earlier study found that feedback on people working in HR was often at odds with feedback on the function. This is like the difference between how people rate the NHS and how they rate their own GP. Feedback on the knowledge, skills and behaviour of HR people can lead to very useful action which improves the function quite quickly.

### 3.2.2 Finer cuts through the data

There were a number of ways in which different organisations chose to dig a bit deeper in these general areas, and some lessons about how to frame questions:

- It is important if asking about areas of HR work, that these are terms which customers will understand. For example, in some surveys conducted by IES, organisations did not use the term OD much internally. In such cases we learned to ask about 'support in managing change'. Areas such as employee well-being, workforce planning and talent management were also often confusing for people. It is worth adjusting these terms, certainly if a survey is going to be used.
- Some organisations asked about different aspects of service delivery within an area of HR work. For example, satisfaction with performance management *policy* may be different from satisfaction with practical *advice* and support to implement the policy on performance management. Quite a lot of customers wished to differentiate their views in this way.
- In some organisations, HR is visibly fragmented into different teams. Customers begin to see the 'shared service', for example, as a different bit of HR from their 'business partner' or someone in central HR they may talk to about a particular issue. In some organisations the HR function is seen as somewhat separate from the L&D function. Some customers wanted to be able to say that they found some bits of HR more helpful than others. If this is likely to be the case, one might usefully segment some questions in this way. It might also be

helpful if some of these teams or roles are new to find out how well they are bedding in.

- In some circumstances an enquiry into the quality of HR services may be part of a wider investigation of people management. In such cases, extra care is needed in framing questions to clarify whether one is interested in what HR is doing, what line management may be doing and how the two may work together from the perspective of the employee. Managers and employees often blur the distinction between HR services and people management but the difference is really important in terms of understanding what might improve outcomes.

### 3.2.3 Some overview questions

The kind of data above can get quite detailed. It is helpful to add some questions, often open-ended in nature, which allow customers to express more vividly what they like or don't like about HR.

Here are some of our favourite ones:

- An overall satisfaction rating can be useful, especially to see which of the more detailed questions correlate with this rating. This adds powerful data about what people are thinking about when they express overall satisfaction with HR. For example, in *What Customers Want from HR* we found that supporting people well in difficult times or with difficult people was closely linked with overall satisfaction. So whatever people say they want from HR, they value getting practical help when they are facing a stressful problem.
- An indication of whether HR service is improving or getting worse over time is a useful addition. If customers are not especially satisfied but think that HR is getting better, that is important to understand.
- Critical incident-type questions are helpful such as '*Think of a time in the last year when you felt HR was **very effective**. Can you indicate briefly what the situation was, what it was that HR did which you felt was **particularly effective**. Also indicate the outcomes of this effective action.*' The same can then be asked about a time when HR was ineffective.
- Suggestions for improvement are often helpful, such as '*What one thing would you like the HR function to do differently?*' In one case organisation, so many of these comments on a survey asked HR to answer the phone that they really took this feedback seriously for the first time.
- Pictures or metaphors or other descriptors can also be a powerful way of unlocking the really key issues. They are also fun, especially in a focus group setting. In a number of case organisations and in many subsequent workshops

and consultancy assignments, IES has asked customers to use a single word (or brief phrase if they really insist) to describe '*HR as it is now*'. Then another word is requested to describe '*HR as you would like it to be*'.

### 3.3 What methods of collecting feedback might you use?

This IES research programme has used a number of ways of obtaining customer feedback on HR.

Within each of the methods below we segmented customers into at least three groups: senior managers, line managers and non-managers. In some cases we were able to add a separate group of people working in HR. In some more recent assignments we have additionally segmented customers according to business division or geographical location etc.

#### 3.3.1 Survey methods

Surveys are the best way of capturing the views of large numbers of people and also allow for more statistical analysis of the inter-relationships between answers to different questions.

Although many organisations use focus groups for almost all in-company research, surveys can sometimes provide more reflective answers and avoid the 'herd instinct' which can take over in some focus groups if certain individuals impose their views on others.

IES has used both sample surveys and whole-workforce surveys in this area. Respondents usually give some additional information on themselves – for example, job or grade, gender and length of service – which can allow for some of these factors to be explored.

The use of web-based or on-line surveys has made survey analysis much cheaper as the data is directly entered by the individual and can drop straight into an appropriate analysis package.

The inclusion of a small number of open-ended questions, like those shown above, can augment the numerical data collected with some more personal and contextual comments.

Some employers feel that they have over-surveyed their workforces in recent years and so have become resistant to using surveys.

Annual employee surveys are very widely used now but rarely include any questions about the HR function or advice received from HR. This is in some ways a missed opportunity to shed light on why employees feel satisfied with some

aspects of their employment experience and less so with others. Some case organisations, such as the Civil Aviation Authority (CAA), used their employee survey results to highlight aspects of employment which perhaps needed more input from HR, for example personal development planning, communication on pay.

### 3.3.2 Focus group discussions and mini-surveys

Focus group discussions do lend themselves well to this subject area. As replies can be complex, a focus group of eight to 12 is better than a very large one. IES has conducted a number of studies of HR feedback and has found that even two or three focus groups (say one of managers, one of non-managers and one of HR staff) can shed considerable light.

A slightly larger number of focus groups can permit more segmentation by job type or function. For example, in one company, splitting non-managers into those with professional type jobs and those in administrative support roles was useful in terms of both the ability to speak freely and the ability to drill into some job-specific HR issues, such as the effective recruitment of scarce skills.

In designing a focus group discussion, it is helpful to group questions into broader chunks, for example the purpose of HR, how well it delivers, and how good HR people are.

The overall questions about HR suggested above can form a very fruitful end point for a focus group. People can go round the table offering an adjective or pithy phrase, for example, and enjoy hearing each other's and 'having their say'.

IES has often used mini-surveys in combination with focus groups and found this an effective approach. It is especially helpful where the organisation does not wish to use a large employee survey. A short survey questionnaire is administered at the focus group meeting, filled in as people arrive and/or at the end. It helps the participants get their brains into gear on the subject; it provides some quantitative data, albeit on a small sample; and makes sure that everyone has had their say, even if some are quieter in discussion. Open-ended questions in such mini-surveys can also provide vivid illustrations of how people feel. These can be given to HR verbatim once anything identifying the individual has been removed.

### 3.3.3 One-to-one interviews

Interviews allow for the deepest and most enquiring discussion, but are obviously more resource intensive. They have the advantage that they can be fixed at a time to suit the individual and take place on the phone as well as face-to-face.

IES has found such interviews very helpful for senior managers to give their feedback on HR. Interviewing by phone can be a quiet and reflective experience for the participant. It can also access people working in different countries or remote locations.

### 3.3.4 Card sorts and other exercises

Specific ways of asking questions can be built into focus groups or interviews.

For example, critical incidents can be collected or repertory grid techniques can be used to compare and contrast different experiences or areas of HR work.

IES has used a simple card sort in its work on HR customer feedback, used largely with senior managers. In this case, a number of cards were produced, each with the name of an area of HR work, eg recruitment, performance management, training and development, and employee relations. These areas matched those used in other surveys in the same organisations.

The participant was invited to sort the cards into three piles – high, medium and low:

- The first sort was in terms of how much they used an HR service (so high here would mean used a lot).
- The second sort was in terms of importance or value (how important is HR service in this area?).
- The final sort was in terms of effectiveness (how effective is HR service in this area?).

This exercise prompted extremely useful discussion of why they had sorted their cards this way and why they thought certain areas were important or effective.

By sending the list of areas in advance, the card sort was managed perfectly easily by phone. Individuals were asked to say which of the items had a high score, which medium and which low and then the discussion developed from there.

### 3.3.5 Other opportunities to get feedback on HR

IES used the methods above in combination in this research programme and has continued to apply and refine these methods in various consultancy assignments.

Other situations present opportunities to ask some questions about HR services:

- Many companies ask for feedback immediately or shortly after a service interaction. This will often ask if the query was resolved. There may also be questions about the behaviour of the person who gave the advice, how quickly



HR responded to the call or email etc. This approach is especially common with HR service centres. It could also be usefully applied to interactions with HR business partners.

- Evaluations are sometimes conducted of larger HR interventions or programmes of work. For example, one of the cases reviewed each major recruitment round. In addition to hard metrics (eg numbers of applicants and recruits) and outcome measures (eg quality of recruits), they asked both managers and recruits to comment on how effectively HR contributed to the process. Similar approaches were used in evaluating leadership development programmes, the introduction of a bonus scheme, etc.
- ‘Mystery shoppers’ can be used for HR services, again most commonly with service centres. They give feedback on how they experienced the service.
- Consultations over HR policy changes provide the opportunity for HR to ask for feedback at various stages in the change process. This can be feedback on a policy or process but may also cover how HR supports managers and employees in operating that process. In some organisations workforce representatives may play this role. In Sainsbury’s – one of the main cases in this research programme – the staff consultation group, called the Colleague Council, is regularly consulted on employment and HR matters. They appreciated the opportunity, during the course of this research, to have a broader conversation about the HR function and its services for employees.
- Some performance management systems involve internal customers giving feedback on HR people as part of their own performance review, although this would normally be information confidential to the individual and their manager.
- As mentioned above, employee attitude surveys provide an opportunity to ask about HR services, but these questions are not often included.

### 3.3.6 Before and after data collection

For any of the methods above, the investigator should pay attention to what happens before and after the data collection. Participants in such exercises should be well briefed beforehand as to the purpose and overall content of the exercise, and be reassured on matters on confidentiality etc.

After any kind of data collection, we would suggest that those involved always have access to a summary of the findings and, if possible, of what the HR function or organisations will do differently as a result.

### 3.4 Case study examples of approaches to data collection

In this section we present a selection of case illustrations of approaches to obtaining customer feedback. They comprise:

- A partnership of 64 NHS organisations in the North West, who collected ‘stakeholder feedback’. The content of questions was linked to a model of World Class HR as part of an HR function performance improvement project. The method was an on-line survey administered at the start of the project as a baseline position and again two years later to assess progress.
- Boehringer Ingelheim (BI), an international pharmaceutical company, used IES to conduct an evaluation of its HR function. This used some of the methods developed by IES in the *What Customers Want from HR* research, including focus groups, interviews and a mini-survey.
- A major financial service company used surveys to target users/customers of two specific business-critical HR teams, which fed directly into the overall organisation’s scorecard. The two teams were the HR business partners and the Shared Services Centres.
- GCHQ, a case study in the first report, used formal customer groups to obtain feedback on HR and an annual survey of senior management HR customers. It also triangulated these findings against the annual employee attitude survey.

#### 3.4.1 Collecting and benchmarking ‘stakeholder feedback’ through on-line surveys in the NHS

##### The organisation context

There are 64 NHS organisations across the North West of England serving the health needs of some six million people. The intention was to gather feedback about HR from key user groups. This was part of a wider collaborative HR performance improvement initiative called ‘Towards World Class HR & OD in the NHS’. The project assisted HR professionals with a stock take of what they provided and obtained feedback about their service. The aim was to make necessary changes to become world class. The project was shortlisted for an HPMA Excellence in HRM award in 2009 in the ‘HR building capacity for organisation improvement’ category.

##### Content of the questions

An on-line survey was developed with questions specifically linked to each of the seven factors in the NHS NW bespoke Model of World Class HR & OD Practice. The model is shown in Figure 3.1.

Figure 3.1: NHS NW/IES Model of World Class HR



Source: NHS North West/IES, 2008

Collecting stakeholder or customer feedback against the World Class model was given equal importance to collecting hard data (metrics) against the model. These different types of data were collected in parallel and used in combination to gauge how effective HR services were.

### Methods of obtaining feedback

In 2008 and 2010 over 8,000 people answered HR stakeholder surveys. The 2008 survey formed the baseline for the region, showing overall satisfaction levels with HR and its services. HR professionals across the North West used this feedback to drive their own action plans. Peer support and best-practice 'swap shop' events helped spread good ideas.

The survey consisted of seven sets of items - six covered the topics in the square boxes in the World Class model and the seventh set of items covered creating value, innovating and demonstrating impact.

Each of the organisations involved used the same on-line survey but they administered it in slightly different ways to suit their organisational circumstances. They decided who to get feedback from and sent them an email with a link to the on-line surveys (hosted on the IES website). The survey was designed to be completed by individual senior managers, line managers, employees and HR staff.

In addition some organisations supplemented the survey with the collection of more qualitative internal feedback gathered from groups of staff and/or individual interviews.

Information and support for the project was provided via a telephone and email helpline. There was also a Frequently Asked Questions (FAQ) facility on the project website. Guidance and documents explaining and supporting the interpretation of the data were available to download from the project website.

Each organisation received a data report of their own survey results in both 2008 and then again in 2010. Also produced were composite survey results (not showing names of organisations), benchmarking data for all participating organisations within the North West and against similar-type organisations (ie all PCTs, all acute, all mental health etc.). The survey results were added to the hard data the organisations had already collected. Together these sources gave each HR function a more extensive picture of where they were at the beginning in 2008 and after improvement actions later in 2010.

