Chapter 3

Management and Marketing
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Human resources management does not exist as an end in itself but for the purpose of supporting organizational mission accomplishment. HRM activities are carried out within the framework of established public policies, such as Veterans Preference, and the values of openness, fairness, and equity expressed in the Merit System Principles. On the other hand, HR systems and processes cannot take on a life of their own independent from broad organizational goals. They must instead be judged by how well they, and the functional experts who administer them, support those who work each day to carry out the agency's programs.

This is not a new premise, and it may seem to be no more than common sense. "Let managers manage," as the saying goes, and let that include managing people. Yet in many agencies, it represents a real change from the traditional model of HRM. Authority to make many HRM decisions has historically been held in the HR or Personnel Office (for example, classification of positions to title, series and grade).
Issues facing human resources are expected to change dramatically in the next decades. Thus, human resource professionals must play special roles in dealing with these changes and must develop specific competencies to support these roles. Workplace flexibility is expected to be on the rise as the future workplace, the "virtual office", is characterized by creative and flexible work arrangements. As more employees work off-site - up to two thirds of an organization in the 21st century - there will be an increase in emphasis on performance and results as opposed to the number of hours worked.

In addition, off-site employees can expect to attend fewer meetings. Specified work will become much more collaborative and management will spend nearly all its time managing cross-functional work teams who enjoy a lot of autonomy. In essence, there will be a movement, a trend towards a decentralized model of Human Resources. Human resource managers will have to accommodate employees in their virtual work locations and find ways to manage corporate culture, socialization and employee orientation.

In order to obtain and maintain a competent workforce, they must act as organizational performance experts and shape employee behavior without face-to face meetings. Another expected change in Human Resources is the 'Global business' concept. World trade knew a major growth during the last years and there is forecasted as well the growth of international businesses, especially among small firms. Organizations rely more and more on human resource specialists as the facilitators of work across borders and among different cultures. Therefore, they must be knowledgeable of other cultures, languages and business practices.
They will be required to develop and manage an international workforce, maintain written and unwritten corporate policies for transportability to other cultures, keep top management informed of the costs of not paying attention to the transnational issues and provide their services to a variety of locations worldwide. Concerning the recruitment in the above mentioned "global business" it will be important which strategy will be adopted by the management. If emphasis is laid on internal recruitment, the advantage is that candidates are already familiar with both the corporate system and culture.

However, some senior managers may object to the constant drain of young talent from their units. There are three alternatives of sources of recruitment:

— local, that means citizens of the host country
— home-country nationals
— third-country nationals.

Most managers in subsidiaries are host-country nationals, as local managers are generally more familiar with environmental conditions and how they should be integrated. However, if they are not properly trained and indoctrinated, they may see things differently from the way they are viewed at headquarters, dichotomy that could create problems for the control and coordination of programs. On the positive side, however, home-country nationals are less expensive and are usually familiar with the ins and outs of the local market. In plus, home-country nationals are increasingly receiving a Western-style business education.

Globalization will impact HR managers by requiring new skills such as language capabilities. For example, in
order to recruit employees from other cultures, HR managers will either have to learn new languages or else "they will certainly have to have foreign language speakers on staff." But in order to facilitate communication among people coming from a wide range of language backgrounds, in most multinationals, it is preferred to speak English. To develop language skills and promote international outlook in their management pools, multinationals are increasingly recruiting graduates from business schools in the USA, Western Europe and the Far East.

Factors as the type of the industry, the life cycle stage of the product, the availability of managers from other sources and the functional areas determine the decision of the management whether to use home-country nationals or not. Thus, in the service sector there are normally more home-country managers than in industrial sectors. Some corporations have home-country nationals in some functional areas, as accounting or finance, for reasons of control and communication. This is the case of the majority of Japanese implants in the USA, that use Japanese Chief Functional Officers.

Third-country nationals are most often employed in large multinational enterprises that adopt a global philosophy. Thus, they may contribute to the firm's overall international exposure. Anyway, a multinational corporation should be cautious when proceeding some transfers and pay attention to the cultural and historical background. A similar recruitment pattern is used by all companies during the internationalization process. During the export stage, firms, at first, seek outside expertise. Then they begin to train their own personnel, this trend is reversed when the enterprise actually
produces on the foreign market. Up from this point, enterprises rely less on home country personnel and prepare the host-country nationals for management positions.

They increasingly restrict the use of home-country and third-country nationals for special assignments (for example, a transfer of technology or expertise). They will go on using them as a matter of corporate policy to internationalize management and to foster the infusion of a particular corporate culture. Similar was the situation pertaining to the entrance of Unilever on the Romanian market. After couple of years of exports meant to test the market and make it fit, Unilever acquired the majority shares from Dero-Ploiești (detergent production), invested in technology and managed to get the leadership on the detergent market.

At the beginning there were over 40 home-nationals, in the meantime there are may be 10 more left. Therefore, as the time passes, the number of home-nationals decreases. The idea behind is that these came with their know-how 'luggage' in order to transfer it to Romanians. And the best ones among them will substitute the homenationals. The conclusion would be: the more Romanians in managing positions the more increases the decision independence on national level, the more develops the affiliate.

Companies must take into account cultural differences that shape managerial attitudes, when developing multinational management programs. During the export stage, firms, at first, seek outside expertise. Then they begin to train their own personnel. This trend is reversed when the enterprise actually produces on the foreign market. Up from this point, enterprises rely less
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Companies must take into account cultural differences that shape managerial attitudes, when developing multinational management programs: for example, British managers value individual achievement and autonomy, whereas French managers appreciate competent supervision, fringe benefits, security and comfortable conditions. Human resources managers must therefore be familiar with and understand other cultural norms to promote organization diversity. An organization that recognizes and promotes cultural diversity will benefit because it will be employing the market that it serves. With increasing globalization and competition within the market, a diverse workforce is
Conducive to attracting and retaining a strong client base.

While competing in an international market, employees from diverse national backgrounds provide language skills and understanding of other cultures. Human resource professionals will also be responsible for providing cultural sensitivity training for the organization's employees and for managers throughout the entire organization. International business practices will also be required to be understood by human resources managers.

For example, different negotiating styles and techniques vary across cultures as well as business etiquette and communication styles. These differences must be understood and adapted to in order to be successful in generating and sustaining business in other countries and cultures. Furthermore, international labor laws must be adhered to and incorporated into employee policies.

A further change will be in the relationship between work and society. Employees will be 'working to live' as opposed to 'living to work'. The values determined by society have changed: there is not quantity that counts most, but quality of life. Therefore, people will expect greater flexibility from their employers regarding personal issues, especially with regards to pursuing life interests and family obligations. This may affect the way human resource professionals do evaluations, performance appraisals and career planning.

As self-employment and telecommuting rise, work will become less like a participation in a culture. The percentage of working women will continue to increase as more families than ever are dependent upon women's
incomes to survive. The number of single working mothers with small children will rise dramatically and human resource professionals will have to readjust policies, to better accommodate those individuals. In the area of workplace development, there will be a shift toward constant learning in a just in time format using a variety of technologies.

The skill level of the workforce will change as technology is using a variety of technologies, as technology de-skills 75% of the population. Varied skills expertise may be valued equally and a new focus on performance measurement will shift emphasis away from skill building. A change in the definition of jobs will take place as jobs get bigger and broader. This will decrease the importance of job descriptions and titles and increase the importance of competencies. As jobs become broader, generalized, challenging and independent, employees will be required to become more flexible and to product results, rather that just put in time.

Human resource professionals will recruit less for particular skills and more for organizational fit. Therefore, there will be a growing importance for the strategic role of the human resources profession. A shift in focus to organizational performance is expected, and the profession will move into a leadership position as organizations come to the understanding of how much they depend on it. Human resource professionals will have to play a consulting role and to constantly rethink their strategy and organization.

Furthermore, they will be faced with the challenge of managing the availability of competent candidates. In the managing change arena, restructuring will be a never-ending process. As technology and competition
continue to change quickly, organizations have to continuously manage change. In other words, change will be the only constant. Re-engineering will evolve from its current focus on processes only, to involving people's decisions and other organizational effectiveness. Human resources will evolve from strategic business partnership to strategic business leadership.

In other words, human resource professionals will be leading and driving change, not just monitoring it. They will be doing the analysis and strategy planning at the business table, alongside business leaders. In addition, they must look for ways, not only to manage change, but to influence it and control it, to create an organization which is change sensitive.

Another evolution will be the continued growth of health care costs, as the 'baby boomers' generation grows older. The active workforce has to bear the costs, and as its number stays the same level or even shrinks, and the number of retired persons increases, health taxes will increase. Human resource professionals will have to deal with the problem of the growing number of aging workers. It is estimated that by 2030, 20% of the workforce will be 65 years old or older. Therefore, policies and programs that had been built for the younger workforce will have to be changed to accommodate the older generation. Human resource professionals will have to find ways to keep this generation productive and satisfied with fewer promotional opportunities. They will need to know how to recruit, manage and train an aging workforce.

Information technology (IT) makes workplace flexibility possible, since it frees the employee from a specified work location. In organizations that have
employees and divisions in other countries, HR professionals will be required to be committed to continuous learning in order to stay up to date with current technological capabilities that facilitate communication such as e-mail, Internet and videoconferencing, especially as the value of meetings decreases. These technological and communication capabilities such as the Intra and Internet will allow for cross-cultural work teams to share information and generate ideas to collaborate on business projects efficiently (major tool for communication, training and benefits administration).

Human Resource Professionals and Competencies

In order to effectively deal with all the changes, human resource professionals must develop competencies that will allow them to carry out their roles. Competences like flexibility, decisiveness, leadership, team work, communication, strategic planning, network building, client service orientation, organizational awareness, self confidence, sharing of expertise, global and cultural understanding as well as multiple language competencies. In addition to increasing and sustaining technological skills relating to communication developments, human resources professionals will may also be required to increase their numerical and data compilation skills.

