

Cloud Objects in HR

People trained in science and engineering think about the world in terms of *real objects* where we can use precise numbers and *statistical objects* where we deal in likelihoods. However, there is another type of object common in management that I call a *cloud object*. Cloud objects have different properties than real or statistical objects. If you try to analyse a cloud object the way you would analyse a real object then you get into trouble.

I encountered my first cloud object when I was developing new approaches to job evaluation with the Hay Group back in 1990. Hay Guide Charts tend to give the impression that job size is a real object that can be precisely measured. A Hay consultant might study two jobs and decide one is job is 144 points and the other is 141 points. That sounds pretty real (and there is a good reason for this apparent certainty), but it's misleading and can cause us to misunderstand the nature of job size.

A Primer on Job Size

Let me spend a moment reminding you about job size and the Hay Guide Chart Method.

The main reason companies care about job size is as a means of setting base salary. Most people agree that “bigger” or “more important” jobs should be paid more.

When I was first exposed to this I wondered how you could possibly compare different jobs like a pastry chef and an underwriter, but I learned that HR consultants do have good systems for assessing job size and no one does it better than Hay.

Hay looks at three factors: Know-How, Problem Solving and Accountability. Jobs are rated on each of these factors and the sum of the scores is the job size. It works well in practice and the best Hay consultants are very thoughtful when it comes to understanding job size.

However, my initial feeling that job size was going to be a slippery concept was not misplaced. Hay puts a specific number on a job because they have to, not because the object is real.

Job Size as a Cloud Object

When you are experienced in evaluating jobs you can typically say with real confidence what size range a job falls within. For example, you might feel certain that the job is higher than “3” and lower than “6” on the scale you happen to be using. However, the finer judgement—in this example, is the problem solving 4 or is it 5—can be a matter of heated debate. If you are honest with yourself, you may well admit that even after extensive thought you are not really sure which answer is the true job size.

Dealing with the Uncertainty of Clouds

So why can’t we leave it at that, simply saying “It’s a 4 or a 5”? The reason is that if you have two similar jobs you are forced to make a decision: do we pay job A more, job B more, or do we pay them both the same? We can’t just say “We aren’t sure”, we have to choose one of the three options—and that forces us to give a precise job size.

We do this with some social engineering—an esteemed committee makes a decision. It’s a bit like an umpire. He may not be sure if it was a strike or a ball, but he’s forced to make a call and once he has, that decision sticks.

The Nature of Cloud Objects

We are compelled to assign jobs a precise size, but the truth is that jobs are not like real objects with a specific weight or defined midpoint. Job size is like a cloud. With clouds we can’t say exactly where the centre is, where the edges are, nor what the precise volume is. Similarly, there really is no precise answer to the question of job size: you can get some sense of the size, but no amount of analysis will provide an unambiguous answer.

People used to dealing with real objects may be exasperated when they realize you can’t be absolutely sure which grade a job is in. They think this makes the whole concept of job size meaningless. However, that is not the case. With real clouds we can often say with confidence “this cloud is much bigger than that cloud”; or “this cloud is somewhat bigger than that cloud.” We just have to accept that sometimes we’ll say “Those two clouds are roughly the same size and we think the one on the left is larger but we are not really sure.”

Dealing with Cloud Objects

The key to dealing with cloud objects is not to go down the route of trying to build a highly sophisticated method that will give an undeniably correct answer. There is no exact centre to a cloud and trying to pretend there is will only get you into trouble. The correct process is to use reasonable methods to make a good estimate. That is what a good job evaluation tool does with job size.

Since we often need to go beyond the estimation we need to add a second method which is some acceptable process where an authority makes a judgement call.

Other cloud objects in HR

Once you begin seeing the world this way you realize that many of the things we deal with in HR are clouds. An individual's performance is cloud; the value of a training program is a cloud.

Funnily enough I think the only people who have trouble with cloud objects are those of us trained in science and engineering. We have been indoctrinated into a world of precision in measurement. We've been trained that there should be a clear answer rather than a judgment call. This attitude is useful, but it doesn't work with cloud objects. With cloud objects, objective methods only take us so far and then we must be content to let subjectivity rule in making the final call.

I hope that by identifying things as cloud objects, the scientists and engineers working in management can finally relax, lean back, and gaze happily at the clouds without trying to precisely measure them.

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