### 3.4.2 Boehringer Ingelheim: using interview, focus group and mini-survey methods to identify areas for HR improvement

#### The organisational context

Boehringer Ingelheim (BI) is a privately owned international pharmaceutical company with sites in over 50 countries around the world and a significant presence in the UK and Ireland. The UK and Ireland HR leadership team wanted an insight into the views of their internal customers to inform future priorities for the HR function, policy development and the development of people in the function. The purpose was primarily to look for possible improvements in HR, especially in the light of likely future changes in the business.

In 2008 IES was invited to help BI obtain and analyse feedback on the function from its internal 'customers'. 'Customers' included all the people who worked for the company. 'HR' was in this case the whole people function in the UK, some of whom also serviced a sales force in Ireland. The company hoped that using an external person to conduct interviews and focus groups would make it easier for people to speak freely in confidence.

#### Content of the questions

The discussions were based around three broad areas, adapted from the design approach used by IES in its earlier research (*What Customers Want from HR*):

1. The roles and purposes of the BI HR function in its business context.

What customers wanted from their HR function and how they wished to see it developing. It also included questions about who HR is there to serve and the role of HR in relation to that of line managers with respect to managing people.

2. Relative importance and satisfaction with service in specific areas of HR work.

These questions asked customers of HR about their experiences of HR services in some specific areas of HR work. For a consistent list of areas of HR work, strengths and any perceived weaknesses in HR service delivery were examined in each area.

The areas of HR work covered were: performance management, remuneration and benefits, training and development, talent development, recruitment and selection, employee relations, supporting organisational change, employment information and personnel records, promoting equal opportunities and diversity, and promoting employee well-being.

### 3. General aspects of HR service, the function and its staff.

This set of questions focused on how HR service was perceived in a more general way, especially the relationship between HR people and their internal customers, and how customers assessed the capability of HR staff. All those participating were asked to give an overall description of how they saw HR currently and how they would like it to be.

### **Methods of obtaining feedback**

The study obtained feedback from 83 people, including nine senior business managers, 23 line managers, 22 non-managers and 22 people who worked in HR.

Information was collected by a mix of interviews and focus groups. The line managers and non-managers attending focus group discussions also completed a short questionnaire or mini-survey. This was intended to capture their views in a systematic way and get information even from those who were perhaps quieter in group discussions. Sixty-three of the participants completed the mini-survey and rated areas of service according to both their importance and their effectiveness. Those filling in the questionnaire were asked to give positive and negative critical incidents of HR service. Some of these highlighted issues in particular areas of service and some showed more general features of HR customer service. Senior managers were interviewed and asked similar questions. They did not fill in the mini-survey but used a card sort instead (as described in Section 3.3.4 above).

### **Reflections on the approach**

The method proved a useful way of involving substantial numbers of people in providing feedback in a short period of time and in a cost-effective way. Including telephone interviews enabled staff in Ireland to be included. Tailoring the list of HR service areas to the terminology used in the company was helpful.

Although initially HR staff were included because they really wanted to participate, the HR interviews and focus groups proved extremely fruitful. They also made it easier for HR people to take on board the feedback from customers as they had discussed many of the same issues themselves. Involving junior as well as senior employees was important, especially given the close-knit ethos of the company.

BI underwent a radical restructuring of its HR function during 2009 and 2010 and the research findings informed and helped to explain the changes to HR employees and the wider business; many of the changes could be linked back to specific feedback that people gave during the research process.

### 3.4.3 Targeted feedback on HR shared service and HR business partners in financial services

#### **The organisation context**

A major financial services company undertook two surveys in 2007 to ask customers about HR:

1. a survey to collect feedback on HR business partner teams
2. a survey to gather views on HR shared services.

The two surveys were directly linked to the balanced scorecard approach used in the whole business, so results of HR customer feedback in these areas could feed directly into the overall scorecard.

#### **Methods of obtaining feedback**

The business partner teams survey was carried out half yearly, after a pilot in one division to develop the approach. It consisted of 20 to 25 questions to direct customers of HR who were senior managers and managers, ie people who would experience working with the HR business partners.

HR obtained monthly feedback on the shared service from people who had used it. The shared service was organised into different areas of work and the survey was similarly analysed by area of work. Users were followed up by email or telephone, using the same medium as the user used to contact the service.

#### **Content of the questions**

Questions for the business partner survey were on an agree/disagree scale. The areas of enquiry related to the aspects of the balanced scorecard approach:

- building the business
- managing risk
- customer service
- people development.

So, for example, related to risk, 'Does the business partner identify and help you manage the people risk?' On customer service, 'Does the business partner keep me informed?' On people development, 'Does the business partner give me solutions to provide people capability?'

For the shared service feedback, a straightforward survey of seven questions was used with respondents rating each on a five-point scale plus two open questions. The closed questions were based on the organisation's CARE model of customer service:

- C-ustomer needs
- A-ccessibility
- R-esponsibility, ie taking ownership for reaching conclusion
- E-xpertise and efficiency.

The open questions were:

- What was the most important aspect of service delivered to you?
- Is there anything we can do better?

### **Reflections on the approach**

These methods were well aligned to the business approach to the balanced scorecard (for business partner teams) and to the CARE model of customer service (for the shared service). This makes the link to action easier as it will align with business strategy.

HR found that it could be difficult for people to give feedback on the quality of HR service. They often wanted to say whether or not they agreed with the HR policy, which is a different matter from whether they were given appropriate advice.

It was harder for some areas of HR work than others to get high feedback scores. For example, the very operational services (eg IT helpdesk for HR systems) tended to get a 'fine' but not really an 'excellent' because the service is not that exciting for the customers - if it works, it is fine. Care was therefore needed in handling the emotional response to feedback from team leaders. In general, however, they used the feedback actively to improve services in a real-time/ continuous way.

The business partner findings tended to feed back quickly into dialogue in the business partner teams on their role and the services they were offering. So the reaction and the response was a quick one, useful in terms of showing value in this kind of exercise.

## **3.4.4 Management customer groups and surveys at GCHQ**

### **The organisation context**

GCHQ, the Government Communications Headquarters, is one of the three UK intelligence agencies and a part of the UK's National Intelligence Machinery. A far-reaching process of 'HR Service Improvement' has been undertaken over the past few years. At the time of participating in this research in 2007, a shared service approach had recently been adopted for the more routine aspects of HR support.

Those leading the HR transformation work were interested to use customer feedback to help them manage the evolving design of the new HR function and the process of change.

### **Methods of obtaining feedback**

The organisation used several methods to obtain customer feedback on HR, including:

- customer or user groups of people from the business
- an annual survey of HR effectiveness sent to the head of each business unit
- an annual staff survey built around the European Foundation Quality Model (EFQM) model.

### **HR customer groups**

GCHQ often uses ‘business-led groups’ to steer issues across the business. The HR Service Improvement Group consisted of mid-level managers from around the business. There was also a group looking more specifically at HR transformation from a users’ perspective.

At senior level there was an HR steering group, chaired by the director covering HR and consisting of senior representatives from the business.

### **Survey of HR effectiveness with business units**

A survey asking specifically about HR policies and services was used annually. It was sent to the head of each main business unit and each unit sent back just one response. HR encouraged unit leaders to gather the views of managers within the unit on the questions asked, but only some units did this to a significant extent.

The questions in the HR effectiveness survey were structured by the HR area of work (eg recruitment, deployment, and pay and reward). Each of these areas could have more than one question. Where appropriate, separate questions asked about policy effectiveness and also effectiveness of service from the relevant HR team. In addition, there were questions about some more general aspects of the HR function, eg its communications, the effectiveness of the business partner role, and consistency of answers from HR.

All the questions were scored on a simple four-point scale (unacceptable, requires improvement, good, excellent) and allowed a small space for text comments to be added.

### **Annual staff survey**

GCHQ had also been surveying staff since 1997. The survey tool was related to the factors in EFQM and examined:

- strategic focus



- performance management
- leadership
- structure
- people outputs
- change
- satisfaction
- business performance.

The first four of these are seen as inputs to organisational performance and the second four as results or outcome areas. The survey compared where people thought the organisation was on a number of factors within each of the main segments of the model. It was also benchmarked with other organisations externally. So in some ways it can be seen as a culture assessment tool. This survey did not give feedback directly on HR services, but rather satisfaction with important aspects of organisational life which HR might be able to influence.

### **Reflections on these approaches**

These three approaches provided an overall view of HR from some key players, from heads of business unit and from the much broader population of staff and managers. HR used this information to spot common themes or concerns and also to gauge any disconnect between views from the top of the organisation and much lower down.

The various customer groups provided important fora for feedback and discussion of a very open-ended kind on HR matters. They also involved users directly in the change process for HR and in major policy or process changes. Such groups are not always very representative and some areas may send more senior or better-informed representatives than others.

The HR effectiveness survey did represent the whole organisation, but could be more the views of the survey completer from each business unit than the wider views of the business unit management team. This survey was well-designed and clear and easy to fill in. It could be used for a wider management population evaluation of HR services. It was interesting that HR found the short comments made against questions more useful than the scores.

At the time of this study, GCHQ was rapidly increasing its use of ICT as an internal enabler of internal dialogue. It was also mindful that people can easily get 'surveyed out'. The HR function was hoping to extend its use of newsgroups and on-line user groups to encourage more real-time feedback on issues about how well the HR function was supporting its customers. The focus groups of managers and non-managers used in the IES research project went well, and this may also be a useful approach to use from time to time.

### 3.5 Summary

In this chapter we have presented a number of different examples of obtaining HR customer feedback in real-life organisation settings. Table 3.1 summarises the data collection methods used in our company illustrations.

**Table 3.1: Summary of illustrations of customer feedback methods**

<b>NHS NW</b>	<b>BI</b>
On-line survey to all customer groups in all organisations involved	In-depth interviews with senior managers, including card sort Interviews with HR leadership
Benchmarking across the region, as the same survey was used by multiple organisations within NHS NW	Focus groups with: <ul style="list-style-type: none"> <li>• line managers</li> <li>• employees/non-managers - professional and support</li> <li>• HR staff - senior and junior</li> </ul>
Used before and after improvement activity so progress and changes in perceptions tracked over time	Questionnaire survey of those who came to focus groups
<b>GCHQ</b>	<b>Financial services company</b>
Customer groups with business representatives for HR Service and HR Transformation Senior steering group for HR	Half-yearly survey of managers and senior managers to give feedback on HR business partner teams Linked to factors in balanced scorecard used by business
Survey on HR services to heads of business units	Monthly data on satisfaction of customers using HR service centre Customers asked for feedback by phone or email-however they used service Aligned with factors in company's general model of customer service
Annual staff survey used to feed into HR priorities	

*Source: IES, 2011*

In this chapter we have seen that primarily through surveys, focus groups and interviews, HR asks its customers, principally managers, about functional purpose, service use and satisfaction, the value or importance of specific areas of service, and the skills and behaviour of people in HR delivering the service. Techniques like mystery shopper and instant feedback on a service from a call centre are also used. In terms of data collection, some very detailed information is obtained along with answers to general satisfaction questions. Moreover, there are those that seek to get trend data to discover whether HR's performance is on an upward path or not, and to find out what customers want from the function.

The chapter also pointed to how more in-depth feedback on more complex questions can be uncovered if methods such as critical incident or repertory grid

are used. The same point could be made about surveys. They are useful for wide coverage and to gauge a balance of views in a large sample, but organisations need to use text or follow-up discussion to understand what is behind the responses and why people rate HR in a certain way. Feedback has to be quite detailed and specific to be useful. This applies as much to roles as it does to subject matter. For business partners, organisations should discover whether they are fulfilling their brief and how well this is received. For shared services staff, questions about attitudes and behaviour, along with knowledge and competence, are quite legitimate as a poor disposition is one of the charges levelled at the function.

Content of customer input also requires careful consideration. Organisations should try to understand what is important to customers (what they want or need) as well as satisfaction. This point is especially vital with respect to employees.

In the next chapter, we turn to how you can present information obtained from HR customers and how it can be used to improve effectiveness.

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## 4 Presenting and Using Customer Feedback

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This chapter addresses what to do once customer feedback has been collected. The examples we look at here illustrate:

- the types of analysis you may wish to undertake
- how data on HR services can be displayed
- various ways of communicating findings back to HR customers and also to the HR teams who have been the subjects of enquiry
- how to ensure a link to action that will be taken as a result of the feedback.

### 4.1 Data analysis and presentation

#### 4.1.1 Analysing customer feedback

Employing organisations quite often collect data without being altogether clear how they will analyse it. We found examples of surveys which had been conducted several months before our visits to case organisations, but which were still waiting for someone in HR to analyse them. Not all HR functions have the analytical enthusiasm or data manipulation capability to deal with complex survey data or even notes from quite a few focus groups.