As increasing demands emerge to provide specific measurable results that prove effectiveness in their area, human resources professionals will be required to produce quantifiable results that prove that their department is delivering specified outcomes based on the objectives and goals set forth by the organization. In
addition to delivering specific measurable developments, managers will also need to know what contributed to the results declared.

By acquiring such specific information, human resource professionals are able to make actionable and pertinent responses that will deliver measurable results which can ultimately increase employee morale and productivity. As a result of the increase in technology, innovation and globalization over the last 20 years, human resource professionals around the world are forced to be more efficient, more effective and more competitive. They need to respond to the demands of global competitiveness by becoming more familiar with language skills, cultural awareness and diversity promotion.

Additionally, HR professionals must be committed to continuous learning, being familiar with cutting-edge communication. If human resource managers won't to pay enough attention to their changing role, serious consequences could result, including the deterioration or even perhaps the elimination of the Human Resources Department.

Policies and Practices for Managing

The objective of human resources policy pertaining to labor personnel is to anticipate the demand for various skills and to have programs in place that will ensure the availability of employees when needed. Workers employed by a multinational enterprise are usually local. Their primary concerns in working for it are job security and benefits. In spite of the legislation and restrictions, most companies have, as regards the hiring of
expatriates, offset labor shortages by hiring workers from third party countries. This great variety of nationalities in the work force makes human resources management even more difficult.

Moreover, in the event in which the local labor force is not sufficiently trained, the firm may fly local workers back to the home country for appropriate training programs. Compensation is usually the best means for the firm to attract the best local workers. Multinational companies often pay host-workers wages which are significantly higher than local average and provide better working conditions.

Both academics and practitioners have the belief that there are interrelated practices within the department of human resources that seem to characterize companies that are effective in achieving competitive success through how they manage people. Is the use of these practices a premise for success? Every organization decides which practice is most critical for achieving its goals, depending on its particular technology and market strategy. For an organization it is possible to do all of these practices and be unprofitable and unsuccessful, as well as to do few or none of them and still be successful, as the workforce is not the only basis of success, although it is increasing in importance.

Managing the workforce effectively is not always equally essential to competitive success. Whether one needs the performance of all employees or only the contribution of few talented individuals varies according to the nature of the technology involved. Thus, some industries and technologies require the effective performance of everyone in the organization in order to be successful, while others rely primarily on
discontinuous breakthroughs in products or processes by one or more individuals. However, in both situations, it is important to recognize that the practices are interrelated, allowing a positive synergy effect.

Following are the policies and practices for managing people:

Employment Security

Security of employment is the sign of a long-standing commitment by the company to its workforce. There are norms of reciprocity that means that this commitment is supposed to be repaid. For instance, New United Motor Manufacturing (NUMMI), the Toyota-GM joint venture in California, guaranteed workers' jobs as part of the formal labor contract in return for an agreement not to strike over work standards.

Sometimes managers express their concern that guaranteed employment could foster a 'civil service' mentality and thus lack of emphasis on performance. If employment security is coupled with financial incentives for good performance and with work organization practices that motivate employee (i.e. team-work) this concern of managers won't be a problem.

Selectivity in Recruiting

Security in employment and reliance on the workforce for competitive success mean that the company (human resources department) must be careful to choose the right people and in the right way. Recruiting has an important symbolic aspect: If someone goes through a rigorous selection process, this person feels that he or she is joining an elite organization. Thus there are already
created high expectations for performance and the message sent is that people matter.

High Wages

If a company wants to recruit outstanding people and keep them, paying more is helpful, although not absolutely necessary. High wages tend to attract more applicants permitting the organization to be more selective in its hiring. This selectivity is important in finding people who will be committed to the employer and are going to be trained. Higher wages send a message that the enterprise values its people.

Especially if the wages are higher than required by the market, employees tend to perceive it as a gift and work therefore more diligently. Organizations often try to economize by paying lower wages, assuming that lower wages equal lower labor costs that are essential for competitive success. This is not always the case as labor costs depend also on the productivity of the workforce.

Incentive Pay

In our society of these days where quality of life is more important, people are not motivated just by money. Recognition, security, fair treatment matter more and more. However, it is true that money are necessary in order to enjoy the quality of life. Therefore, if people are responsible for enhanced levels of profitability of an organization they will expect to receive a certain share of the benefits. Let's assume that just the top management will receive the benefits, then employees that contributed to the achievement of benefits will feel treated unfair, become discouraged and abandon their efforts.
Thus, many organizations try to reward performance with different forms of contingent compensation. Bonuses based on the company's profitability can constitute up to 100% of a regular salary. They are meant for employees to identify with the firm. Another form of bonuses is based on the individual's merit rating.

**Employee Ownership**

Employee ownership offers two advantages. On the one hand, employee ownership can align the interest of employees with those of shareholders by making employees shareholders, too. As a consequence there will be less conflict between capital and labor for employees that have ownership interests in the company they are working for. On the other hand, employees as shareholders of the company will have stocks. And employees are more inclined to take along-term view of the organization, its strategy and its investment policies and are less likely to support takeovers or financial manoeuvres.

**Information Sharing**

On the one hand, gain sharing requires information sharing, and secondly, if people are supposed to be a source of competitive advantage, they must be well informed about what the management expects them to do in order to be successful.

**Participation and Empowerment**

Sharing information is an important prerequisite for encouraging the decentralization of decision making and for broader worker participation and empowerment in
controlling their own work process. Participation increases both satisfaction and employee productivity, as autonomy is one of the most important dimensions of jobs.

**Teams and Job Redesign**

The traditional hierarchical organization provides: monitoring and supervision to ensure that employees do their duties, and coordination across interdependent tasks. Even if employees are empowered, the need for coordination, and some monitoring remains, as organizations are interdependent systems. Autonomy can not mean that people do whatever and whenever they decide to do it. As alternative for the traditional hierarchy is the use of teams. This system preserves much of the sense of autonomy even it provides some level of monitoring and coordination. Organizations that integrated in their working system teamwork have often experienced excellent results.

**Training and Skill Development**

For an organization it is not enough to have only people empowered to do changes and improvements in products and/or processes but they should also have the necessary skills to do it. If people are to be given more information about operations, they need skills in employing the received information to diagnose and analyse problems and suggest solutions and improvements. That is the reason for that training is such an important part of quality improvement programs.

*Multiskilline: Cross-Training and Cross-Utilization*
There are several benefits of people doing several jobs. Having the possibility of doing multiple jobs can make work more interesting and the work life more challenging. Besides motivational effects, multiskilling is increasing the perspective of employment security, as it is easier for a company to keep people at work if they have multiple skills and can do different tasks.

Symbolic Egalitarianism

Symbols that separate people from each other are a barrier to decentralizing decision making, using self-managed teams and succeeding in gaining employee's commitment and cooperation. Therefore many companies, known for the fact they are achieving competitive advantage through people, have introduced different forms of symbolic egalitarianism. This concept is meant to signal to both outsiders and insiders that within that organization there is comparative equality and there is not a strict division in two groups: some think and others do.

There should not be a 'us' and 'they'-thinking any more but rather the 'we'-feeling is developing. However, symbolic egalitarianism is not very easy to implement as this would assume the elimination of status symbols that is often one of the most difficult things for an organization to do.

Wage Compression

Wage compression is related to the fact that people working in teams follow a common path and therefore the reward received should also be comparably. Wage compression is distinct from incentive pay, that means that people are rewarded either individually or in group
for their performance. The effect of pay compression are efficiency gains by reducing interpersonal competition and enhancing cooperation.

Promotion from Within the Organization

This practice encourages training and skill development because the availability of promotion opportunities within the organization binds employees to employers and vice versa. An advantage is that people who reach management positions began their carrier-path in the company in a low position and advanced step by step, so they know something about the business, the technology and the operations they are managing.

Lone-Term Perspective

Achieving competitive advantage through the workforce, it take time to accomplish. In general, companies are short-term, profit-oriented and seem to forget that time is required in order to implement employment practices that will ensure them competitive success on the long run. If a company is facing immediate short-term pressure, it is inconceivable, that it will do something in order to achieve competitive advantages through its employees.

In the short term, laying off people seems to be more profitable compared to trying to maintain employment security, and cutting training is a quick way to maintain short-term profits. Similar, cross-training and cross-utilization may provide innovations and advantages in time, but the company is oriented only on immediate proficiency.
Measurement of the Practices

Measurement is a critical component in any management process, and therefore valid also for the process of managing the workforce of an enterprise. What is measurement good for? First of all, it provides a feedback pertaining to how the organization is implementing various policies. Then, measurement ensures that what is measured will be noticed. In a world in which financial results are measured, a failure to measure human resource policy and practice implementation doom this to oversight, neglect and potential failure. In order to further develop implementation ideas as well as to learn how well practices are achieving their intended results, feedback from the measurements is vital.

Overarching Philosophy

Having a view of management or an overarching philosophy provides the possibility of connecting the various individual practices into a coherent whole. It also enable people in the organization to persist and experiment when things do not work out immediately. Moreover, it helps explaining what the organization is doing and justify it. Many companies that seek competitive success through their workforce and practice froth the approaches mentioned before, began with some underlying principles and developed theta early in the process. Levi Strauss' quality enhancement process began with the understanding that "manufacturing for quality and speed meant breaking the old paradigms", turning the culture upside down and reorienting the parameters of the business.

The challenge to implementing these policies and
practices that successful companies employ in managing their workforce is the idea that how one manages the personnel is contingent on the enterprise's competitive strategy. To illustrate this idea, let's make the following assumption. If a company achieves competitive advantage through its personnel, and another enterprise would want to compete with the first one, the latter would most probably do it, not by adopting the same tactic but by doing something completely different, using other competitive weapons such as product differentiation or information technology.

Work-Life Balancing

Peoples' lives are getting busier all the time. Employees today are often juggling work and family responsibilities, demands on their time for education, sports, community service and/or leisure and may, at times, feel dissatisfied with the quality of both their work and personal lives. Faced with the constant struggle to balance work responsibilities with personal commitments, they are looking to their workplace to provide some relief, support and practical solutions to their busy and stressful lives.

