

From the Editor

By Karen V. Beaman

In our first article “Organizing the Boundaries of Business for a Boundaryless World,” Daniel P. Sullivan asks a difficult question: How can managers organize the boundaries of their business in a boundaryless world? Despite the size of the firm, location of its operations, or its particular business sector, all businesses must face this somewhat puzzling question. The author argues that understanding the answer is part of the foundation for success in the emergent business world both for professionals and for companies. How else, he submits, can managers use collaboration among dispersed workers to power pioneering new business models, to leverage IT to develop the integration tools and productivity innovations to capture the value that flows from the increasing interactions among coworkers, and gain the competitive insight from seeing where they were, where they are, and where they are likely going?

From Sullivan’s point of view, we have two choices. One, we accept the premise that traditional hierarchies are relics of bygone days, destined to be replaced by emergent principles and mechanisms that help managers organize work to fit changing boundaries and shifting borders. Or, two, we accept the premise that traditional hierarchies in organizations are up to the challenge, robust enough to deal with changing boundaries without dramatically changing longstanding, orthodox structures, systems and thinking. In all likelihood, either extreme, hanging on to dogmatic views and historic models at the expense of new, or throwing out the wisdom of experience in favor of the next new thing, will prove disastrous. True resolution requires a leader, executives and employees to adopt the best of the old and to engage the potential of the new, developing the insight to blend them together into a boundaryless organization. And, from our point of view, it seems the 21st century has ushered in a fundamental shift in our understanding of work, organization and value.

Our next article is by Karen V. Beaman, titled “Global by Design, Local by Implementation: HR and HRIT in the 21st Century.” The author states that the major tenet of her article is that we need to be “global by design” – meaning global at the core – and “local by implementation” – meaning local in our day-to-day operations. We need to assess the cultural, social, legislative, business, and economic differences between countries, synthesize the key differences, and design a global strategy that can be tailored and implemented locally. Beaman uses a *Global Sphere Model* as a framework for defining the approach companies should follow in crafting an effective global HR/HRIT strategy that will help them thrive in our semi-globalized world.

Beaman contends that global development does not entail a choice between globalizing everything versus succumbing to the complexities of the local environment. Effective globalization strategies strike the right balance between global, regional, local and provincial, and seek the silver thread that unites disparate groups toward a common goal. The article sidebar – “Global by Design, Local by Implementation” – summarizes the key approaches of the seven components of the *Global Sphere Model*. The author asks you to remember, no such change can happen over night – organizational evolution is a journey that must be nur-

tured and managed over time through the establishment of a clear vision for the organization, definition of clear processes and accountabilities, transformation of the mindsets of the people, and implementation of global, modern enabling technologies.

Robert Bernshteyn is the author of our next article, “Goals and Alignment: Building a Performance-Driven Culture.” In his article, Bernshteyn answers the question: How do organizations develop and sustain a culture that encourages employee performance? Many theories abound, including hiring only the very best, building self-service information portals to increase worker knowledge and offering work/life balance benefits as flextime and childcare. Even offering market competitive salaries is often considered. A study done by Leigh Branham in conjunction with the Saratoga Institute in 2003 polled managers and found that 89 percent of them believed that employees leave companies to get more money – but thousands of employee exit surveys revealed that 88 percent of the employees left for other reasons *other* than money. So, what is the driving force?

The author tells us that goals are the cornerstone of performance management. Goals define the results that people should aim to achieve, and without them, time and energy is wasted on activities that do not support business strategy and results. Every company, every business unit and every individual in an organization needs goals and tactical plans for achieving them. Goals focus the limited resources and time of its employees and focus attention on the activities that are most important and most impacting on an organization’s bottom line.

Our last article, “Shifting from HR Outsourcing to Business Process Sourcing,” is written by Gijs Houtzagers and Sharon Janssen. The authors write that although forms of sourcing have occurred frequently over the last several years, they were mostly focused on HR transactions, often closely related to personnel administration and payroll but not focusing on the underlying HR processes. Recent years showed a shift from sourcing transactional activities to sourcing processes. Due to experience, organizations have come to acknowledge that activities are part of (and entangled within) a process and there are no advantages to sourcing only parts of the process. In this article, the ins and outs of sourcing HR processes are further explored.

One of the reasons sourcing became a strategic option was the adaptation of the theory of Dave Ulrich stating that the only way HR can survive is if the role switches from confidential agent and administrative expert to strategist and change manager. The authors’ illustrations show the moving away from the traditional role of employee champion and administrative expert towards strategy and change management, supported by their stakeholders, i.e., line management and technology. It can be seen that the focus on strategic sourcing has become impressive, providing space for HR to take the strategic and change manager role.

We hope you enjoy the articles in this issue.

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