Sometimes survey data is simply reported as a whole set of tables with very little commentary. Analysis is not just about populating the tables with numbers. It is about working out what the data is trying to tell you – what the story really is. It is really about *looking* at the data to see the patterns within it.

In analysing the data collected in phase 1 of this project we learned some lessons:

- Large sample survey data is best collected on-line and dropped straight into a suitable program. IES used Excel for this stage but then imported the data into SPSS, a more specialised statistical package, to do the analysis. Survey data always needs cleaning, much of which can be automated. This, for example, identifies answers left blank and codes them separately from positive 'don't know' responses.
- Data often has important variables which you want to consider in ALL the analysis in a consistent way. For example, IES used three customer groups – senior managers, line managers and non-managers – and looked at all the information, both quantitative and qualitative, under these groups. Companies may wish to look at a whole data set by division, region, or grade of staff etc.
- When agree/disagree-type scales are used, think about what you really want to report. For example, you might be interested in the total proportion who agreed or agreed strongly (adding these two categories together). This shows broadly the proportion of respondents positive about something. Reporting those in strong agreement is rather like reporting A\* grades in exams – it shows where you are hitting a real high. Look at the raw data first (by both numbers and percentages) and see what patterns look interesting and then decide how to present it.
- If reporting percentages, it is also important to check the actual numbers of people who lie behind the percentages so differences based on small numbers of people saying different things are not over-reported.
- Dealing with large volumes of text data or notes from interviews can seem daunting. Just reading it helps. Then spotting key themes and counting how many times they come up is useful, ie over 20 per cent or people said they found HR staff helpful. Then collecting up especially vivid quotes or comments can be very useful in reporting. It tends to be what readers remember or brings a presentation to life.
- Once the main responses are clear, it is time to look at relationships between answers to different questions. For example, setting the importance of an aspect of HR service to customers against data on how satisfied people are with that same aspect is very useful.
- Seeing a story over time is also informative, for example comparing a service now with how it was perceived a year or two ago, or comparing views now with how customers would like to see something in future. Some of the illustrations we use below make use of the power of comparison.

- With complex issues, like HR feedback, it can be helpful to report the best and worst, eg the top three things people liked about HR and the three they most wanted to change.

The first report of this programme (Hirsh, et al., 2008) shows what these approaches to analysis look like with real data on HR services.

#### 4.1.2 Presenting the data

In that report we also used a number of ways of presenting data including:

- charts and graphs: bar charts, pie charts etc.
- tables both of simple responses and of different questions set side by side for comparison
- quotes from open-ended survey questions and from focus groups, made anonymous to protect individuals
- summaries of suggestions made about things which could be improved
- feedback for several of the case organisations in the form of presentations and discussion.

It is often useful to show customer feedback from different groups of people. It is also very useful where HR people have given their own views on their service to can compare these with the views of their customers. An example is shown in Figure 4.1, which presents a bar chart of mean scores collected using a survey, in this case with a 6-point Likert scale, 6 being a high score. The chart clearly shows that HR people thought they were very friendly, but employees did not see them this way.

**Figure 4.1: Perceptions of ‘friendliness of HR staff in anonymous organisation**

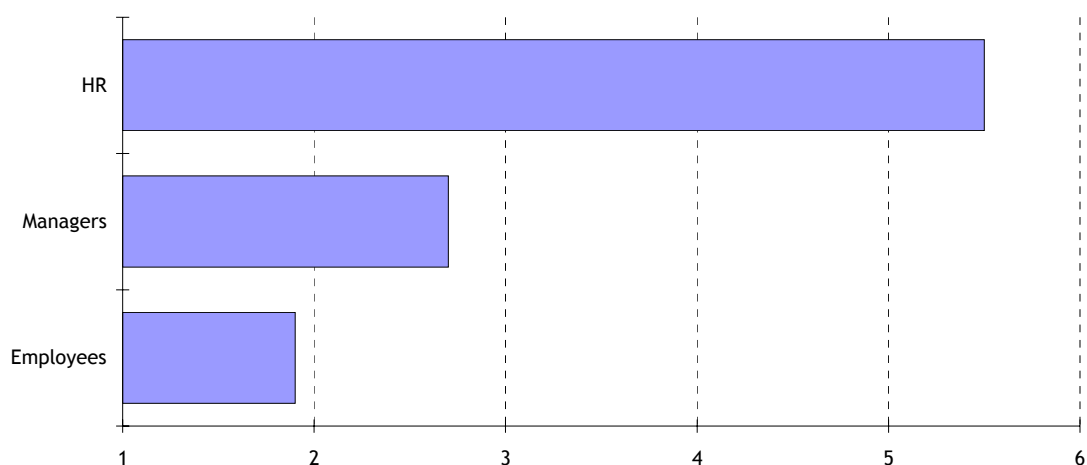
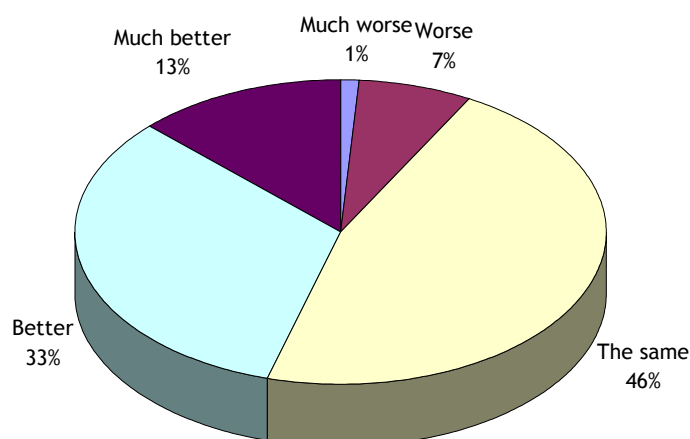


Figure 4.2 shows with a simple pie chart that customers of particular organisations felt the HR/OD function was improving, although a roughly similar proportion thought it had not changed much in either direction.

**Figure 4.2: Have HR and OD improved?**



*Source: IES Survey, 2009*

## 4.2 The link to action

To know what customers want, however, is not necessarily to act upon it. The poor reputation of HR in some companies suggests that while the function may be to an extent aware of customer requirements, it may be failing to put this knowledge into practice. Reinforcing this view, IRS (Crail, 2006) presented survey data drawn from HR representatives who claimed that communications from employees rarely influenced their priorities. Over four-fifths reported not taking a lot of note of what workers thought. Citing a survey by the Rialto Consultancy, the Involvement and Participation Association (IPA, 2005) argues that HR needs a 'brand overhaul' to deal with the negative perceptions surrounding it, and needs to develop a more relevant value proposition to the business. To that end we have included in our case study illustrations of the link between the findings and actions taken.

In the examples in this chapter on presenting customer feedback we are also interested in showing how well-communicated feedback provides a stronger springboard for action.

## 4.3 Examples of presenting and using customer feedback

In this section we look at some specific examples of how customer feedback data can be presented and used:

- a SWOT analysis of the HR function as a means of summarising data from a variety of sources (used in Boehringer Ingelheim's study of its customer views of HR and with a range of London Councils in workshops on how customers see HR)
- descriptors of how HR is now and how it could be in future as a way of describing the 'HR journey' as customers see it (also used in Boehringer Ingelheim's study of its customer views of HR and with a range of London Councils in workshops on how customers see HR)
- the Civil Aviation Authority (CAA), who plotted feedback on HR from managers for various types of HR activities and subject areas onto a value/satisfaction matrix which was used to prioritise HR improvement
- HSBC, where the key messages from focus groups and a survey of managers were powerfully communicated in visual form and helped HR to prioritise the development of the function over different timeframes
- East Sussex County Council, who highlighted the actions taken and progress made in a press release and newsletters to draw customers' attention to the fact that their feedback had been acted upon
- a consortium of NHS organisations in the North West, who developed 'stories' of their HR function improvement journeys and used their project website to encourage sharing/swapping of stories and good HR practice tips among the HR community.

#### 4.3.1 A SWOT analysis of the HR function

##### **Presentation method**

A useful start point in drawing conclusions may be a simple SWOT analysis, summarising the Strengths, Weaknesses, Opportunities and Threats for HR over the coming few years. In a systematic study, the SWOT can be used as a summarising device, picking up the main themes from different sources of data.

It can also be used in workshops or meetings to discuss feedback as a way of asking those present to draw up their own SWOT analysis. IES used this approach in a number of workshops for London Councils, where groups each produced their own SWOT of HR but from different perspectives - senior managers, line managers, employees, and HR staff themselves.

Figure 4.3 shows an example of a SWOT analysis drawn from all the case data in *What Makes a Manager*. Exactly the same device could be used to show a SWOT for a single organisation and IES has worked with several organisations in this way.



Figure 4.3: SWOT analysis on the HR function



Source: *What Makes a Manager*, IES, 2008

**Using the feedback**

One of the advantages of a SWOT is that it takes people some of the way towards action planning. Strengths are usually aspects of the service which are valuable and effective and therefore good to maintain. Weaknesses often become priorities for action. Opportunities and Threats may be less short-term but can be important in

considering the wider positioning of HR. The more strategic aspects of HR often come up as Opportunities (for example working more closely on future resourcing issues, capitalising on emergent business partner relationships). Threats may well be business issues, IT constraints etc., which HR may need to consider in their future plans even if they are not pressing issues now.

In one organisation, a SWOT analysis led to discussions within HR of two future scenarios which the function could head towards:

**Scenario A:** ‘back to basics’ HR - less money spent on HR, managers getting less personal service but getting basics (recruitment etc.) delivered efficiently - HR responding to wider business pressures to reduce overheads.

**Scenario B:** ‘close partner’ HR - better alignment of processes/systems with business need, possibly more tailored by division, focus on high-impact areas of change/OD, shifting up to meet increasing expectations of senior customers - HR making a richer contribution to organisational effectiveness.

Consideration of these two scenarios helped the HR leadership prepare for quite challenging discussions with business leaders about what they really wanted from the function over the next few years and how this would be resourced.

### 4.3.2 The ‘HR Journey’: where HR is now and where it could go

#### Presentation method

In interviews and focus groups with several organisations and also in some workshops, IES asked participants how they would describe HR now and how they would describe the HR function they would like to have.

Data is collated by customer group (eg senior managers, line managers, non-managers). Where HR people give their own views, this can be included too.

In workshops, HR people can be invited to imagine what such customer groups would say about HR. This is, of course, not valid research evidence, but useful practice for HR people in putting themselves in their customers’ shoes.

Figure 4.4 shows an example of such a picture drawn from all the case data in *What Makes a Manager*. Again, the same approach can easily be used in a single organisation.

#### Using the feedback

These collections of adjectives or short phrases provide a very vivid picture. Sometimes they are quite funny, sometimes graphic. The future-looking expressions help the HR function to see itself in a positive way. It is also interesting that we found these descriptions to be quite close to the direction in which the HR function itself would like to be moving.

**Figure 4.4: HR as it is now... and as customers would want it to be**

Customer descriptions of where HR is now There is much they appreciate, but also some things they find less effective. 'HR now is ...'				
Employees		Line managers		Senior managers
Satisfactory	Labyrinthine	Variable	OK	Large
Wanting	Helpful	Pressurised	Sufficient	Rule-based
Inconsistent	Approachable	Haphazard	Quiet	Wants to be fair
Reactive	Professional	Helpful	Quite good	Middle of the road
Improved	Functional	Bureaucratic	Just there	Useful
Complex	Visible	Complex	Ineffective	Supportive
Big	Flexible	Approachable	Isolated	Caring
Bulky	Listens	Thorough	Cold	Excellent
Tries to be enabling	Necessary	Needs improving	Mechanical	Defensive
Administrative	Diligent	Has its hands tied	Inaccurate	A bit ad hoc
Mediocre	Impersonal		Struggling	Too passive
Sometimes helpless	Not visible	Supportive when asked		
Not a decision-maker				

Descriptions of where customers want the HR journey to go next 'I would like HR to be ...'					
Employees		Line managers		Senior managers	
More proactive	Excellent	Proactive	Approachable	Still supporting and caring, but also listening	More widely known
Transparent	Supportive	Not a policeman	Lighter touch		Higher profile
Streamlined	Enabling	Competent	Reaching out	Bringing professional skills	Business focussed
More efficient	Slick	Available when I need it	Flexible	Not sitting behind rules	Adding value
Industry-leading	Responsive	Supportive over hard decisions	Professional	Supporting the business to make difficult decisions	Flexible
More consistent	Easy to use	Centre of excellence	Capable	A developer of the workforce	Proactive
Better trained	Helpful	Simpler processes	Feeling		Dynamic
Approachable	Flexible	Business-linked	Effective		More visible
More powerful	Gutsy	Understandable	Inspiring		
Using people better across the divisions	Creative		Reliable		
Assertive with managers	Reflective		Efficient		
	Influential				
	Innovative				

Source: *What Makes a Manager*, IES, 2008

### 4.3.3 Value/satisfaction matrix setting HR priorities in CAA

#### Context

The Civil Aviation Authority (CAA) gathered feedback on HR in a fairly consistent way over the period 2005/2007 using an annual survey of all managers. This feedback helped to shape the priorities for HR. These were considered by the top level HR Steering Group, in effect the executive board. Serious attention was paid to what customers thought of HR in framing the work of the function. The employee opinion survey also helped to set HR priorities by flagging up areas needing more attention.