Organizations who work with their employees to find and implement solutions to this dilemma will find that providing a workplace that fosters work-life balance is not without clear business benefits. In the 1990s companies started to consider work-life issues. It was like an intuition that this was an important thing for employers to do, although there was no strong data to back up this feeling. Claims of "reduced absenteeism", "improved productivity" and "greater potential for recruitment and retention" did counter perceptions
among senior management that work-life balance was a "fluffy" human resources issue.

In the meantime the attitude of senior managers seems to have changed. It has to, as nowadays we are living in a society which is experiencing a shift in the expectations of quality of work-life, especially by younger generations. The issue of work-life balance is an important and in the same time urgent issue for both individuals and organizations because of a combination of economic, demographic and social factors.

The economic reality nowadays is that we are all living in a globally competitive marketplace, where deregulation of labor markets, demanding consumers and the impact of information technology have all meant that organizations must get more from less as we are learning to survive in a service and information economy. At the same time, the nature of the workforce has changed dramatically: the share of the ageing population is increasing and there is a shift in the expectations of quality of work-life, especially among young people. Organizations recognize that they need to attract and retain good people and have them working productively as that can be a source of competitive advantage. Therefore, companies should be researching the expectations of their employees to understand their issues and values.

Absenteeism

A survey made in Canada in 1999 found that 46.2% of the employed Canadians reported moderate to high levels of stress as a result of trying to balance their work and home lives. These stress levels are reflected in health
problems and absences. Respondents who reported a high degree of stress in balancing work and family life also reported having missed work in a higher or less degree depending on the level of stress.

Also the presence of children, especially pre-school children, was a primary indicator of time lost for family people and nevertheless the ageing workforce also contributed to increasing absenteeism. The best way to address absenteeism and reducing absence rates for all groups is to provide work-life balance measures. These include policies, programs and practices pertaining to workplace flexibility, reduction of working time, leave and benefits, and dependant care initiatives.

Recruitment and Retention

As a result of the competition for talent, the ageing workforce and the shrinking of the labor pool, the recruitment costs rose sharply. Estimates from human resource professionals and consultants indicate that to recruit a new staff member it would cost a company between two and four times the annual salary for the position. Considering this fact it would be prudent for businesses to implement necessary safeguard policies to avoid extra costs. When employees are dissatisfied with their work experience they leave.

Thus organizations have to see experience and knowledge walk out the door and down the road to their competitors. In fact, survey results show that 50% of managers would not hesitate to change jobs in exchange for a better quality of life. Consequently, more than ever, employers are recognizing the need to offer more than just "a job". Prospective employees are looking for a
company that recognizes their commitments both inside and outside the workplace. As a result, work-life programs and policies are considered as tools for companies seeking to recruit and retain skilled employees.

Motivation and Loyalty

Employees' work-life balance has an impact on their commitment to an organization. Here are the results of several studies. An international survey of 10,000 managers in Europe, US, Russia and Japan found that balancing the needs of work and personal life was selected as the most or second most important attribute in a job. The need for balance was valued higher than remuneration in nearly every country. Another survey of MBA final year students indicated that the ability to achieve a balanced lifestyle was the most important factor they would look for in choosing their first employment and 90% singled out work-life balance as a key factor in determining commitment to their employer.

Productivity

Customer-client commitment is based on a positive experience with representatives of the organization they are dealing with. Employees who report that they have achieved work-life balance are more satisfied and more willing to 'go the extra mile' for their employers. Flexibility and loyalty both improve productivity and the bottom-line. A survey from 2001 of 200 managers found 70% of those who work flexible hours scored higher on resilience, leadership and commitment than their "nine-to-five" colleagues. In addition, they had a 30% higher
level of output.

Identifying the Benefits in the Company

When an enterprise is developing its work-life business case, it is important to consider the tangible and intangible benefits. First of all, the work-life strategy has to be linked to the organization's goals and objectives in order to be able to consider afterwards all the possible benefits that could arise from implementing the company's strategy, such as for instance the potential for increased service coverage if some employees arrive earlier and others stay later, the possibility to meet customer demand due to greater flexibility, improved employee health and well-being and so forth.

In short, especially in companies where work-life balance is rather viewed as "just an HR issue", managers should continually evaluate and evolve the organization's strategy and focus on measurable results, to prove that the adopted work-life strategy could become a powerful management tool. How can the work-life balance be defined? Work-life balance is about adjusting working patterns. Regardless of age, race or gender, everyone can find a way of combine work with their other responsibilities or aspirations.

Increasingly, employers are developing a wide range of work-life balance options, covering flexible working arrangements and flexible benefit packages. Following are the most important and frequent forms of flexible work.

- Flexitime lets people choose when they work, usually outside the agreed core times. This means staff can vary their start, finish and break times each day.
— Staggered hours means employees can all have different start, finish and break times. This allows employers to cover longer opening hours. It also offers employees more flexibility, as long as they’re consulted first.

— Time off in lieu is when employees take time off, in agreement with managers, to make up for extra hours worked. It’s often used to compensate employees who attend meetings in the evenings.

— Compressed working hours lets people work their total number of hours over fewer days. For example, you can work full-time hours over four days a week instead of five, or work nine days a fortnight instead of ten. With shift-working, employers can extend the use of their plant or facilities by letting staff work one after another through a 24-hour period. Some businesses are realising that longer opening hours and more flexible shifts mean everyone has more choice.

— Shift swapping lets staff negotiate their working times and shifts amongst themselves, but have to keep the needs of the business or service in mind.

— Self-rostering involves working out the number of staff and type of skills needed each day, then letting employees put forward the times they would like to work. Shift patterns are then compiled, matching staff preferences to the agreed staffing levels as closely as possible. Self-rostering is used in some hospitals and care services.

— Annualised hours means that total working hours are calculated over a year rather than a week. This means people can work according to the peaks and troughs
of activity over the year.

— Job-sharing involves two part-time employees sharing the duties of a post normally done by one. Job-sharers divide pay, holiday and other benefits.

— Term-time working makes it possible for permanent employees to take unpaid leave during school holidays.

— Working from home has been made easier due to new technology. It is possible for all kinds of work (assembly work, sewing, or providing a personal service to paid consultants working with new technology).

— Breaks from work are often due to maternity or parental and paternity leave. But some employers also offer unpaid career breaks and sabbaticals.

— Flexible and cafeteria benefits include childcare information or vouchers, funding and time off for learning, pension or insurance contributions, laundry services, use of staff facilities, and in-house medical and dental care. 'Cafeteria benefits' means a person can pick and choose those benefits that best suit their needs.

— Tele-working (on-call work) involves working at home, and using a telephone and computer to keep in touch with work.

Managers obviously participated in these decisions, but the HR Office often retained final authority. The primary concern was for compliance with HR laws and regulations, not how well the HR system supported mission accomplishment. The new model does not abandon compliance concern but rather represents a major shift in balance toward outcomes and results. The
new, though still evolving, Federal HRM model places the direct responsibility for human resources management on those whose immediate task is mission accomplishment-line managers.

These managers, supported by the human resources staff, must be given authority to manage human resources and then be held accountable for the results or outcomes of their decisions. This makes good business sense. Those with authority and responsibility for accomplishing the agency mission should also have authority and responsibility over HRM.

The Government Performance and Results Act (GPRA) provides another legal mandate with implications for HRM accountability. Application of GPRA will push agencies in the direction of aligning all their activities, including HRM, toward achieving agency strategic goals and measuring progress toward those goals. For GPRA to have the desired effect, a clear and conscious link between GPRA results and human resource inputs and goals must be established at every agency.

In the context of HRM accountability, managers gain more discretion, but within a tight frame of mission definition and performance monitoring. It will be a useful tool for getting agencies-with the HR Office as the catalyst-to establish viable HRM accountability systems, and to help their managers understand and embrace their responsibility and accountability for effective HRM. It is no cure-all; other initiatives and tools will no doubt be needed.

Ultimately, each agency must find its own path to realizing these objectives.
Generally, the manager is directly accountable for the program impact of the HRM decision, while the HR Staff is directly accountable for the regulatory compliance of the action.

However, "shared accountability" means that both HR staff and managers are ultimately accountable for effective, legally compliant HRM.

Top management is accountable for committing the organization to shared accountability.

Roles and Responsibilities of Accountability

Now that we have identified the "why" of accountability, it is important to identify the "who." Who is accountable for HR decisions and what responsibilities do they hold? In US, the National Performance Review (NPR) mandate for decentralization of HRM authorities combined with the requirement of GPRA to assess program accomplishments against performance goals has had a profound effect on the manner in which HRM decisions are made and the level of accountability for those decisions. In order to meet the challenges presented by NPR, many agencies have pursued the strategy of delegating key HRM authorities to managers and following a more collaborative approach between managers and the human resources staff in the decision-making process for those HRM authorities retained by the HR Staff.

Therefore, from the top down, no single official or organization is unilaterally accountable for HRM decisions regardless of whether HRM authorities are delegated to the operating unit level or remain with the
HR Staff. And delegated authorities within the agency are a shared responsibility between the manager and the HR Staff. All HRM decisions must adhere to the Merit System Principles, the foundation of the Civil Service; not be proscribed by a Prohibited Personnel Practice; and comply with established laws and regulations.

Where there is a union present, authority is also exercised within the framework of negotiated agreements. In the last few years, agencies have entered into labor-management partnership agreements that give employee representatives additional opportunity to participate in agency decisionmaking. For example, in one agency the union has worked with upper management to help establish agency goals. In this situation, the union can be said to have taken on a kind of shared accountability for the achievement of those HRM goals.

Every agency is likely to have its own unique approach. But, to point the way while raising important issues for agency consideration, the Task Force has developed the following guidelines for describing and sharing HRM accountability. Where HRM authority has been delegated to a manager but the HR Staff has responsibility for processing the action, the HR Staff is accountable for ensuring that the proposed action meets regulatory compliance and is consistent with the Merit System Principles.

