

THE HONG KONG HOUSING AUTHORITY

Memorandum for the Human Resources Committee

First Progress Report on Human Resource Management Plan Implementation

PURPOSE

The purpose of this paper is to -

- (i) inform Members of the progress of implementation of the programmes and initiatives included in the Housing Authority's (HA) Human Resource Management (HRM) Plan; and
- (ii) seek Members' endorsement of the future priority areas having regard to the latest organisational development and external challenges.

BACKGROUND

2. At the meeting held on 10 July 1997, Members endorsed the programmes/initiatives set out in the first HA HRM Plan 1997/98 to 2001/2002 (the Plan). The Plan aims to help HA to achieve its mission and objectives through systematic design and implementation of HRM programmes. It also provides a focus on future HRM direction and major activities. Under the planning process and planning cycle of the Plan, half-yearly reports will be prepared for the Human Resources Committee (HRC) on the progress of the programmes in the Plan. Members may also recall that at the time of formulating this Plan, strategic issues relating to the Hong Kong Special Administrative Region's first Housing Policy Programmes were yet to be finalised. As the Policy Programmes on housing and land supply are now known following announcement by the Chief Executive in his first Policy Address in October 1997, the opportunity is now taken to review the priority of the programmes in the Plan to meet new requirements and development in the light of the new strategic objectives.

PRESENT POSITION

I. Progress of Implementation of Planned Programmes

3. There are 11 key programme areas included in the HRM Plan. They serve as the basis for a series of specific HRM initiatives with recommended time frame for implementation. All initiatives are being implemented smoothly as planned. Up-to-date position of those key initiatives are highlighted at **Annex I**. The HRM Plan is an integral part of the corporate plan and links up with the business plans. The essence is to use employee-centred policies and practices to collectively enhance the organisational effectiveness and performance and specifically enable the Business Branches to achieve their individual business objectives as laid down in the respective business plans. Major HRM performance indicators have been identified to monitor the implementation and performance of HRM functions.

4. To involve line managers in HRM and gain staff commitment to the programmes and initiatives, copies of the HRM Plan were distributed to the line managers at senior professional and above in early October 1997. Concurrently, copies of the pictorial HRM Booklet were distributed to all staff members to help them understand their roles and contributions. Staff in general welcome the Plan and are in support of the initiatives contained therein. Their general awareness and knowledge of HRM have increased.

II. Evaluation of the Development of the Programmes

5. An HRM Term Consultant (Mr Iain McCormick of Renwick, McCormick & Maule Ltd) has been appointed since October 1997 to support the implementation of the HRM Plan and to develop an HR system evaluation framework for assessing our programme applications. The evaluation framework consists of four level of assessment against a number of pre-defined dimensions for each programme area under the HRM Plan. Evaluation is based on the level of programme development over time, covering past performance, current results and the expected future attainment. A summary of the findings of the evaluation by programme areas, which is based on interviews with some senior officers, is at **Annex II**. Mr. McCormick will brief HRC Members on the system evaluation framework at its meeting to be held on 5 February 1998.

III. New HR Challenges and Priorities

6. HA is facing new HR challenges in the light of the Chief Executive's housing pledge and stepped up development programmes. Linked to strategic corporate planning, the issues related to re-organisation and new management models, and possible rightsizing of the organisation will have to be addressed. Through the help of the HRM Term Consultant, an assessment of the likely impact of the Chief Executive's housing pledge and impending organisational changes on HRM development and the implementation of the HRM Plan has been made. His findings which are summarised at **Annex III(i) and (ii)** have suggested that we should review, up-date and prioritise the programmes under the Plan to take account of impending organisational changes and external challenges.

7. In the light of the fore-going, we have since identified the following programme areas that require more focused attention and will be the driver programmes in the next two years -

(a) Strategic HRM Planning

The current updating exercise provides an opportunity to take into account the Chief Executive's housing pledge. The focus of the initiatives includes finalising an organisational structure which meets the latest corporate objectives; manpower strategy development and manpower planning, introducing flexible HA terms and conditions for staff; and introducing incentives and recognition schemes for staff retention and commitment.

(b) Change Management and Leadership for Culture change

The internal and external challenges mentioned above provide both opportunities and threats to our staff members. One of the focus of future HRM initiatives will therefore be on leadership and change agent development to provide the necessary steer and competencies necessary to support change management. There is a definite need to increase planning and management of change, cascade ownership and improve staff's understanding of change and new service culture. Contractors' buy-in should be considered as part of the process.

(c) *Core Competency Development*

Competency development provides an integrated framework and link-pin for HRM development and the behaviour indicators on performance effectiveness. As many other HRM systems such as recruitment, training and staff development, performance management are competency-based, there is an urgent need to step up the work that is already well progressed in this area. Given the external challenges, priority of emphasis should be given to competency dimensions related to result-orientation and customer-focus, change management, leadership and teamwork.

(d) *Performance Management*

Performance management is central to individual and organisational effectiveness. It is important to enhance the current performance appraisal process by focusing on linking the individual's performance to HA's business plans and strategic objectives. The focus of attention under this programme area in the light of the latest challenges would be on clarity of job purpose and objective setting for performance results, more open and specific feedback on work progress and results and an integral process for staff development.

(e) *Strategic Training*

There is the need to step up training programmes to keep pace with new job requirements and rapid changes, and to support various change initiatives. To cope with the new demand of work arising from the latest challenges, training should address strategic organisational and business issues consistent with the requirements for change rather than as isolated events. Strategic training programmes with focus on developing competencies for proactivity and managing for results; leadership and teamwork, and customer service should be given priority. Special training needs for project management and contract management have also been identified to support the stepped up housing development programmes.

(f) Staff Communication

We have to step up communication with staff through their managers so as to secure maximum understanding, co-operation and commitment from them. In support of the changes ahead, communication for change management will be emphasised. Initiatives to communicate the need for change and managing the implications of change are to be stepped up in conjunction with other Management Enhancement Programme initiatives. The aim is to make staff well aware of the overall direction of HA as early as possible. As re-organisation and restructuring further progress, effective communication to handle staff's concern for retention and transfer will be a high HR agenda.

THE NEXT STEP

8. We propose to update the HRM Plan along the above lines and take follow up actions on the key driver and additional programmes so identified. In accordance with the annual planning process and planning cycle set, we aim to complete the review and re-submit an updated HRM Plan at the next HRC meeting in April 1998.

ADVICE SOUGHT

9. At the HRC meeting to be held on 5 February 1998, Members will be invited to -

- (i) take note of the progress made in respect of the implementation of programmes included in the HRM Plan (paragraph 3 above and Annex I), and
- (ii) endorse the future priority of work (paragraph 7 above) having regard to the latest organisational and external challenges.

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File ref. : L/M(1) to HD 696/96 III
Date : 27 January 1998