#### Presentation method

The data from the HR Customer Feedback survey of managers was used to build the HR priority matrix as shown in a summary way in Figure 4.5. The horizontal axis shows how satisfied managers are with each item. The vertical axis shows how valuable that item is.

This matrix was used to plot a range of HR activities and subjects on a graph. Activities would include things like 'policy, information and advice' or producing the 'employee handbook'. Subjects would include items like 'reward and recognition' and 'recruitment'. Some items were specific statements about quality of service, such as 'information on the HR intranet is well organised'. This whole collection of items was put to managers, who assessed how satisfied they were with the service (on a scale from 0 to 100).

At the time of this study, the information on how valuable services were seen to be did not come directly from managers but was deduced by HR from various sources.

The quite detailed resulting chart showed the position of each item according to these two axes. This detailed information was very useful to those in HR.

As a second step, the graph was segmented along its axes into the six broad boxes shown in Figure 4.5. This grouped the boxes - and therefore lists of items - on a traffic light system and showed clearly where investment was most needed. The top left box - items of high value but low satisfaction - is especially critical.

Figure 4.5: HR Priority matrix

Priority matrix plots each HR activity & subject area

		<b>Priority for action</b>	<b>Improve</b>	<b>Maintain</b>
Value to managers	<b>High value</b>	eg solutions that meet business needs	eg resourcing	eg level of support
	<b>Low value</b>	eg HR participates in business planning	eg HR info on intranet	

Percentage satisfied or very satisfied with service

Source: CAA and proceedings of IES Network Conference, 2007

### Drawing conclusions and using the feedback

HR acted on the feedback received using this approach, for example:

- It increased the numbers of HR people on certain projects in business partner roles, directly supporting the business.
- The HR service offer to managers was communicated in a clearer way, using face-to-face briefings for managers and giving managers key information (eg on attendance management and legal changes).
- HR identified the need to be more visible, through the actions above but also more visits to regional offices etc.

In addition, detailed feedback from the exercise was sent to managers in a letter from the HR director outlining what managers had signalled and the plans to act upon it.

### Reflections on approach

CAA’s approach was strong in terms of communication and they put a lot of effort into feeding back to managers. There was especially good practice in communicating the results of the survey and in using it to inform the future HR strategy in particular how to support business more closely.

The survey was detailed, but not difficult to fill in, and was given more power by regularly gathering the views of HR from the CAA’s business leaders. The HR function

in CAA took the lead in showing how corporate support functions could involve their internal customers in developing their services.

HR planned to strengthen the quality of data on 'value' as well as on 'satisfaction' by asking managers more directly about how important they thought items were as well as what they thought of service quality. This echoes the findings from the IES research programme that knowing what is important to people is just as valuable as knowing how satisfied they are with aspects of HR service.

*'We need to ask managers what they value - what is important to them - and we intend to do so.'*

CAA also identified the need to segment such investigations by level of manager. They wanted to understand why executives were happier with HR than the line managers below them were. It is important to understand how different groups of managers see HR support.

#### 4.3.4 Short- and longer-term HR priorities for HSBC

##### Context

HSBC is one of the world's largest banking and financial services groups with offices in over 80 countries and around 100 million customers. In 2007, when HSBC contributed to this research programme, HR was responding to the need for more globally integrated systems. Up to that point HR had evolved in quite a decentralised way and had many different record systems and ways of delivering HR services. The corporate HR teams in London saw the function as '*running very hard to catch up*' after a period of insufficient investment in HR systems.

HSBC collected feedback on HR services from focus groups of managers. They also used a survey of managers, taking the opportunity presented by work the Corporate Leadership Council (CLC) were doing at the time.

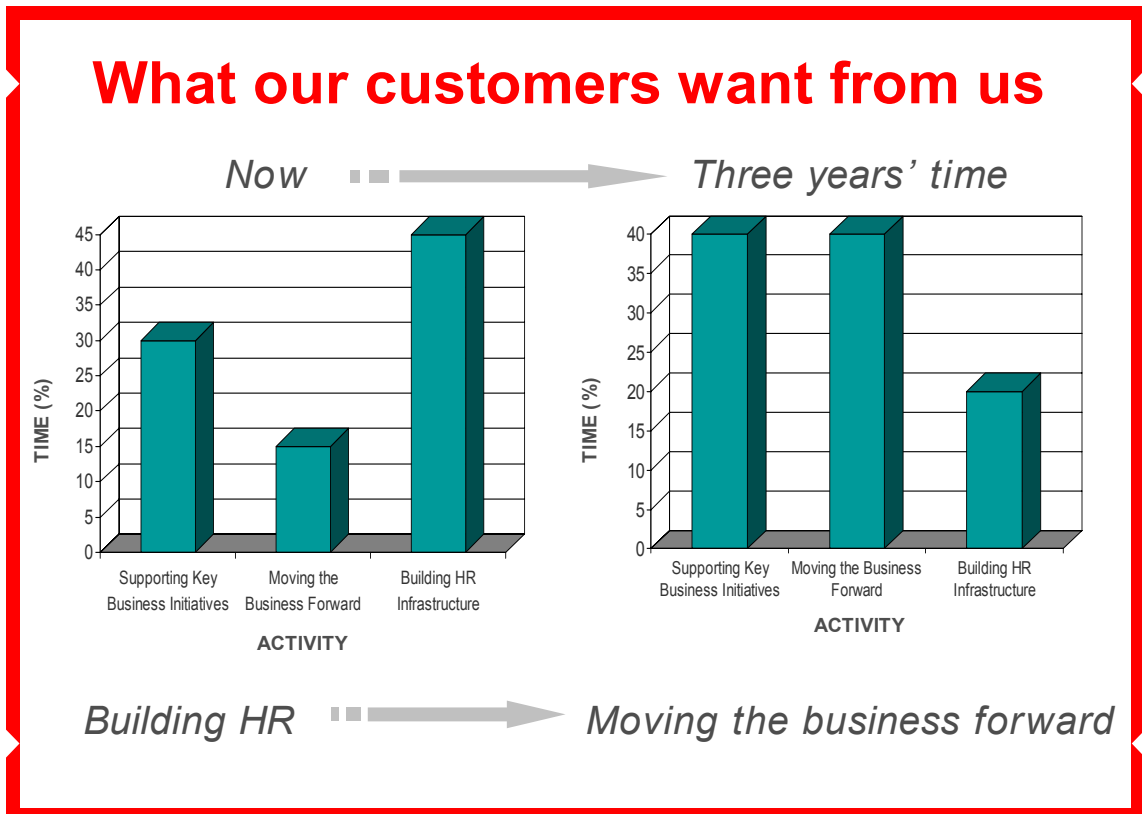
The questions addressed the big picture of what HR should be prioritising for the business as well as what was currently valued. They included items around: 'what do you value?', 'what would you like measured?' and 'what would you like to get from HR that we are not doing?'

##### Presentation method

The information collected was used to build the rather striking Figure 4.6. This contrasts three different ways HR could see itself contributing to the business. 'Supporting key business initiatives' represented effort going into key current HR activities in support of the business. 'Moving the business forward' referred to HR's strategic role in planning and supporting organisational change. 'Building HR infrastructure' was getting the basics right, especially in terms of HR information systems.

Managers' view on these priorities are shown on two timeframes - now and in three years' time

Figure 4.6: What our customers want from us



Source: HSBC and proceedings of IES Network Conference, 2007

### Drawing conclusions and using the feedback

The figure showed vividly that managers wanted the basics of HR, especially HR information systems, to be operating more effectively on a global basis before HR invested heavily in its future strategic role. Indeed, they saw the first as supporting the second, as more efficient systems would free up HR time to work with the line on key people issues for the business and its future.

This very clear feedback from managers, presented in a high-impact way, helped HR argue for the necessary resources to develop fit-for-purpose systems to support efficient HR administration.

### 4.3.5 External publication and internal newsletters at East Sussex County Council

HR talks about seeking to meet the needs of the organisation but does not often use evidence in setting its own priorities. The HR community in East Sussex County Council used the customer feedback it got from being involved as a case study in the IES research as the start point for a serious, sustained and successful programme of improvement. This example shows how they described their journey two years later in 2010. The organisation chose to communicate this journey both externally (in a journal article and at a conference) and internally as a means of demonstrating progress. Data items from customer feedback were used to show specific change.

#### **East Sussex County Council: HR services on the up**

East Sussex County Council (ESCC) were the first case organisation in the IES research programme on Customer Views of HR. A survey tool was developed and made available to all employees - over 550 people responded with their experience of HR services. Focus groups were also held, and some senior managers interviewed. HR had recently re-organised in ESCC and it was a difficult time, especially in the newly created shared service. IES helped ESCC to identify much more clearly some priority areas for improvement. These were:

- getting the basics right, ie personnel administration
- consistency and clarity of professional advice
- continuity of customer contacts
- marketing the strategic role of HR.

In response, the HR function made a revised service offer to the organisation, pledging efficiency improvements to personnel administration systems and more consistent professional advice through a comprehensive programme of:

- review of management and leadership roles
- team restructures
- process reviews
- better use of information technology systems to improve and underpin the consistency and reliability of the service
- staff training to improve customer focus across the HR function.

The HR function conducted a further customer survey in April 2009, following the methodology and areas of enquiry established by IES in their earlier research, ie a combination of focus groups, one-to-one interviews and an on-line questionnaire.



Leatham Green, Assistant Director of Personnel and Training at ESCC says: ‘This time the overall satisfaction level with the service was high at 89 per cent, with 72 per cent of respondents rating the service excellent or good, and represents a marked improvement from a 27 per cent overall satisfaction rating in 2006 when IES conducted their research. We are obviously delighted with the transformation achieved and it is brilliant recognition for the team.

The most marked improvements in customer satisfaction ratings were for:

- Personnel Administration: 75 per cent compared with 30 per cent in 2006.
- Training & Development: 80 per cent compared with 55 per cent in 2006.

Leatham Green comments: *‘The most rewarding improvement is in relation to Personnel Administration, given the 70 per cent dissatisfaction rating in 2006, and it demonstrates that hard work and team effort backed by reliable systems can improve service delivery and therefore customer satisfaction. There is still scope for further improvement, and working with our customers we have developed a clear plan of action to further enhance the service.’*

Source: East Sussex County Council, 2010

#### 4.3.6 HR improvement stories as a dissemination resource at NHS North West

After their second round of stakeholder surveys in 2010, the ‘Towards World Class HR’ project team in NHS NW decided to ask for four volunteer NHS organisations to be written up as stories of their journey so far. The idea was for these stories to become a dissemination resource to be used in a variety of ways in articles and the project website. The overall aim of these dissemination activities to a wider audience was to promote project achievements:

- Internally within NHS North West: to reassure HR Directors that they are involved in something their HR peers regard as worthwhile and/or impressive and so help keep them motivated in continuing what for some may be a long journey to ‘Towards World Class HR’.
- Externally: to challenge other organisations to review their own HR capacity and capability.

It was hoped that the first four stories on the intranet would inspire other NHS organisations to post details of their own HR improvement journeys as well and spark discussion threads and mutual support/learning. Two of the stories are reproduced here:

## Royal Bolton Hospitals NHS Foundation Trust

Royal Bolton showed one of the biggest improvements. Nicky Ingham, Director of Workforce and OD at Royal Bolton Hospital NHS Foundation Trust, says some of the 2008 feedback was damning. 'Recruitment is only a small part of what we do in HR but it was clear that our credibility is based on getting the basics right, so that became a priority. The team was set the challenge of changing customer perception. We knew we could do better.'

The 2010 survey showed significant improvements in perceptions on six factors. Sixty per cent of managers and clinicians rated their HR/OD function as 'better' or 'much better'. Across the Trust hard measures such as attendance and sickness also improved. In June, Nicky was named as HR Director of the Year in the Healthcare People Management Association awards - having been nominated by the chair of the staff side.

So how did the HR team do it? A realigned team structure was further embedded to provide more support for managers. The employee services centre used LEAN methodology on its processes and increased communication about recruitment. Discussions with the executive board and staff side, plus peer support from Morecombe Bay NHS Trust, helped them focus. 'Shifting the culture of the HR staff was the key, especially their ownership of issues at local level and in keeping the patient perspective in mind' says Nicky.