The nine Merit System Principles constitute the framework that shapes the whole structure of Federal HRM as it strives to support agency mission accomplishment. The Principles are commonly and correctly identified as supporting fairness for employees and adherence to HR laws and regulations that enforce
the concept of merit. Yet, they support equally the need for efficiency and effectiveness, and for not allowing rules to become an end in themselves. Thus, the Merit Principles as a totality provide an excellent set of HRM values to live by for the Federal manager. The Prohibited Personnel Practices are specific practices to be avoided in upholding the Merit Principles.

If the proposed action fails to meet regulatory compliance, the HR Staff consults with the manager to offer other options that enable the manager to achieve the desired goal but comply with regulations. In this situation, the manager and HR Staff have shared accountability. Though the manager has the final discretionary authority, the HR Staff has the final regulatory authority.

Therefore, the manager is accountable for the program impact of the HRM decision while the HR Staff is accountable for the regulatory compliance of the action at the time it is effected. In this case, if the manager cannot select an option that meets regulatory compliance, the HR Staff should not process the action. If the manager continues to try to effect the action, the HR Staff should go through appropriate channels to notify higher level management. Automation has strongly affected roles and responsibilities for HRM accountability.

With operating units often having direct access to personnel/payroll databases and "expert systems," managers can exercise their delegated HRM authorities independently without the assistance of the HR Staff. Where this occurs, HRM actions can be effected without input or review from the HR Staff. If the HR Staff has no review or approval role in the processing of the HRM action, the manager is directly accountable for the
program impact AND regulatory compliance of the HRM action.

However, even where the HRM authority is delegated to the operating unit, the HR Staff has oversight (indirect) accountability for regulatory compliance. This obligation is met when the HR Staff, which may partner with the Inspector General or other internal audit staff, conducts periodic reviews of manager-effected HRM actions. If the HR Staff finds that an action has been taken which does not meet regulatory compliance, it must ensure that corrective action is taken.

Failure of the operating unit to continually meet regulatory compliance should result in adjustments in the delegation of HRM authorities to ensure future compliance. The HR Staff also has oversight accountability for managing human resources effectively, even where the authority is delegated to the operating unit. Where actions taken by the manager meet regulatory compliance but are not good management practices, the HR Staff should consult with the manager regarding options for future actions.

Even with the NPR emphasis on the delegation of HRM authorities to the lowest decision-making level possible, many of the most sensitive HRM authorities will not be delegated to the operating unit level due to legal and technical complexities of HRM and staffing resource considerations. Regulatory interpretations regarding many HRM programs and actions of a complex nature will continue to be made by dedicated HR staff, often in consultation with the legal office.

Therefore, roles and responsibilities in the HRM process must emphasize the collaborative approach
between managers and HR Staffs. Where the HRM authority has been delegated to the operating unit level, the manager may make all HRM decisions within his/her delegated authority which are not contrary to the Merit System Principles and Prohibited Personnel Practices or in violation of laws and regulations.

However, where the authority remains with the HR Staff, the HR Staff is responsible for advising the manager regarding the degree of discretion available (the legal options) and recommending the best course of action from the standpoint of HRM effectiveness. In this situation, the HR Staff is directly accountable for regulatory compliance. But, both the HR Staff and managers are accountable for program results—with the managers directly responsible for the decisions they make and the HR Staff more broadly responsible for program effectiveness.

To facilitate a successful transition to this more collaborative approach, HR Staffs, managers, and top management need to redirect their efforts in several different areas. HR Staffs must:

— Focus more on creating value than running programs.

— Become actively involved in the development of HRM goals and strategies in support of mission accomplishment and the effective communication of those policies to managers.

— Act as consultants to managers on HRM issues, helping and encouraging them to consider the people aspect of their business decisions.

— Simplify, streamline, or automate existing HRM
processes such as staffing and classification.

— Provide managers with accessible on-line HRM information.

Managers must:

— Increase their knowledge of Merit System Principles, Prohibited Personnel Practices, and HRM laws and regulations.

— Develop a clear understanding of how HRM decisions affect mission accomplishment and how business decisions impact people.

— Ensure the proper exercise of HRM authorities.

Agency top management must:

— Recognize and communicate that people in an organization are the single most valuable and irreplaceable resource.

— Demonstrate a strong commitment to HRM accountability and the shared roles between managers and HR Staffs.

— Require management training and education to enable managers to make informed HRM decisions compliant with law and regulation, and require HR staffs to understand the programs they support.

The HRM decision-making process described here will begin to pay dividends for those agencies which have adopted the strategies described above in a variety of ways, including faster processing times for HRM actions, ownership of the HRM program by line managers, better consultative service from agency HR Staffs, and a clear connection between the HRM decision-making process and mission accomplishment.
As an essential component of the new HRM decision-making process, HRM accountability assumes an ever-strengthening connection between HRM and mission accomplishment.

— Establish HRM goals and measures.
— Establish accountability for goals and measures.
— Measure performance.
— Evaluate and utilize measurement information.
— Assess and improve accountability process.

Roles and Responsibilities of Managers

The roles and responsibilities of line managers and the HR staff are obviously not the only pieces of the HRM accountability puzzle. HRM accountability should be seen as a continuous cycle, or system. A systemic approach enables an agency to identify, collect, and use the information or data on which accountability is ultimately based. It overcomes the common problem of fragmented, disjointed efforts that don’t add up to the sum of their parts.

HRM accountability starts with identifying the agency strategic goals. Following that, agency HR goals in support of the strategic goals are defined. Then, performance measures are developed and a baseline established to assess whether the goals are being met. But the process does not stop there. HR goals must be widely communicated. HR measures must be collected, tracked, and evaluated, and the findings communicated throughout the agency. Then, the agency must use this information to make improvements where necessary.
Periodically, the HRM accountability process itself needs to be evaluated to ensure that it accomplished what was needed in the most efficient and effective way. If not, improvements should be made to the system. A general assessment should also be made of overall HRM effectiveness. Finally, the process starts over at the beginning, with goals changing as necessary based on the information gathered from the review and the changing needs of the organization and its customers.

Most agencies already have pieces of an accountability system that they can build around. For instance, many agencies have already developed an HR strategic plan or conduct customer service surveys. We are not advocating "reinventing the wheel". In this time of downsizing, streamlining, and cutting costs, agencies have limited resources to devote to the development of an accountability system.

Therefore, the most efficient manner to start the process is to use what you already have and build up from there. In the end, this effort will be worth the investment of time and resources, because creating a system out of what may now be a set of loosely related pieces will maximize their effect and their value in support of effective human resource management.

— HRM goals define what is important to the viability and success of the organization.

— To define the goals, collaborate with stakeholders, tie HR goals to agency strategic goals, and make goals specific and measurable.

Financial Management

A world in which innovation is more important than
mass production. A world in which investment buys new concepts or the means to create them, rather than new machines. A world in which rapid change is constant. A world at least as different from what came before it as the industrial age was from its agricultural predecessor.

A world so different, its emergence can only be described as a revolution. According to Gates, business is going to change more in the next ten years than it has in the last 50 years. These changes will occur because of the flow of digital information. The successful companies of the next decade will be the ones that use digital tools to reinvent the way they work.

According to Carnoy et al, the world economy has changed profoundly over the past three decades. With those changes have come new political strategies for national development. Revolutionary transformations in the demand for goods and the way they are produced have affected long-term national growth possibilities, how governments relate to their national economies, and how national economies relate to each other.

The world economy is becoming more competitive, more global, and increasingly dominated by information and communications technology. Seven thousand years ago, the agricultural revolution saw the hunter-gatherer in most civilisations become a planter-harvester. An incessantly mobile human society was thereby converted into one invested in hearth and homestead. Two hundred years ago the industrial revolution converted that well-refined agricultural society into one dominated by the dictates of industrial production.

Now we face another such major revolution - the conversion of our world into a single, technologically integrated, around the clock community. Our present
revolution has developed in response to our need for more efficient production in a world with too scarce capital resources to meet the needs of an exploding population. It has been made possible, like other societal revolutions, by a stream of inventions and innovations: instant worldwide telecommunications, computers and processors, automation of machinery, a global economy and trading system, and the tumbling of major political boundaries.

According to Browning and Reiss, working with information is very different from working with the steel and glass from which our grandparents built their wealth. Information is easier to produce and more difficult to control than stuff you can drop on your foot. For a start, computers can copy and 'ship' information anywhere, almost instantly and almost for free. Production and distribution, the basis of industrial power, can increasingly be taken for granted. Innovation and marketing are all.

An information economy is more open - it does not take a production line to compete, just a good idea. It is also more competitive, as information is easy not only just to duplicate, but also to replicate. Successful organizations have to keep innovating to keep ahead of copycats, nipping at their heels. The average size of companies shrinks. New products and knockoffs alike emerge in months rather than years, and market power is increasingly based on making sense of an overabundance of ideas rather than rationing scarce material goods.

According to Peter Schwartz, if the new economy analysis is right, it is very clear that the future will be much richer, creating even more potential driven by new knowledge. It will be a world of greener high technology.
It will be inclusive, bringing many more billions along with it. It will also be global in character. Information technology is the fastest growing industry in the United States of America, valued at $866 billion in 1997.

As an example of the increasing importance of knowledge capital over physical capital, Microsoft, with a relatively small amount of fixed assets, now has the second largest capitalization of any American company, far higher than that of Ford or General Motors. The World Bank estimates that more than half of the GDP in the industrialized countries is based on the production and distribution of knowledge. Over the past two decades, the share of non-mineral primary commodities in international trade has halved, while the share of high technology goods has doubled.

The growing importance of knowledge capital is evident from the increase in investment in research and development, especially in information producing industries. Innovation, automation, and technological change are dramatically shortening product cycles in the most developed countries. The rise of service industries is accelerating the trend towards higher value-added transaction in international trade. The Internet. With the emergence of the Internet, the exchange of knowledge and, information in the global economy expanded at an unprecedented rate during the 1990s. There are now more than 1 million websites, with several hundred added each day.

The Internet is one of the fastest growing sites of international commercial activity. To be successful in the new economy, it is necessary for organizations to:

— increase the number of people involved in service (recruitment and selection),
— knowledge and ideas, and build these new skills (training and development);
— compete for skills by creating business-friendly environments;
— de-regulate the telecommunications market.

Business leaders who succeed in the new economy will take advantage of a new way of doing business, a way based on the increasing velocity of information. The new way is not to apply technology for its own sake, but to use it to reshape how companies act. To get the full benefit of technology, business leaders will streamline and modernize their processes and their organizations. The goal is to make business reflex nearly instantaneous and to make strategic thought an ongoing, iterative process.

The role of human resource management and the human resource professional is to integrate the aspects of the new economy with the existing processes, policies, and strategies of the organization, to re-evaluate the needs of the human resources within the organization, and to put people at the heart of corporate purpose. It is the hearts and minds of people, rather than their hands, that are essential to growth and prosperity for an organization in the new economy. Committed employees creating new ideas, delivering value, and innovating to create growth, are the assets of the new economy.

According to Kelly, the new economy has three distinguishing characteristics: it is global; it favours intangible things - ideas, information, and relationships; it is intensely interlinked. The new economy is about better communication. Geography is less important. We have a globally liquid economy, where everyone can
compete with everyone else on the planet instantaneously. The new economy is a world of higher speed and technology. It is a world where innovation drives change, not simply expansion. This new economy is a world that is increasingly entrepreneurial, creating abundant business opportunities.

In the old economy, it was assets that mattered more than anything else - physical capital, factories, miles of railroads, and miles of cement. In the organization of the new economy, it is knowledge more than anything else that counts. The new economy is much more knowledge-intensive than asset-intensive. It is information theory rather than physics. It is human capital. This world relies intensely on the information technology infrastructure expanding and accelerating. It is a world where skills and knowledge matter, where intellectual property rights are critical. A world where information and data stores have intrinsic value, and where we use networks for interchange and transaction of values.

Creating value is about creating new knowledge and capturing its value. The important aspects of the new economy are access to knowledge, skills and technology. Given the new world information infrastructure, it will be the first economy to be built entirely on knowledge and attitudes. Thus, in this new economy, education is at a premium, and knowledge workers have the higher value creation potential.

Within the emerging global system, the structure and logic of the information economy defines a new international division of labour. That division is based less on the location of natural resources, cheap and abundant labour, or even capital stock, and more on the capacity to create new knowledge and to apply it rapidly to a wide range of human activities.
Investments in technology will provide better information to every worker who might possibly use it. Knowledge is the ultimate power tool. A belief in empowerment is important in getting the most out of this new economy. Digital tools magnify the abilities that make us unique in this world: the ability to think, the ability to articulate our thoughts, and the ability to work together to act on those thoughts. If companies empower their employees to solve problems and give them potent tools with which to do this, they will always be amazed at how much creativity and initiative will blossom forth.

The Internet

The Internet, is a worldwide system of computer networks, a network of networks in which users at any one computer can, with permission, get information from any other computer. It was conceived by the Advanced Research Projects Agency (ARPA) of the United States government in 1969 and was first known as the ARPANet. The original aim was to create a network that would allow users of a research computer at one university to be able to communicate with research computers at other universities.

Today, the Internet is a public, cooperative, and self-sustaining facility accessible to hundreds of millions of people worldwide. Typical users include company employees, government workers, researchers at educational institutions, and private individuals. The most widely used part of the Internet is the World Wide Web. The new economy is essentially about knowledge and information.

The Internet is a means of sharing knowledge and information with people all over the world; therefore, it
plays a key role in the new economy. It is important to remember that the Internet does not replace people, though. It only makes them more efficient. By moving routine interactions to the Internet and enabling customers to do some things for themselves, the Internet allows employees to do more meaningful things with customers.

The Internet can and should thus be used by human resource management as a tool to improve communication and information sharing between all employees within an organization. The ways in which the Internet can help improve the role and, function of human resource management are as follows.

*The web lifestyle*

The Internet is enabling a new way of life that Bill Gates calls the 'web lifestyle'. The web lifestyle will be characterized by rapid innovations in applications. Because the infrastructure for high-speed connectivity has reached critical mass, it is giving rise to new software and hardware that will reshape people's lives. Intelligent devices such as the personal computer are becoming more powerful and less expensive. Since they are programmable, they can be used for many different applications.

Within a decade, most Americans and many other people around the world will be living the web lifestyle. It will be a reflex for these people to turn to the Internet to get news, to learn, to be entertained, and to communicate. It will be just as natural as picking up the telephone to talk to somebody or ordering something from a catalogue. The Internet will be used to pay bills, manage finances, communicate with doctors, and conduct business.
A cultural change as substantial as a move to the web lifestyle will be generational to some degree. The kids growing up with the new technology and taking it as a given will show us its full potential. On most United States college campuses, the critical mass for an Internet-ready culture already exists. Personal computer use, high-speed networking and online communication are widespread. Universities are dispensing with paper forms and registering students for classes over the Internet. Students can look at their grades and even turn in their homework over the Internet. Teachers hold online discussion groups.

Students e-mail friends and family as naturally as making a phone call. Students are the ultimate knowledge workers. Their job is to learn and explore and find unexpected relationships between things. Students are developing Internet skills that will help them learn throughout their lives. For business, there is an opportunity to learn from the way students use the Internet today to organize and manage their lives. Their approach is a guide to how the general population will use the Internet ten years from now.

This is a radical cultural change, and it will be part of the role of human resource management to help employees make the transition from the old culture to the new culture, and the new way of doing things. Human resource management will need to develop training and development courses that address this new culture. One way of training people is through web learning.

Web learning

The changing nature of technology and the global economy are taxing the conventional paradigm for
learning, training, and work. This paradigm is based on a classroom-centred, instructor-led mode of formal training derived from our educational system. The ledger of difficulties is well known: the typical centralized classroom facility requires too much time away from the job, expensive travel for instructors and students, and costly maintenance of often underused facilities. The resulting training is often outdated by the time of its delivery. The Internet has introduced an important new technology that can address these problems.

An adequate alternative model must overcome the entrenched separation of learning and training from actual work. Specifically, a fundamental rethinking of corporate training should include:

— radical restructuring of formal training, retaining those elements shown to be successful;

— recognition of, and support for, informal learning;

— deliberate leveraging of the strengths of both formal and informal methods and, most importantly, a leveraging of the symmetries between the two methods; and

— use of the Internet and other tools as elements to support a coherent and well-designed learning strategy.

Human resource management and the human resource professional should integrate web learning into their existing training and development functions.

Changing business boundaries

A flow of digital information changes the way people and organizations work and the way commerce is
conducted across organizational boundaries. Internet technologies will also change the boundaries of organizations of all sizes. In changing the boundaries, the web workstyle of using digital tools and processes enables both organizations and individuals to redefine their roles. An important re-engineering principle is that companies should focus on their core competencies and outsource everything else.

The Internet allows a company to focus far more than in the past by changing which employees work within the walls and which work outside in an adjunct, consulting, or partnering role. The web workstyle makes it possible to handle unpredictable demand better. Due to a fluctuation in the need for certain skills, flexible staffing is necessary to deal with the highs and lows. People looking for work will find more opportunities for employment that meets their particular interests and requirements.

Despite the emergence of new, flexible boundaries, big companies will not deconstruct themselves into per-project production companies. Companies need to excel in consistent in-house execution of their core competencies. Every company will experiment to find its optimal size and organizational structure, though the dominant trend will be toward a smaller overall size.

*Changing employees’ workstyle*

Some employees in companies of any size are understandably nervous about the implications of the web workstyle. They assume that if their company chooses to restructure itself around Internet technologies, their jobs may disappear. When a company downsizes, jobs are lost. When a company outsources, jobs move.
The goal is not to eliminate work, but to move the responsibility to specialists outside. Many knowledge workers will live where they want to live and structure their work the way they want it, and still make major contributions to the businesses they work for or with.

In the web workstyle, employees can push the freedom the web provides to its limits. When it comes to workstyle, the choice will be the worker's. Business managers need to take a hard look at their core competencies. They have to revisit the areas of their companies that are not directly involved in those competencies, and consider whether web technologies can enable them to replace those tasks. Another company can take over the management responsibilities for that work and use modern communications technology to work closely with the people doing the work.

Managers must also consider the employees who have strong expertise but decide they do not want to work full-time. Better communication tools may allow companies to utilize these people's skills on an ongoing basis. The competition to hire the best people will increase in the years ahead. Companies that give extra flexibility to their employees will have the edge in this key area. The human resource functions of training and development should thus incorporate computer and Internet training. Further, the skills of employees who already have knowledge of computers and the Internet need to be developed.

**Electronic Trading**

According to Nash, the electronic trading boom is in full swing, as the Internet offers unlimited opportunities to transform the way business is conducted. Industry
analysts predicted that by the year 2001, worldwide business over the Internet will total between $200-$300 billion. Although the world's financial community has been using electronic commerce to transfer funds for years, the Internet has enabled businesses to buy and sell to millions of consumers through cheap, standardized network links. The convergence of the hitherto largely separate worlds of computing, telecommunications and broadcast television are about to deliver further benefits directly to consumers.

The growth in e-commerce is intensifying competition. To maximize the benefits of electronic trading, companies must develop their e-commerce strategy alongside their other core processes, and integrate it into their overall marketing plan. The business world is undergoing a major transformation. E-commerce, one of the drivers behind the change, is eroding traditional geopolitical boundaries, offering unprecedented opportunities for large and small enterprises alike, and changing the competitive environment dramatically.

With global access to the Internet predicted to top eight million by the year 2001, the winners in this increasingly global marketplace will be the companies that realize the full potential of e-commerce, incorporate it in their marketing strategy, and use it to develop real competitive advantage. Nash defines e-commerce as follows: "Electronic commerce covers any form of business or administrative transaction or information exchange that is executed using any information and communications technology (ITC).