## Cheshire HR Shared Service

Cheshire HR Service was a newly established shared service for three NHS organisations in Oct 2007: an acute trust and two primary care trusts. The project offered the opportunity to gather soft perceptions about how the recent changes were going as well as to ensure the expected cost-savings and service improvements were delivered. The HR Service scored well overall on the first survey but still managed to improve on all seven factors in 2010, including a 50 per cent improvement on perceptions about recruitment.

Judy Watson from East Cheshire NHS Trust (one of the organisations served by the HR Service) says: '*We found that improving the people management capability of line managers is key to improving staff experience*'. DoH research already shows that good staff experience leads to good patient experience.

So what is the secret of their success? Examples of good HR operations practice introduced at Cheshire include:

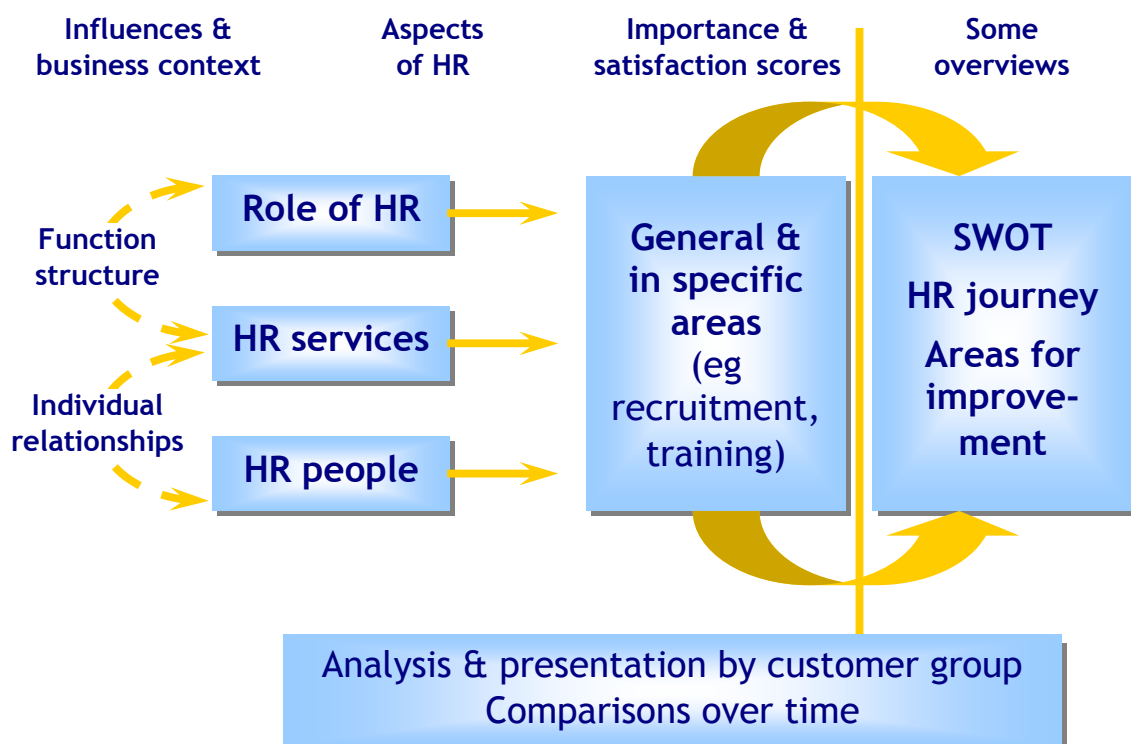
- monthly briefings for line managers on HR administrative services to manage expectations and make sure they understand what they need to be doing and when
- working with the finance function to deliver more accurate monthly reports for line managers (and ensure Employee Staff Record structures are fit for purpose)

- making two-way communication more bespoke to the three different business situations, eg twice-monthly ‘balcony briefs’ by CEO/director at one organisation to update and answer staff questions - recorded and placed on intranet so the same message goes out consistently
- introducing HR business partner teams and more recently an HR consultancy ‘hub’ and ‘people coaches’ to support high-performance team working across the three organisations served
- including key performance indicators (KPIs), soft and hard, in the service level agreement (SLA) with customer organisations for all functions within the Cheshire HR Service.

## 4.4 Summary

By way of summary, we have developed a model of the key aspects to consider when choosing how to present the findings, as in Figure 4.7.

Figure 4.7: Presenting customer feedback on HR



Source: IES, 2011

- It is helpful to relate customer feedback to the context at the time, especially to the key business issues, specific features of the HR function’s structure (especially if this has recently changed) and how service delivery maps on to the people in HR.

- Some of the most valuable feedback can be on the role of HR as perceived by customers – and ‘what they want’ from the function.
- Some aspects of HR service can be reported generally, but many should be linked to main areas of HR work, as feedback is likely to vary by area.
- Some feedback can relate to the people in HR – their attitudes and behaviours but also their professional skills and knowledge. It is important to pull out where customers are trying to tell you something about the function and where they are really giving an insight into the staff.
- Across the bottom of this model is a reminder that feedback should often be reported by segmenting different customer groups, who often receive differing levels of service and also have differing needs.
- Where feedback is obtained over periods of time, reporting change over time is very useful.

On the right hand side of the model are some ways of summarising feedback which we have looked at in this chapter.

In terms of reporting customer feedback there are also some practical tips:

- Communicate using jargon-free language that is easy to understand – use a few personal insights to make the material come to life.
- Remember that charts or models can be more memorable than just text.
- Use the means of communication that will be most useful, especially for the HR people whose services were the subject of the data collection – group feedback leading on to a team discussion might be better than just a report.
- Be clear about various sources of feedback – link customer views in with other HR metrics where appropriate.
- Link communications on HR to ideas used in the business more widely, eg scorecards, customer service models and SWOT analyses.
- Tailor/reduce to only what’s most useful for other (non-HR) audiences.
- Highlight strengths as well as explain weaknesses – good for HR people to hear their strengths and fits with strengths-based trends in approaching organisational change.
- Look to the future – contrasting where we have come from, where we are now, where we need to go – and build the springboard for action.
- Ensure a link to action that will be taken as a result of the feedback.

- Involve customers in framing that action and make sure it is fed back to them.

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## 5 Customer Feedback in its Wider Context

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This report focuses on obtaining and using customer feedback on the HR services and the function. Such feedback can be more powerful if positioned within the wider frame of how information on HR, people management and the workforce build into an overall assessment of efficiency and effectiveness.

This can be done in a number of ways, recognising that the imperative may be primarily to look at organisational performance through the contribution of HR and line managers or at the performance only of the HR function.

### 5.1 Framing a wider picture of HR performance

There are many different ways of approaching a wider measurement of HR. We describe just two of these here.

If the organisation has an agreed vision of what 'better' or 'ideal' HR looks like, then this can be used to pull together an assessment of how well the function is doing. This was the approach used in the World Class HR model in NHS North West as we have illustrated earlier.

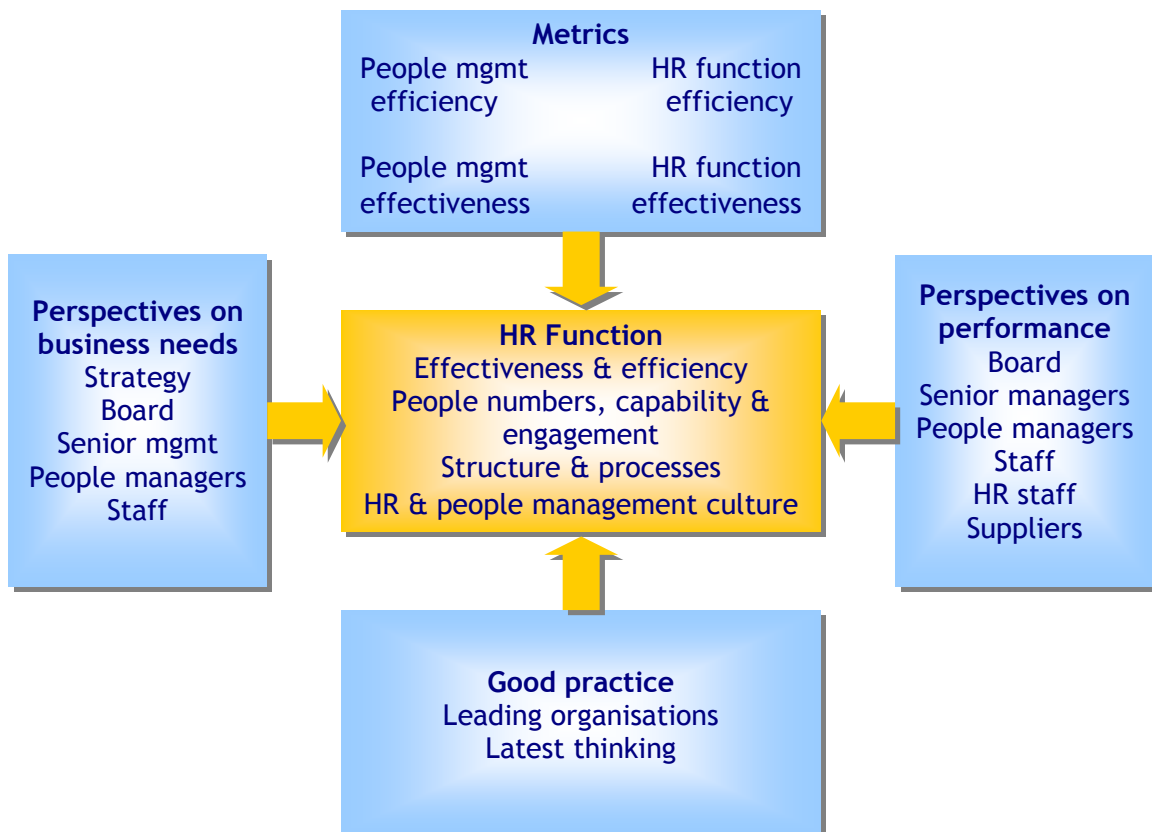
The customer element of the data gathering was described earlier, but in reviewing the model it is important to realise that it was built from a research review of what 'good' HR practice might look like. The use of the term 'world class' was, as we explained, deliberately chosen to chime with the NHS concepts and language of the time. Nevertheless, it was an attempt to set out a progressive move towards high-quality HR. The fact that the performance is tracked over time reinforces the notion of an improvement journey.

The model follows an intuitive development from 'getting the basics right' through to achieving results by means of more 'value adding' activities. It tries to make a distinction between what HR does more by itself and what it does in combination with line management. Measures were created at each level in the model so that participants could both self-evaluate and benchmark to obtain a

sense of how they were doing. These measures combined customer feedback with the usual process performance figures (turnaround times, etc.) and more qualitative performance assessments. The aim was, therefore, to give a rounded picture of how well HR is performing that reflected perceptual and factual evidence.

The model built on earlier work by IES in developing an audit tool. This itself grew out of examining a range of review mechanisms. Again the emphasis is on a multi-dimensional assessment of the function. As can be seen in Figure 5.1, customer/stakeholder/business perspectives are balanced by the usual metrics and by benchmarking insights of good practice. The overall assessment of the function then considers not just how cost effective it is but whether it is delivering services well through the right sort of structure and processes. It also considers the development of the appropriate culture within HR – often customer-focused and increasingly commercially (or at least cost) aware.

**Figure 5.1: IES approach to auditing HR function**



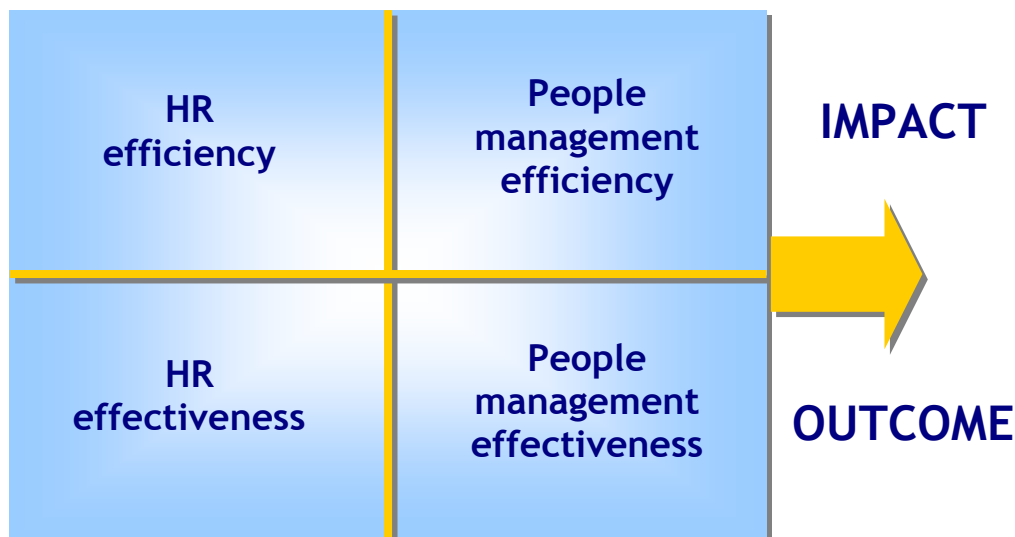
Source: IES, HR audit

## 5.2 HR and people management performance

Too often, in our view, organisations conflate the measurement of the performance of the HR function and that of people management practice, which is of course largely in the hands of line managers. A second conflation muddles efficiency and effectiveness. This is not surprising as we are often not clear when we are talking about doing tasks faster and cheaper (efficiency) rather than doing them better (effectiveness). So the former has a cost focus and the latter a quality emphasis.