E-commerce is the buying and selling of goods and services on the Internet, especially the World Wide Web.
Electronic commerce is the paperless exchange of business information using electronic data interchange, e-mail, electronic bulletin boards, fax transmissions, and electronic funds transfer. It refers to Internet shopping, online stock and bond transactions, the downloading and selling of soft merchandise (software, documents, graphics, music, etc.), and business-to-business transactions. Most transactions between business and consumers, business and business, and consumers and government will become self-service digital transactions.

Intermediaries will either evolve to add value, or perish. Customer service will become the primary value-added function in every business. Human involvement in service will shift from routine, low-value tasks to high-value, personal consultancy on important issues for the customer. The pace of transactions and the need for more personalized attention to customers will drive companies to adopt digital processes internally if they have not yet adopted them for efficiency reasons.

Those who reap the rewards of future success will have the vision to watch and think globally, and to recognize the new economic rules as they emerge. The Internet brings companies closer to their customers, since customers and partners can access information directly. The Internet brings the following changes:

— It makes the size of a company irrelevant. Large and small companies have the same access to customers and can create the same kind of Internet presence. The Internet is unlike the real world, where location and size can affect a company's ability to access customers.

— It makes the location of a company irrelevant. An advantage of a presence on the Internet is that it has no defined location, including time zone and country,
Through the Internet, customers in geographical areas a company previously would not have reached can now be reached easily.

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It increases feedback. Most companies have little exposure to their customer's comments and feedback. The Internet's interactive qualities and easy access provide companies with direct information. A tool as simple as a 'contact us' button on a website can give customers an easy way to provide a company with feedback.

An ongoing process of economic, social and political globalization is defining the Digital Revolution, and the Information Age that it engenders. While the term globalization has become quite widespread, there are confused and often conflicting definitions and conceptions of the phenomenon. For this concept to maintain any analytical usefulness, it must be carefully defined and examined for its impact on society, the economy, and the world system.

At its most organic and fundamental level, globalization is about the monumental structural changes occurring in the processes of production and distribution in the global economy. These structural changes are many global enterprises' responses to tremendous pressures and fantastic new opportunities. These pressures and opportunities are the result of increased application and integration of advanced information and communications technologies.

Through the application of information and communications technologies, enterprises have the ability to diminish the impact of space, time and distance. Global companies can break apart business functions that were previously thought to be best centralized, and
spread them across the globe to form a globally disarticulated labour and production process.

Economic globalization is a historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. The term sometimes also refers to the movement of people (labour) and knowledge (technology) across international borders. The term globalization has come into common usage since the 1980s, reflecting technological advances that have made it easier and quicker to complete international transactions. It refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity - village markets, urban industries, or financial centres.

Markets promote efficiency through competition and the division of labour - the specialization that allows people and economies to focus on what they do best. Global markets offer greater opportunity for people to tap into more and larger markets around the world. It means that they can have access to more capital flows, technology, cheaper imports, and larger export markets. But markets do not necessarily ensure that the benefits of increased efficiency are shared by all. Countries must be prepared to embrace the necessary policies, and in the case of the poorest countries, may need the support of the international community as they do so.

The term globalization has acquired considerable emotive force. Some view it as a process that is beneficial - a key to future world economic development - and also inevitable and irreversible. Global economic integration has proceeded at a dramatic pace in the 1990s. The share
of trade in global GDP has almost doubled over the past three decades. One factor driving this expansion has been technological change.

There are significant contrasts between knowledge, education and learning. Education is generally seen as a formal process of instruction, based on a theory, to impart formal knowledge. However, the process of learning can occur with or without formal institutional education. Knowledge accumulation and the accumulation of skills for using information and communications technologies will occur increasingly outside the traditional institutions of formal education. Learning in the workplace, and through collaborations that span the globe or involve tightly nit local communities with similar interests, will become more commonplace.

As the store of knowledge expands throughout the world, all of the world's people should have as much access as possible. The formal institutions of education that exist today, and even many of these in the planning stages in developing countries, are becoming less relevant to the requirements of emergent knowledge societies. These national priorities must now take into consideration the fundamental changes occurring in the underlying structures of the global economy and new strategies for achieving competitive national advantage.

Globally, human resource executives are strategic partners with line managers; they actively participate in top-level decisions. They bring human resource perspectives to the global management of a company. The role of the global human resource executive is focused on being a strategic business partner and decision-maker. Any human resource initiative must be
based on maximizing productivity to best benefit the bottom line; therefore, a solid understanding of the total global system is essential. Just as global business enterprises evolve, so does the human resource function that supports them.

Human resource management involves formulating and implementing human resource policies, practices and activities in global companies. Such activities include selecting, training, and transferring parent company personnel abroad, and formulating policies and practices for the entire company and for its foreign operations. International expertise is an essential asset for human resources people, because the global marketplace challenges every company. Effectively dealing with global human resource issues is essential for success in the global marketplace and for maximizing profitability.

The human resource function must ensure that the company has a smart, adaptable workforce so that it will remain globally competitive. A global organization must have qualified individuals in specific jobs at specific places and times to accomplish its goals. This process involves obtaining such people globally through human resource planning, recruitment, and selection. When developing a global staff, managers and other professionals are normally selected first, followed by operative employees. These individuals can be from the home country, the host country, the operational region, or from anywhere in the globe.

Unfortunately, it is quite difficult to locate managers with sufficient international experience, and over 70 per cent of recruiters expect the problem to continue in the future. Other problems include the high cost of establishing a manager or professional in another
country, the extreme cost of placing a key manager outside of the host country, and the reality that failure rates for managers sent to other countries is approaching 50 per cent. Because of such problems and the potential for losses, global human resource management practices focus heavily on planning, recruitment, and selection.

Successful accomplishment of global planning, recruitment, and selection is vital if the global organization is to achieve its mission effectively. It is the role of human resource management to alert top management of how important the Internet, e-commerce, and globalization are for the organization to be successful and to have a competitive advantage. Incorporating the Internet, e-commerce, and globalization into an organization means that change will occur. It will be the role of human resource professionals to act as an interface between top management and the employees during this period of change.

Accountability System model

An Accountability System model that describes a continuous process for ensuring HRM accountability. We now need to zero in on perhaps the most critical box in the model: "Establish and Update HRM Goals and Measures." Identifying goals and measures is how an agency says what it is willing to hold itself accountable for as far as human resources management is concerned, and how it will determine whether it is meeting these goals. The Government Performance and Results Act is a driving force behind the current emphasis on identifying goals and measures.

Application of GPRA is pushing agencies in the direction of aligning all their activities, including HRM,
toward achieving agency strategic goals and measuring progress toward those goals, in an effort to improve the confidence of the American people in the Federal Government. This process has many benefits. It can help an organization clarify future direction, establish priorities, initiate program performance improvement, increase effectiveness and accountability, help managers improve service delivery, and improve decision-making and internal management.

HRM is an essential element of management, and the Task Force believes strongly that there is an important place for specific HRM goals in the GPRA process. The need for HRM accountability is inherent in the delegations that Department Heads receive from the President to hire staff, compensate them, and to use this resource in accomplishing the organization's statutory mission. These delegated authorities are critical and potent, requiring judicious and informed use. They also must be tied in to agency mission-related goals.

Agencies establishing goals for using their human resources management authority in the Federal sector should be driven by the pursuit of excellence in our human resources programs and systems, along with respect for American cultural and political practices and traditions. These goals will have their greatest impact when they are clearly connected to our society's basic values as well as to sound management practice. Fortunately, Federal HRM has a set of guiding Principles that meet both of these criteria.

From among the several conceptual frameworks that have been developed for identifying HRM goals and measures, OPM has chosen the Merit System Principles as the preferred method for organizing Federal HRM
goals and measures. These Principles express the values that govern the Civil Service and set appropriate parameters for the exercise of HRM authority. They are also fully in keeping with the special requirements imposed on the Federal Government as an employer and as manager of its human resources.

They provide a uniquely appropriate framework for identifying HRM goals and measures in the Federal Government. The Merit System Principles express the values of the Federal HRM system and are set forth in law. As described by managers, themselves, the Principles are sound management practices based on common sense that ensure Federal employees are treated fairly and equitably and that the Federal HRM system is based on merit.

They cover key Federal HRM management goals, including diversity, open competition, efficiency and effectiveness, performance, and responsibility to the taxpayer. As such, they can provide a framework for evaluating the effectiveness of a Federal agency's HRM system.

HRM measures are organized by Merit System Principle and assessed in an outcomes-focused model that:

— Provides a framework for evaluation
— Looks beyond traditional input/output measures
— Links agency planning to mission accomplishment
— Focuses attention on improved outcomes and results

Applying HRM data measures by Merit System Principle develops a profile of how well an agency is performing in implementing HRM consistent with the Principles.
OPM has developed a model that can take data indicators for the agency, sort them by Merit Principle, and compare them to Governmentwide data. This comparison can help an agency identify key issues and trends that need attention. Of course, the Merit Principles are no cure-all.

They serve as an organizing framework and point the way toward meaningful and appropriate HR goals for an agency, but it is still necessary for the agency to identify specifically its goals and related measures, taking into account its own particular situation. In some cases, agency goals will not readily fall under a specific Principle, but could be said instead to derive from a composite of the separate Principles, for example, the goal of effective customer service from the HR Office. Other goals, such as compliance with veterans preference law and regulations, may not be inherent in a particular Principle itself, but still relate to it topically.

In the case of veterans preference it clearly relates directly to the whole range of staffing-related goals and measures that could be described under the first Merit Principle. So, as an organizing framework, the Merit Principles can encompass the entire gamut of HRM goals and measures. There are of course other frameworks for organizing goals and measures, and they can be of interest, too, in that they provide a different perspective on HR goals.

Hierarchy of Accountability

Understanding the hierarchy of accountability can be useful to identifying agency HRM goals. The hierarchy of accountability builds from the most basic level of ensuring compliance with Civil Service laws and
regulations. All agencies must set and achieve goals that relate to this basic need for legality or face severe sanction. Once basic compliance has been met, efficiency is the next level at which goals can be set.