To address these issues Reilly and Williams (2006) produced the conceptual four box model in Figure 5.2.

**Figure 5.2: Are we measuring HR and/or people management?**



*Source: Reilly & Williams, 2006*

To illustrate the content of the model, see Figure 5.3. Customers can be asked both about HR's efficiency in terms of delivering services in line with SLAs (service level agreements) ie to time and budget, and effectiveness, influencing decisions or facilitating change. This can then be combined with internal data on HR performance and costs, and with how well managers are executing their people management role as evidenced by absence or retention rates.



Figure 5.3: Metrics

<p><b>HR efficiency</b> HR numbers, ratios costs, process turnaround times, HR productivity, accuracy rates</p>	<p><b>People management efficiency</b> Staff numbers, staff costs, process turnaround by line</p>
<p><b>HR effectiveness</b> Right work, good practice, quality of delivery, influence, HR capability &amp; its use</p>	<p><b>People management effectiveness</b> Organisational health productivity, engagement/motivation, innovation &amp; change, workforce &amp; leadership capability</p>

Source: Reilly & Williams, 2006

The Confederation of British Industry (CBI) promoted a benchmarking tool for people management called 'Headstart', which looks at a number of factors at team level: leadership and culture; employee development; employee involvement and work organisation. The programme is built around a staff survey investigating the effectiveness of people management practices, with focus groups used to gain additional insights into the performance and contribution of HR. Areas covered include the factors influencing HRM strategy, the relationship between HRM and organisational strategy, and the length of time taken for individuals to feel comfortable in their new jobs and have access to supporting resources. The benchmarking component of 'Headstart' offers the advantage of enabling comparisons to be drawn between HR teams and/or different organisations. Limitations include a lack of organisational specificity (though more tailored questions can be added to the focus group discussions) and a UK bias in terminology and conceptualisations of people management practice.

Some organisations extend this concept further and assess HR through an approach used by the wider organisation. For example, they align with the EFQM model, business scorecard or company-wide models of customer service, as illustrated in Chapter 3.

For example, as a retailer, Sainsbury's focuses heavily on the views of its shoppers. So HR effectiveness is looked at alongside retail customer feedback to understand

the ways in which the work of HR supports business customer satisfaction, loyalty and spend.

Methods used to obtain this data, besides the customer inputs described earlier, and how they fit the model, include:

- KPIs for HR process performance: **HR efficiency**
- incidence figures (disputes, disciplinary, accidents, absence): **people management effectiveness**
- activity analysis (especially of the use of HR's time): **HR effectiveness**
- skills audit of HR people: **HR effectiveness**
- annual employee surveys: **people management effectiveness**
- external benchmarking of HR policies and service: **especially HR efficiency**
- awards through competitions and surveys: **HR effectiveness.**

Techniques such as RoI, impact assessments and strategy mapping can also be applied to HR functional and general people management activities. A common use of RoI is to apply it to learning and development and, to an extent, talent management initiatives.

We also need to understand how value is created in organisations, and the part people play. This requires an understanding of how to design and choose useful measures, and link your measures together. There have been numerous attempts to do this. Andrew Mayo's Human Capital Monitor (2001) suggests linking your measures together in three areas – the value of people ('people as assets') plus their commitment and motivation equals the value they create ('the people contribution to added value'). Putting it more simply, if you have the right raw material in your employees (and can build up their capability and contribution) and you motivate them through providing the right organisational context (through leadership and reward, etc.), they will deliver for the organisation.

Purcell et al. (2003) used an in-depth case study approach to try and shed light on the HRM-performance link. The case studies in a retail organisation showed strong association between employee attitudes, employee views on the quality of HR management applied to them, and store performance. The study also showed that the number and extent of HR practices was less important than the effectiveness of their implementation. These studies tend to support the view of managers as motivators of staff who in turn produce better business results.

The Tamkin model (2004) drew out these points out further by separating out ability, attitude, access and application. The work then continued to identify those

activities that related to these four elements and which were easiest to measure, yet seemed to yield the best returns (Tamkin *et al.*, 2008).

### 5.3 Case study examples of positioning HR customer feedback within a wider context

- A London borough took the approach of demonstrating organisational effectiveness in managing people and providing evidence of value for money for its services, including HR. The London Borough of Haringey developed an HR balanced scorecard which combined HR performance and customer views of HR.
- The Ministry of Defence developed a dashboard approach to people management, tracking both hard and soft outcome measures and viewing them in terms of HR and wider people management inputs.

### 5.4 Combining HR performance metrics with HR customer feedback at Haringey Council

#### The organisation context

The London Borough of Haringey, in North London, has an established track record of collecting and distributing data and workforce metrics, using its SAP system. It developed an approach to Human Capital Measurement (HCM) that has been shared with other London boroughs. Haringey aimed to build into its approach to HCM its existing HR data sets and metrics. It wanted to demonstrate organisational effectiveness in managing people and to provide evidence of value for money. Haringey developed a range of tools, including an HR balanced Scorecard, to help demonstrate value for money in HR. This firmly placed HR performance and customer views of HR in the wider business context of the council's approach to evaluating the effectiveness of all its services.

#### Approach to metrics

As Figure 5.4 shows, the HR balanced scorecard measures covered customer satisfaction with HR services as well as service outcomes and outputs. Examples of measures and question areas in the scorecard included:

#### Organisational fitness

- Rol, staff performance levels/competency, resource/ capacity measures indicating good employer

**Organisational HR performance**

- employee satisfaction, sickness absence reporting, disciplinary/sickness actions, number of days suspension, appraisals conducted, employment tribunal claims

**HR customer focus**

- HR customer satisfaction surveys, HR costs/capacity, recruitment speed, HR performance, training programme success, redeployment success

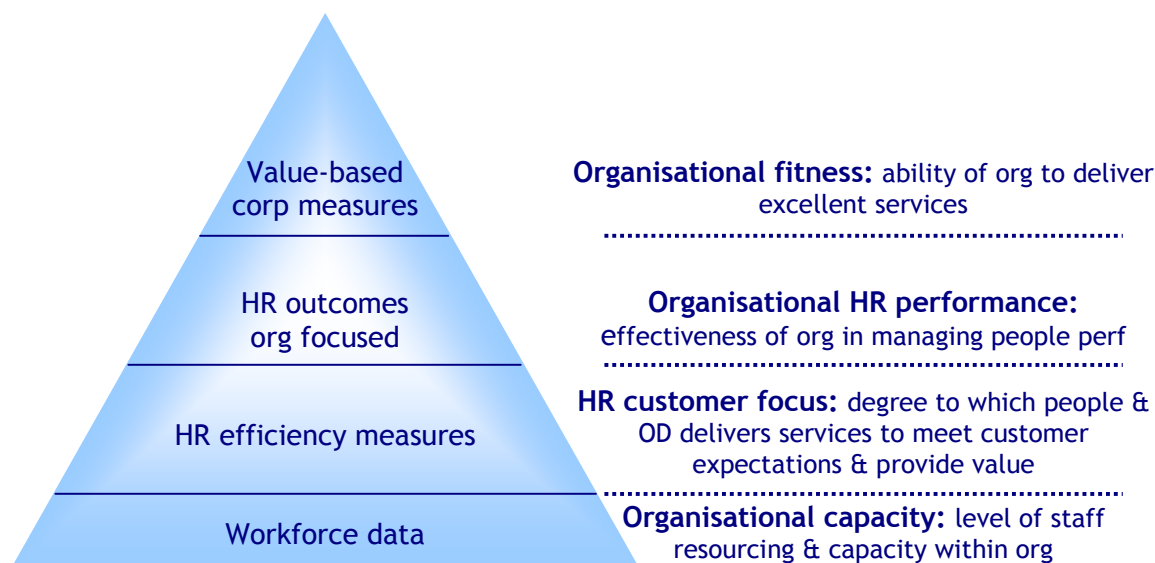
**Organisational capacity**

- measures of vacancy rates, turnover rates, workforce profile (ethnicity, disability, age, etc.), agency staff

A score was given to each measure, with an indication as to whether it was on target and whether that score was up, down or consistent with last year. An example of the scorecard is shown in Appendix 2.

Haringey used a dedicated metrics team and SAP to gather data and monitor metrics. The data was available to HR, and managers could access data about their own staff.

**Figure 5.4: HR balanced scorecard at London Borough of Haringey**



Source: London Borough of Haringey, 2007

**Reflections on approach**

Including ‘customer focus’ as one part of the HR scorecard integrates customer views into the bigger picture of HR effectiveness. Haringey uses existing measures to demonstrate the value of HR. It is also important that HR measures itself with the same kind of approach as other support functions, such as finance. In so doing it

shows its influence on organisational performance, not just the performance of its own function.

## 5.5 Dashboard at the Ministry of Defence

### The organisation context

The Ministry of Defence (MoD) is a large and complex government department which includes key operational and delivery aspects of national defence as well as central policy. In 2007, MOD was seeking to provide a much more integrated view of both people management and HR effectiveness across the organisation. It adopted a balanced scorecard type approach. This also enabled data from its shared service organisation - the People, Pay and Pensions Agency (PPPA) - to be combined with data coming from other sources.

### Approach to metrics

The balanced scorecard for workforce, people management and HR metrics was called the 'Dashboard'. This is shown in Figure 5.5.

The dashboard has four main blocks of metrics:

1. workforce capability - includes the size, capability and motivation of the workforce; capability can be seen as the main outcome of effective HR, including its work with the line
2. people services - includes more specific measures of HR service customer satisfaction, efficiency and compliance
3. enabling change - includes recruitment, talent management and the quality of people management
4. strategic influence - includes problem solving, change management and the reputation of HR - an enabler of the other three, all of which link to business objectives.

Within each of these main blocks, sub-themes and particular indicators were identified. Each indicator or metric was scored on a traffic light system.

This Dashboard covered 'hard' and 'soft' outcomes and also both the HR services input and the effectiveness of people management (or output/outcome). The customer views fed mostly into the people services block but also into other areas of the dashboard.

The PPPA (HR shared service) collected its own KPI and customer feedback data using surveys of managers, samples of people who used the service and a senior 'Customer Board' which met several times a year. The KPIs for the shared service

included, for example, both customer satisfaction (from the surveys) and responsiveness measures (against agreed service standards).

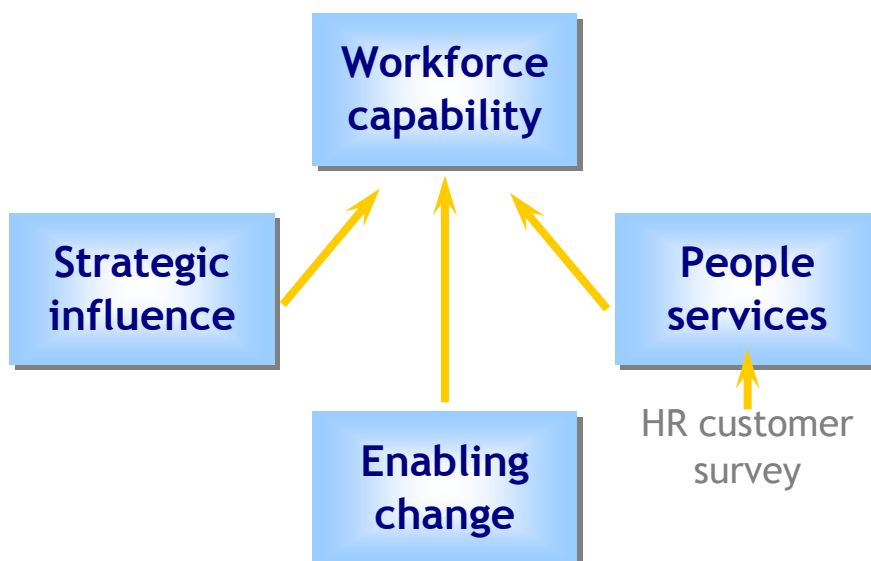
### Reflections on approach

This Dashboard was a useful example of how the multi-dimensional nature of HR effectiveness can be shown explicitly, but in a way which pulled a lot of relevant information into one set of indicators.

Customer feedback takes its place in this approach, alongside other kinds of service and outcome metrics. Pulling the PPPA metrics into the overall MoD model ensured that the shared service measures did not sit in isolation - a frequent problem for HR shared services, especially if they are geographically separated from central HR and business units.

The overall message in the model is a clear desire to demonstrate that HR is there to support the business.