Efficiency has two meanings in the accountability hierarchy. One meaning refers to the degree of efficiency of HRM service delivery. The other refers to efficiency of the utilization of human resources at the operating unit level to meet mission goals. Setting and achieving meaningful goals at this level is more difficult, but is necessary in order to ensure good use of budget dollars. The ultimate level of accountability is for effective HRM - HRM goals and measures that demonstrate a positive contribution to achieving agency mission goals and the strategic vision for how people should be managed scorecard and the Baldrige quality criteria, to name just a couple of the better known ones, and both have been applied successfully by Federal agencies.

Another example of a simple, intuitively appealing approach to goals and measures is the Hierarchy of Accountability. This approach was suggested by the Task Force itself, as an original idea, and is described briefly in the inset. Each of these frameworks has its strengths and weaknesses, its particular advantages and disadvantages, but like the Merit Principles all attempt to provide some kind of system and order to the bewildering, seemingly chaotic world of goals and measures.

Goals define the purposes of the organization's programs and the results the organization hopes to achieve. They give direction. Without a good, clear vision of where the organization wants to go, measurement becomes an exercise in itself. How can an organization measure its success if it does not know what it wants to
achieve? Goal setting starts with defining what is truly important to the viability and success of the organization.

This should be done collaboratively with all those involved in the mission of the organization, including customers and stakeholders. Goals convey program objectives and intended results, should be specific and detailed enough to be useful in developing measures and strategies, and should be expressed in a manner that allows a future assessment of whether they are being achieved. After goals have been determined, the organization must develop strategies to achieve these goals, including identifying any changes in resources that will be required to achieve the goals and establishing who is accountable for achieving each goal.

Under GPRA, goals can be set at several levels. First are the overall agency goals. Then, each organization within the agency determines its own goals and how they support the agency strategic goals. Ultimately, this goal-setting process can, and should, trickle all the way down to individual performance standards, always being tied back to the overall agency goals. Because each agency has its own challenges in the area of managing human resources to effectively achieve mission accomplishment, each agency will have its own HRM goals.

These can vary from reorganizing its organizational components to educating its workforce to creating an environment of teamwork. These are going to be different for each agency depending on the agency's specific needs. However, there are also common themes in Federal HRM, so that agencies can learn about possible goals from each other or from OPM. Certainly, the Merit System Principles framework is a potential source of goals.
The next step is determining how effective HRM is, which is the most meaningful way to hold people accountable for HR decisions. Performance measurement is an essential tool for this purpose, especially since GPRA already requires agencies to establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity.

But there are many advantages to measurement outside of the mandate by GPRA, including the area of Human Resources Management. The payoffs from HRM measures are well articulated by Jack Phillips in his book Accountability in Human Resource Management. Some of his top reasons for measuring the HR function are:

— To identify HRM's contribution to organizational effectiveness

— To determine whether HRM is accomplishing its objectives

— To identify the strengths and weaknesses of HRM processes

— To calculate the return on investment in an HRM program

— To determine if an HRM program or policy justifies investment of resources

— To establish a database that can assist management in making decisions about HRM

HR offices have historically been evaluated on their compliance with laws, rules, and regulations, not on service delivery and contribution to organizational effectiveness. Now, with the implementation of GPRA and the move toward downsizing, HR has had to look
toward measurement to prove its contribution to agency mission accomplishment. Performance measurement has grown into a booming industry, and there are numerous measurement models circulating around the Federal Government.

But downsizing has made it difficult for HR offices to spend tremendous amounts of time and money on this issue. Therefore, they are looking for the model, the half dozen measures that will tell them all they need to know. Unfortunately, it's not that easy. The definitive measures of HRM effectiveness that can be applied Governmentwide and it is doubtful that such a list exists anywhere.

In addition, many agencies have not established any kind of baseline for data comparison. They have not collected data in the past, and therefore have no documented history. Yet in order to measure improvement over time, a baseline must be established to compare against. In this environment, the Merit Principles measurement framework is an organizing framework, OPM has already collected Governmentwide and agency data that can serve as an agency's baseline in some areas.

The model defines inputs, organizational processes, outputs, and outcomes for each of the nine Merit Principles, preceded by a page showing measures of crosscutting inputs, processes, outputs and outcomes that can be used to assess effective HRM more generally or, to put it another way, to assess adherence to all the Merit Principles together. The crosscutting measures are of particular interest, because they deal with HR goals that cut across specific HR functions like staffing or performance management, and get at overall measures of HRM effectiveness.
For example, In US, the National Academy of Public Administration (NAPA) identified in its report, Measuring Results: Successful Human Resources Management, four major aspects of HR that should be measured: costs, customer satisfaction, workforce capacity, and process effectiveness. Establishing goals and measures in these four areas will help an organization identify the contribution of HRM to mission accomplishment. The list of Merit Principles-based measures presented here is by no means definitive—it is fluid and subject to change and improvement—nor are agencies in any sense required to organize their HRM measures in this fashion.

But it does provide an excellent starting point for a Federal organization seeking to identify measures to track and assess its HRM effectiveness. It has the added advantage of distinguishing between different types of measures—input, process, output, outcome. While they all have their uses, result-focused Government, GPRA-oriented Government, inevitably favors output and, especially, outcome measures, for obvious reasons. Displaying measures in this way shows clearly the system by which these outcomes are ultimately achieved, in support of the various objectives expressed by the Merit Principles.

Before moving on to the Merit Principles measurement framework itself, some final cautions are in order. While the Merit Principles are a sound starting point, we must emphasize that there is no "one size fits all" HRM measurement system. Each agency is different, has a different mission and culture, and will therefore need to tailor its goals and its measures to its own organization and climate. Second, it is vital to measure what is important. It is often easier to identify what
aspects of an organization are already being or can be measured than what should be measured. Also, just because data is available does not mean that it is a valid measure of HRM effectiveness.

For instance, if agency performance ratings are perceived to be inflated, are they a valid measure of performance? Current limitations in data collection are in themselves no excuse for not measuring what should be measured. However, be sure that the value you get out of the measurement system is worth the cost and resources put into it. Measures should ideally be quantifiable in order to avoid subjectivity and reduce the risk of misinterpretation. Use a collaborative approach when establishing measures. Involve employees and other stakeholders as much as possible.

This is done through a more systematic, evaluative approach. But measures can point to possible problem areas, and are absolutely vital for monitoring the effectiveness of an organization's HRM. Finally, while extremely important, measures aren't everything. Relating the approach to measurement identified here back to the broader HRM Accountability System model described earlier, the measurement approach largely fits within the leftmost box in the System model. That all these potential measures, along with goal-setting, fit more or less into a single box serves as a potent reminder that selecting good measures is not all there is to HRM accountability.

Measures should be derived from agreed-upon goals, and when selected they must be communicated, data collected and interpreted, and actions taken as a result. Otherwise, measurement becomes an empty exercise. Many organizations do not know what to measure, so they measure everything whether or not the measures have a direct application.
Those that support public policy initiatives.

Those that improve the efficiency and effectiveness of HR operations.

Those that make positive contributions to overall agency performance.

HR measures are going to be specific to the particular goal established, and HR goals are going to vary among agencies depending on that agency's specific mission and strategies. Does this mean that there are no goals that have broad applicability across Government agencies and no measures that can be used generally to assess the achievement of these goals? In fact, the Task Force was interested in identifying a number of areas for setting goals and establishing measures that seem to apply across Government.

Clearly, though, there are many other possible goals that an agency can and may wish to identify, some of which have such broad applicability across the Federal Government that they can be characterized as "Governmentwide." Depending on the specific goal, they may support public policy initiatives, improve the efficiency and effectiveness of HR operations, or make positive contributions to overall agency performance and results. As noted, they all relate back to the Merit System Principles or can at least be categorized under them, but the Task Force believes they have a particular importance to agencies in assessing their own performance, and should be highlighted for agency consideration.

In the end, the Task Force identified five examples of Governmentwide HRM goals: customer service, efficiency, workforce quality, veterans preference, and quality of worklife. Because these are important, the Task
Force has worked through each of these topics to show what exactly the goal should be, why they are considered to have Governmentwide applicability, how an agency can assess accomplishment of the goal, and what measures could be used in the assessment.

Identifying Governmentwide goals implies that there may also be Governmentwide standards that can be established for these goals. After all, if all agencies should be striving to achieve these goals, shouldn't they all be held to a common standard? The Task Force discussed this topic in depth and concluded that it is not feasible to create Governmentwide standards for these goals. Each agency is different and has different mission needs and capabilities. For instance, should an agency with 2,000 employees be expected to provide the same quality of worklife programs as an agency with 200,000 employees?

Standards can only have relevance if the variables present from all reporting organizations are identical, which is an impossibility. Agencies, however, can and should benchmark their performance against like organizations to gauge how they are doing in specific areas. These comparisons can also be very meaningful if the selection of comparable organizations is credible. The Central Personnel Data File (CPDF), and significant deviations from Governmentwide norms may indicate a need for serious self-examination. Finally, agencies always have the option of setting internal standards for performance based on these goals and holding themselves accountable for meeting those standards.

High quality, cost-effective HR services are provided to agency managers, employees, and job applicants. Spurred by recognition of increased global competition in
the industrial sector, customer service has undergone a significant resurgence as a business strategy since the early 1980s. Consequently, customer service has become one of the cornerstones of management accountability in the Federal sector, and is an important aspect of many HRM accountability programs. Federal organizations have taken a traditional approach to the assessment of customer service, relying on a variety of feedback mechanisms, both internal and external. This distinction between internal and external customers is important, as it can impact the delivery of final goods and services.

From such information, customer service standards may be established (e.g., timeliness or speed, courtesy, accuracy, professional competence, etc) in such a way that performance against them can be measured. Recognizing that increased efficiency is largely the result of discrete improvements over time, it is necessary to define standards in "measurable" terms. For instance, minimal timeliness measures can be established for individual HR processes. These measures will be different for each agency depending on the program emphasis and complexity.