Figure 5.5: MoD 'Dashboard' balanced scorecard approach



Source: MOD and IES member conference, 2007

## 5.6 Summary

In this chapter we have explored the relationship between measures of customer feedback on HR and the wider context of assessing the effectiveness of HR overall.

We find the polarisation of 'hard' HR metrics set against 'soft' measures of customer feedback inappropriate and irrelevant:

- Many of the so-called 'hard' metrics are simply numerical representations of attitudinal data. The numbers we can get out of customer surveys are metrics in the same sense.

- Customer feedback has the ability to tell us what is important to customers as well as the levels and kinds of service they are experiencing. Too many HR metrics are produced because the data is available, not because it tells you anything very useful about the quality of HR.
- If metrics are supposed to tell us how well a business support function is supporting the organisation, leaving customer feedback out of the picture seems arrogant – as though HR knows what it should be measuring more than the business does.
- The descriptive aspects of customer feedback complement numerical measures in that they often explain *why* the metrics look the way they do. If we do not understand what makes HR effective or less effective from the business perspective, it is difficult to use metrics to lead improvement.

IES would advocate building customer feedback into a broader audit or scorecards of HR performance. It is useful also to set the performance of the function – in terms of both efficiency of delivery and effectiveness – alongside measures of the workforce and people management. These outcomes are mostly a result of how the line manages people, but of course we would hope that HR is supporting line management in achieving good people management. Business leaders need to know they have both – good people management *and* effective HR.

Wider approaches to HR metrics can be more powerful if they link to how the business as a whole articulates its effectiveness, using some of the same models (eg quality models) or core principles (eg high customer service in a customer-facing business).

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## 6 Practical Approaches to Customer Feedback on HR

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In this concluding chapter, we pull together some practical suggestions for obtaining and using customer feedback on the HR function as part of your approach to evaluating and improving the work of HR. We look at:

- why it is important for HR to obtain feedback from its internal customers
- how to set about obtaining feedback
- how to present and use feedback to get improvement
- positioning customer feedback in its wider context.

### 6.1 Why is obtaining customer feedback on HR important?

It seems odd to have to persuade a support function that getting feedback from its internal customers is a really important thing to do. The reluctance in some quarters for HR to ask its internal customers for feedback is a measure of how disconnected HR has become from the business in some organisations and how fashionable it has been to actually ignore what internal customers want.

- Like it or not, HR is providing an internal service and those at the receiving end of the service know whether it is any good.
- The business pays for HR and so those outside the function have valid views on whether HR is value for money. All corporate functions should be audited as part of good governance, and feedback from customers is part of this process.
- Some HR people fear that their customers will either not want to give feedback or will be relentlessly negative in their views. The IES research programme and its other work in this area shows these views are usually quite wrong.



Managers and employees are very interested in HR services – as they recognise that getting the people stuff right is absolutely critical to their ability to get the work done and also affects their own employment experience.

- Many HR functions have changed themselves significantly in recent years and continue to do so. Getting customer feedback at a time of change is especially important – how else will you know whether your service is doing what the change was designed to do?
- It is not just important to know what people think of services; it is perhaps even more important to know what they want and need from HR and – at a deeper level – how they see HR, line management and employees working together to produce effective people management to deliver business results.

## 6.2 How to set about obtaining feedback

Here are some questions to ask in deciding how to collect customer feedback:

- Who wants to know about customer feedback on HR and what do they want to use this information for? Are there specific decisions relating to HR which you want to use the feedback for?
- What do you already know about the issues for HR's customers? Which of these do you want to understand better?
- Are you going to ask about what customers need from HR as well as what they get?
- Are you interested in what customers think of the quality of HR people and their relationships with them?
- Do other HR metrics point to aspects of HR you need to look at with your customers? For example, if recruitment times are long, do you want to know how managers are experiencing the recruitment process?
- Which approaches to customer feedback do you already have in place, and what useful information are they yielding?
- Which customers are you going to ask? Everyone in the organisation? People who use HR services a lot? Managers only? Senior managers?
- What do you need to know more about?
- What methods of information collection will work best – have customers said how they would like to engage more with HR?

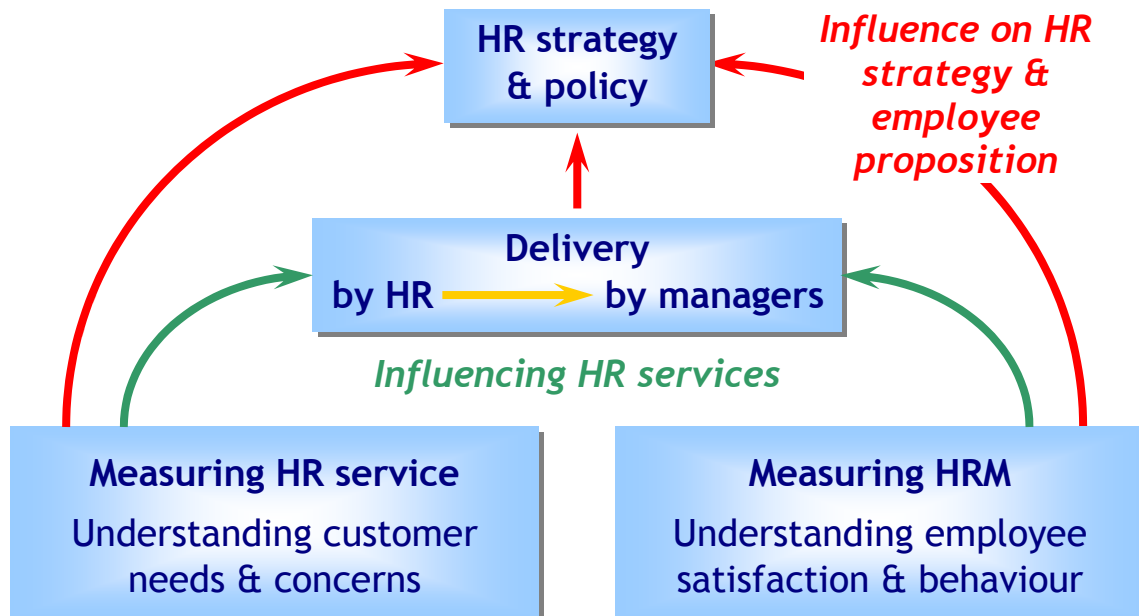
- Will you use the same kind of approach for different parts of HR, for example for HR shared service centres, central HR or business partners?
- Who will collect this information and how much will it cost?
- How will you analyse and report it?

### **6.3 How to present and use feedback**

In analysing and presenting customer feedback on HR, key points include the following:

- Compare messages on what customers need or want with messages on what they are getting now.
- Understand the different needs and viewpoints of different customer groups, and the viewpoints of people who work in HR.
- Combine numerical and text information to tell a clear story. Use pictures, quotes etc. where you can.
- Use numbers and quotes to make the story comprehensible. Consider having more detailed information as back-up but using only examples or summary figures in pulling out key points.
- Avoid HR jargon.
- Relate findings to where HR needs to go as well as where it is now.
- Try and build in discussions of findings with staff at different levels and in various roles in HR. The more they understand what customers are saying, the easier it is to act.

Figure 6.1: What will you do with better information?



Source: IES, 2009

How does measuring HR, especially how customers perceive the service, lead to real action in the business?

The two boxes at the bottom of the model represent the measurement of HR. The left-hand box measures HR service outputs and outcomes and includes the perceptions of customers of the service, as discussed in this report. The bottom right-hand box, as explored in Chapter 5, contains wider measures of people management and workforce outcomes, including those which help us understand how employees experience their employment and the impact of that on the business.

Both of these sets of assessments feed back into HR and the business through two slightly different routes. In the middle of this diagram, assessments of HR services can feed back directly and quickly into how HR delivers to the business and in turn how it supports line management. Both the actions of HR and of managers will affect the metrics over time.

The second route of influence, shown at the top of the diagram, is through feedback changing HR strategy, policy and priorities. It can lead to major shifts in how employment is managed and how the business positions itself as an employer.

This model suggests that we should ask the following questions when we have obtained customer feedback on HR:

- How do messages from the customers of HR relate to what other HR and people metrics tell us about what is happening to people in our business?

- How should both these sets of messages change the delivery of HR services and how HR supports people management by the line?
- Do some messages require more fundamental re-thinking of HR or employment strategy in the business?

## 6.4 Positioning customer feedback in its wider context

We will normally wish to interpret customer feedback in the context of other information about HR and people management. The debate on HR has got itself very confused about 'metrics'. The debate on human capital reporting may have made this confusion even worse. Some people feel that customer feedback is somehow in opposition to 'metrics'. Key points about the positioning of customer feedback from this study include the following:

- Metrics on the quality of customer service in HR should be part of the wider set of metrics about HR.
- We often need to help people understand that measures of what the HR function does and achieves are not the same as measuring people management, which is mostly done by managers. So the outcomes we are most interested in, such as the skill levels, motivation and productivity of the workforce, are complex in what brings them about.
- It helps, therefore, to group HR and people management metrics to aid their interpretation. There are a number of ways of doing this, including through matrices and balanced scorecards. It can be helpful to use models which relate to those adopted by other aspects of the business, including quality approaches and customer service approaches.
- This also helps to combine customer feedback with other metrics already collected, eg from personnel data, evaluations of specific activities or interventions. Attitudes of customers towards HR can also be compared with other opinion data (eg staff surveys)

Organisations will not always give the customers of HR what they want. There is limited money for this function and there are also deeper reasons for HR to strongly encourage the line to take its full role in people management. But customer feedback can help HR functions to have a better debate with business leaders about where the function should be going. It can also help, in quite a straightforward way, to set its own priorities within its resources:

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## Appendix 1: What Customers Want From HR : Executive Summary

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This summary is from *What Customers Want From HR: The views of line managers, senior managers and employees on HR services and the HR function* by W Hirsh, A Carter, J Gifford, M Strebler, S Baldwin, IES Report No. 453, 2008.

This IES study found that the customers of HR - line managers, senior managers and employees - want a function that is responsive, proactive and professional. It needs to be independent-minded, in close touch with the workforce and able to challenge managers when necessary. Although frameworks of HR policies and processes are necessary, real strategic value comes from spotting issues ahead of time and helping managers address them. Managers and employees want support from HR people with real professional expertise: 'people partners' who can help them address their people issues in the business context.

### **1. HR should engage more seriously with finding out what its customers need and their experiences of current HR services**

HR functions should obtain much more thorough feedback from their internal customers – line managers, senior managers and employees. This should cover both what they need from HR, and their user experience of current services. Such feedback, as this study illustrates, can generate a clear overview – or 'footprint' – of the HR function in a particular organisation. It can provide fresh insights and help the HR function to focus its efforts in areas that add value to the business.

Among the survey sample in this study, only about one-third of managers and a quarter of non-managers were satisfied with HR services. Although one-third of managers felt HR was improving, a similar proportion felt it had got worse over the last couple of years. Non-managers were also about as likely to think that HR had got better as that it had got worse, although more of them - about half - could see no change in the quality of HR services.

Customers said that they valued an HR function that was fair, knowledgeable, did not hinder their work and protected employee interests. The factors in HR services that turned out to correlate most strongly with respondents' ratings of their satisfaction with HR were: being well-supported in times of change; HR giving good advice to employees; being well-supported in dealing with difficult people or situations; and HR getting the basics right. Satisfaction with HR also went hand in hand with seeing HR as a real strategic partner and as making an important business contribution.

## **2. HR needs to be *responsive* – clear about what it is there for and what services it offers; easy to contact; and able to respond quickly, efficiently and effectively**

HR operates across a wide range of subject areas (recruitment, performance, reward, development and so on) and has been changing in the way it works, and often restructuring its administrative and advisory services. It is easy for managers and employees to get confused by the shifting structures of HR and its strange terminology. Managers and employees need a clear understanding of what HR thinks it is there to do, what services it is offering, and how to access these.

*'The large majority of staff does not know what HR does, and HR does not make a conscious effort to tell them.'* (Senior Manager)

It is critical to its customers that the HR function 'gets the basics right' and is 'responsive'. Responsiveness is about genuine customer focus in speed and accuracy, and also making advice and action relevant to the business and workforce context.

Most of the negative comments in this study were about pretty basic problems in accessing HR support. People issues are often urgent and stressful for managers and employees. If they cannot speak to the right person in HR, or if their query is left hanging for a few days, they rapidly lose confidence in the function.

## **3. Managers want an *independent-minded* HR function, which understands the workforce and can help management balance employee and business needs**

All the participants in this study saw the HR function as being there to support the business through supporting all three of the customer groups we were investigating. Senior managers were strongly of the view that HR is there to support employees as well as managers: *'HR is there to support the line and employees in order to support the business'*. Both managers and employees appreciate the skilled help HR often gives in resolving serious disagreements or performance problems at individual level.

Effective HR services for employees are seen as supporting, not diluting, the responsibility of the line for people management. The ability of HR to coach line managers, especially around managing performance, is highly valued. All



customer groups emphasised the importance of thorough training for new managers.