Through consistent application of such instruments and analysis of the information they provide, a comprehensive picture of the customer service environment can be created. However, when it comes to customer service assessment, the greatest program in the world can end up being perceived by the customers as an abject failure if they are not engaged in the process. That means that every effort to communicate customer service standards and improvements must be made, customer feedback mechanisms continually strengthened. Keys to successfully measuring customer service must include:
— *Frequent evaluation*: Customer service is constantly evolving. In order to really understand how effective it is in your organization it must be evaluated frequently.

— *Varied formats*: From formal survey questions to open ended discussions at all levels and functions, data sources may involve many formats. Experts advise that you vary the format to combine several different feedback mechanisms.

— *Quantifiable measures*: Specificity minimizes multiple interpretations and makes the measure objective.

— *Ingenuity of design*: Continual, systematic listening from as broad a range as possible is a must, but try to move beyond the obvious measures to the more difficult-to-articulate.

— *Involvement*: Include all functions and all levels of seniority within the HR Staff as well as outside customers.

— *Inclusiveness*: It is crucial to obtain data from all customers (direct and indirect). Just know who is in which group and understand the difference.

— *Communication*: Everyone in the organization should see the key customer measures.

There are many tools for data collection that have already been designed and utilized by many agencies.

The efficiency of HRM programs is actually a subset of an effectiveness analysis of HRM programs. An effectiveness analysis addresses the degree to which the HRM program contributes to the achievement of performance goals of the organization, public policy goals associated with HRM programs, and customer
satisfaction. The actual costs of achieving that degree of effectiveness are then factored in to make the overall effectiveness determination.

Improving the quality of work life for employees enables them to balance the needs of work and family (social goals) and is an important benefit to assist in attracting and maintaining a quality workforce (HRM goal). There has been an ongoing emphasis on expanding these programs for the last decade or more. Some initiatives designed to achieve this goal include flexible work schedules, job sharing, working at home or telecommuting centers, using sick leave for adoption purposes or to care for family members, voluntary leave sharing programs and health promotion programs.

The effectiveness of the programs should be evaluated in regard to their impact on HRM goals. It is not enough simply to have the programs, they must be high quality programs that satisfy employees' needs. A day care center that is too expensive for employees to use will probably not have a positive impact on job decisions or family life.

An agency can measure how many programs it has enacted and roughly how many employees are participating in the programs. However, those measures do not indicate the quality of these programs or whether the agency is meeting the goal of attracting and maintaining a quality workforce as a result of the programs. It is hard to measure the impact of the programs (or their absence) given the many factors that influence employee job decisions. The most qualitative measure is employee input as to what effect the programs have on their decision to stay (or not stay) with the agency.
The U.S. Office of Government Operations (OGO), a Federal agency, has decided to design and implement an HRM accountability system. This is a brief example of how the agency goes about doing this, using examples of how it defines its goals, objectives, and measurement systems. The example follows the HRM Accountability System Model step-by-step. It happens to focus on the goal of customer service, but could just as well be applied to other agency HRM goals.

**Step 1: Agency Diagnosis**

The first step OGO takes in establishing its accountability system is to conduct a diagnostic of its existing accountability components. It chooses to make use of the Accountability Program Coverage Guide, which is available through the Office of Personnel Management and was developed by OPM and the Interagency Accountability Working Group.

In this way, it is able to establish a baseline and determine if the accountability outcomes identified by the Guide—both accountability processes and HRM programs results—are currently being achieved in the agency. The agency finds that it is currently meeting some of the outcomes, but was able to identify areas that can be improved. For instance, the diagnostic indicates that HR customers do not believe that the HR office has a proactive customer service orientation.

**Step 2: Establish Agency Strategic Goals**

As part of implementing the Government Performance and Results Act (GPRA), OGO has already developed a strategic plan with the strategic goals it plans to accomplish within the next five years, so there is no need
to develop them from scratch. Agency strategic goal number five reads, "Build an environment of trust, teamwork, mutual respect, and pride of ownership through more effective communication and leadership at all levels." Strategies to accomplish this goal include identifying internal customer relationships within the agency, expanding the use of teams, and improving work environments in all offices to maximize operational effectiveness and the quality of employee worklife.

**Step 3: Establish HRM Goals that Support Agency Strategic Goals**

The next step OGO takes in establishing its accountability system is to define HRM goals that align with agency strategic goals. This is done in collaboration with employees, customers, and stakeholders. OGO's HR office begins the process by establishing a strategic planning task force. The task force is made up of staff (both management and employees) from each HR function, and agency managers are consulted frequently throughout the strategic planning process.

The task force begins by defining the HR office's mission, vision, and values. These define what is important to the office. In doing so, the task force finds it useful to refer to OPM's framework of goals and measures based on the Merit System Principles, as a way of rooting itself in overarching Civil Service values and practices. It looks at the agency strategic plan to determine how the HR office can support agency goals.

Finally, it looks at the accountability diagnostic analysis to see where the office's strengths lie and what has been pinpointed as needing improvement. After much brainstorming, discussion, and analysis, the task
force defines the goals that the office wishes to achieve within the next year. One of these goals is improvement of customer service:

"Improve HR services provided to Human Resources office customers." This supports the agency's strategic goal to identify internal customer relationships within the agency, links to the accountability outcome regarding a proactive customer service orientation, and is a challenge faced by the office as indicated by the diagnostic analysis.

In addition to the general goal of improving services provided to its customers, OGO HR also defines strategic objectives that show how it plans to achieve the goal. Using the diagnostic baseline, the task force defines areas of customer service that should be maintained at current levels or need improvement. These objectives include:

— Increase manager and employee knowledge of personnel programs and policies through training and technical assistance.

— Increase timeliness of HR services.

— Increase quality as perceived by customers.

— Maintain high level of compliance with HR laws and regulations.

In addition to these objectives, the task force designs an action plan that defines what improvements will be made to the processes and systems in order to achieve the objectives. For example, to increase customer knowledge of HR practices, HR will develop employee and supervisory handbooks, and provide additional training.

Step 4: Establish HRM Measures Related to Goals

After identifying the goals for the year, OGO's HR office
must now identify measures that will determine if the goals are being achieved. To facilitate this task, the task force focuses on the objectives identified under customer service during the previous phase: increased knowledge of HRM programs and policies, improved timeliness, improved quality of services, and maintaining a high level of legal compliance. Specific measures can then be readily identified that address each of the objectives.

One source of such measures is the OPM Merit Principle Measurement Framework, but there are many other sources as well. The problem then becomes choosing the right measures for OGO. The task force uses the Kepner-Tregoe problem solving and decision making approach to identify the most pertinent, quantifiable, and resource efficient measures. For instance, the task force selects as a key measure of increased knowledge of personnel programs and policies the number of technical questions received by the HR Office. Given no decrease in legal compliance (for which there must also be a measure or measures), a decrease in questions probably indicates greater understanding of current programs and policies.

**Step 5: Communicate HRM Goals and Measures**

After the goals and measures are identified, OGO HR communicates them to the rest of the agency through a newsletter. This newsletter shows the results of the customer feedback gathered through the diagnostic, the goals HR plans to achieve and the improvements it plans to make based on the customer feedback, and a time line for those actions. Through this type of communication, the customers can see that their participation is making a difference regarding the quality of service they receive.
Step 6: Establish Accountability for Goals and Measures

In this context, accountability has a dual meaning. In one sense, accountability means here ownership of the goals and the results identified through measurement: who is accountable for achieving or failing to achieve the goal. In the case of HR customer service, the HR Director is primarily accountable. The other meaning of accountability has to do with responsibility for the measure itself. Who is responsible for gathering the data for a particular measure and reporting it. In the example, this responsibility rests with various members of the HR Office staff.

Step 7: Measure Performance

The next step in the accountability system is to actually develop methods for gathering and disseminating measurement data. This involves identifying data sources, and designing information systems needed to support data collection and reporting. OGO decides to continue its use of the Measurement Plan Framework. Each person or group assigned responsibility for a measure is also assigned with the development of the measurement tools or approaches that will be most efficient and effective, as well as determining the frequency of measurement. All of this information is added to the framework. New data systems required to support data collection and reporting are developed. Example of the Measurement Plan Framework:

The framework lists the strategic objective, the individual measures, who owns the process (who is accountable for it), and who will be responsible for
developing, conducting, and reporting on the measurement and analysis.

**Step 8: Evaluate and Utilize Measurement Information to Improve HRM**

After the measurement process has been completed, the OGO HR Office uses a collaborative process for evaluating data, which again includes a cross functional team of employees, including line managers. Such a process provides for a more comprehensive look at the data. The team establishes findings, draws conclusions, and analyzes the results. Feedback is provided to the HR Director as the owner of the objective in a systematic way. The team chooses to report its findings, conclusions, and recommendations for improvement through briefings at staff meetings. This way, the whole office can benefit from the information and participate as needed in developing plans of action to solve problems or make improvements. After the feedback is provided, the HR Director creates an action plan on how the process is going to be changed or improved and presents this to staff as well as to the Director of OGO, to whom she reports.

Progress reports are made on a continuing basis. The action plan and progress reports are also communicated to the customers through the newsletter. This lets the customers know that actions are being taken in response to their feedback and, ultimately, that their involvement in the process is worthwhile.

**Step 9: Assess and Improve Accountability Process**

The final step of the accountability system is assessing and improving the process itself, and the totality of HRM
programs and policies. OPM has announced its intention to review OGO every 4 years. Rather than wait for this to happen, OGO's HR Director has decided to stay a step ahead of OPM by conducting an internal review every other year. The review team's charter is to review and assess the process described above - to see what has worked and what hasn't - and to make recommendations for improvement. It is also to assess broad HRM program results, including overall progress toward HR customer service improvement. The team uses various forms of data collection tools, such as focus groups, questionnaires, records review, and policies review. The task force then analyzes the data, develops recommendations for improvements, and shares these with the staff and across the organization through a written report. Under the HR Director's leadership, the information from the internal review is used to make improvements in any or all aspects of the process (Steps 1 through 8) - from identifying new goals and measures to establishing new HRM programs to finding more effective means of involving non-HR stakeholders in the process.