In a much broader sense, managers want an HR function with its finger on the pulse of what employees are feeling and how well they are working. Senior managers particularly look to the HR function to have an independent, and challenging, view of how to balance the interests of employees with the needs of the business. They recognise in themselves the temptation to put short-term management priorities ahead of sustaining positive relationships with the workforce. They need HR to help them strike the right balance. So an HR function that is seen as remote from the workforce loses much of its unique value to business leaders.

*'As managers we get caught up in what we are trying to do in the business. HR helps us remember we are dealing with people.'* (Manager)

*'HR needs to be like the Jester to the King. It has to tell him what everyone knows but no-one else dares to tell him .... You have to be very smart to do that.'* (Employee)

#### **4. Customers do want an HR function with strategic business impact, but this is about solving problems that are strategically important for the business, not about separate HR strategies**

The HR community sees itself as on a journey to becoming more 'strategic' in its influence on the business. The customers of HR want this too, but their vision of strategic HR is an essentially practical one. Being strategic from a management perspective is about working with the line – at all levels – on people issues or problems that have a strategic impact on the business.

*'Overall, HR's game could be raised – it needs to be more ambitious for the business and offer a vision of how the business could be.'* (Senior Manager)

Managers recognise the need for frameworks of HR policies and processes, but think HR makes these more complex than necessary and changes them far too often. For example, they do not see yet another revision of the performance review forms as improving performance. They are looking to HR for really deep understanding of how to get the best out of people, and then practical support in achieving this.

Some of the areas that HR sees as having greater 'strategic' impact, such as change management, career and talent management, and learning and development, relate to the future health of the organisation. These are areas in which managers and employees do want more support from HR. However, they want this support to be tailored and offered at divisional or departmental team level. It is often not clear who in HR has the time and skills to offer such support at local level on an ongoing basis.

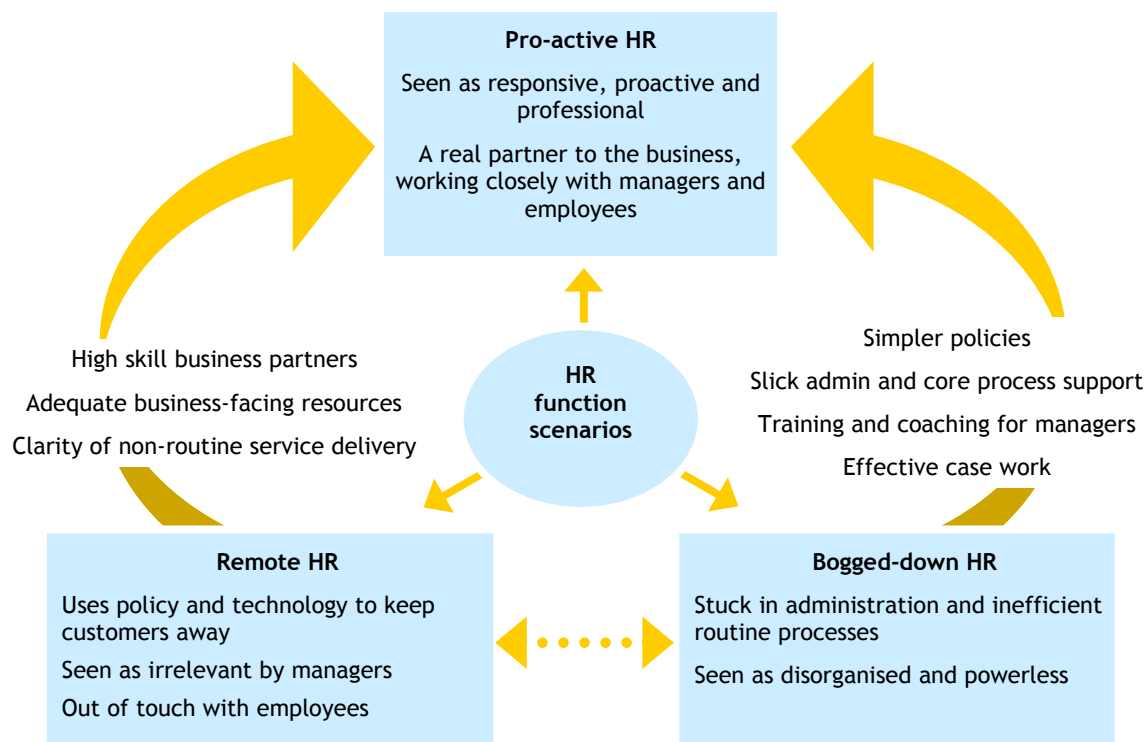
### **5. The customers of HR want a 'proactive' HR function, which spots issues ahead of time and works closely with managers to address them**

The customers in this study used the word 'strategic' less than HR people do. They used the word 'proactive' to summarise what they wanted HR to be – neither too bogged down by inefficient administration nor too remote in an ivory tower of policy and strategy. Proactive HR would:

- enable managers and employees to do business better by being more closely involved with tackling people problems and issues
- help to '*nip problems in the bud*' by spotting them early
- bring in good ideas from outside the business
- be more assertive if managers are flouting policies or codes of behaviour
- coach and train managers to manage and motivate their people better
- work '*across the business*' to achieve more consistency of people management and to develop and deploy people better for the benefit of the whole organisation.

A proactive HR function should feel close to managers and reach out to them. As one senior manager put it: '*They could just walk around more – there is no need to be embarrassed. I am quite a proactive customer and I do push a bit. But it takes two to tango.*'

The diagram below shows three simplified scenarios that can be used to consider features of the past, present or future of the HR function in any given organisation.



Many organisations have been trying to get themselves out of 'bugged-down' HR and work towards 'proactive' HR over the past few years. However, this research shows that they may have misunderstood what their customers see as the nature of a more strategic HR function. If they concern themselves only with HR strategy documents, process re-design and interactions with top management, they can drift away into 'remote' HR. Even though they may think they are having strategic impact at the top of the business, once out of touch with line managers and the workforce, those in a 'remote' HR function have little value to offer, especially to senior executives.

## 6. Customers want *professional* HR support from real 'people partners'

To deliver responsive and proactive HR support, customers want HR people to be proper professionals in HR. This means having real 'expertise' based both on theory and evolving good practice, in order to give consistent, fair and reliable information and advice. HR people also need understanding of the business context and the workforce perspective, and to be confident and assertive enough to challenge managers where necessary.

HR professionalism in this sense includes all the junior HR staff who are often the telephone front line for enquiries. Many of these roles are no longer primarily 'administrative', and require increased HR knowledge, understanding and skills.

The survey in this study showed that a majority of managers and employees find HR staff approachable, trustworthy, professional and helpful. A minority think they are expert, reliable, innovative and easy to get hold of. Satisfaction with HR services is strongly related to the perceived quality of HR staff, especially whether they are expert, reliable, well-informed and responsive, and understand employee needs.

Managers find the idea of an HR business partner a natural and attractive one. They do not want business generalists in these roles, but HR professionals who also understand the business – someone with real HR know-how as well as someone they can work with and who gets to know them and their staff. Some managers value their business partners highly but find them rather too thin on the ground.

Looking at what managers have said in this study, one wonders if the term ‘HR business partner’ is in itself a misnomer, born of HR’s habit of looking at itself from its own end of the relationship. Looked at from the managers’ end, what they want is not really a ‘business partner’ at all but a ‘people partner’: someone with real expertise who can help them address their people issues in the business context.

### **About the IES research**

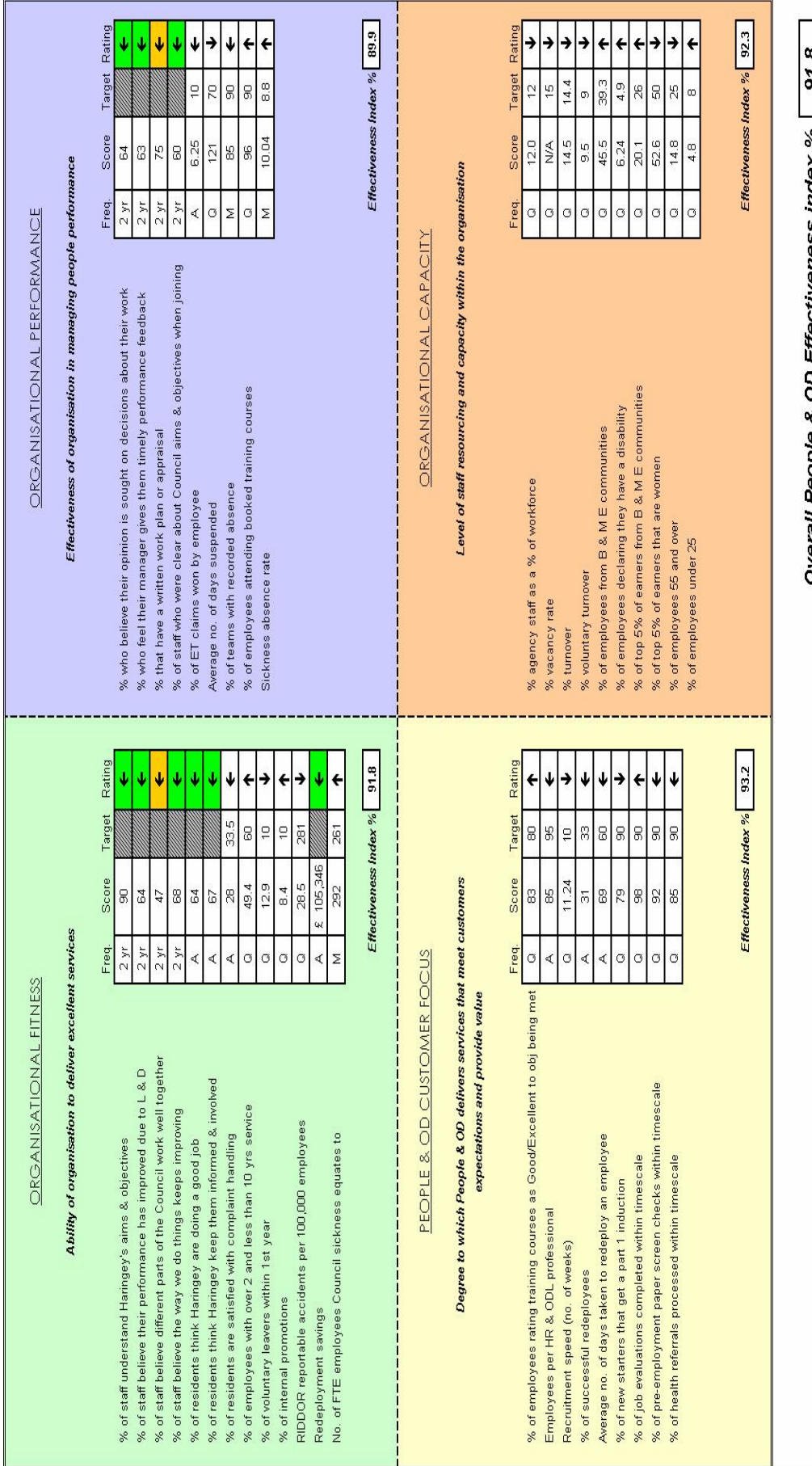
This study was supported by members of the IES HR Network. It was conducted in five organisations in retail, electronics, local government, health and the civil service. The study focused on three different groups of customers for HR services – line managers, senior managers and employees. Over a hundred customers of HR participated in face-to-face discussions and over 840 completed a survey questionnaire.

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## **Appendix 2: A Balanced Scorecard**

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**Haringey Council's People & OD Scorecard - December 2007**



Source: London Borough of Haringey, 2007



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# Obtaining Customer Feedback on HR: Finding out what managers and employees think of HR services and the HR function

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Alison Carter, Wendy Hirsh, Mary Mercer, Peter Reilly

There continues to be a lively debate in organisations about whether to seek the views of customers about HR (and which customers to ask) and, if so, how to go about it. By talking to a number of different organisations, IES researchers looked at why they chose to do so, and the varying methods used.

This resulting report suggests that there are different objectives in the customer sensing exercise: how is the service working; what is the quality of HR policy and practice; how effective are HR staff, and is people management improving? Some organisations clearly place the feedback as part of the HR transformation journey and use it to judge progress, whilst others apply it more tactically as a means of assessing current service levels.

The investigation found that a number of methods are employed by HR to gather views during such exercises. Surveys, focus groups and interviews were the prime means through which customer feedback data were acquired, though instant feedback on a service (eg via a call centre) was also tried. The information is then variously deployed in SWOT analyses, linked to other performance data and reflected in scorecards, etc.

The report outlines the challenges organisations have faced in managing the data collected and being pushed towards an over-emphasis on measuring the transactional elements of interaction because they are easy to monitor, rather than the more strategic elements of HR's work. The report also helpfully describes how some case study organisations have overcome these problems.

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