

From the Editor

By Karen V. Beaman

Our first feature article, “The New Role of Human Capital Metrics: Achieving Strategic Business Goals,” by Stephen Gates is based on research data from a 2004 study done by The Conference Board under the direction of Mr. Gates. The finding that 84 percent of respondents intend to increase their strategic application of people measures over the next three years is just one indication of the growing prominence of human capital metrics. In particular, the finding that respondents give “meeting strategic goals” and “demonstrating HR’s contribution to strategy” the second and third highest ratings for a “very strong” benefit received by people measures points to a growing interest in discovering innovative uses for people metrics. In short, this article explains how HR professionals can expand the use of people metrics to include implementing strategic business goals.

“Perhaps the strongest reason for suggesting that HR and IT professionals need to enhance their organizational alignment is because the demands of today’s workplace present simultaneous challenges for both disciplines.” So states, Drs. Peter Dominick & Jerry Luftman, authors of our next article, “Strange Bedfellows: Toward an Integrated HR and IT Skill Set.” The authors describe some key trends in the nature of work and the workforce that make an integrated HR/IT skill set a valued asset; highlight some specific ways IT skills are critical to the role of HR professionals; and explain how HR skills are equally critical to the work done by IT professionals. They conclude by noting that few educational programs have fully embraced this interdependency and provide some suggestions for designing curriculum and experiences to help people develop this essential blend of expertise.

“Managing Human Resources in an

Outsourced Environment,” by Mark Hodges and Lowell Williams, originally appeared in the popular IHRIM Press book, *Out of Site: An Inside Look at HR Outsourcing*. The authors write that companies initiating or working in an outsourced environment must concentrate on three key variables in an outsourced setting: First, as processes begin to transition to the service provider, the company has a great deal of internal transformation to undergo with its retained HR organization to make them true business partners. Second, and simultaneously, the company needs to fix its objectives for the relationship with the provider. Finally, the company needs to translate those objectives into an operating structure where the objectives can be realized. With all three of these elements in harmony, the company can realize the maximum value from the outsourced environment.

In our next feature, “In Consultants We Trust,” author Phil Jones writes that his personal views have evolved over a 25-year period of dealing – primarily as a client – with a range of consultancies claiming to offer remedies for various corporate ailments. In this article, Mr. Jones considers three main phases – engagement, delivery and separation; and in each phase, he discusses some of the features that contribute to success and highlight potential causes of failure in the client-consultant relationship.

In a “Conversation with Seth Kahan,” author Bob Stambaugh interviews the noted consultant, speaker and writer, Seth Kahan, about his “beehive” concept of community in organizations. Mr. Kahan says he adopted the beehive metaphor because it clearly was best at communicating what was most important about these communities: they self-organize, there is no one person who runs the show, and they make “honey” – sweet re-

wards that can be taken to the market. Best of all, when a community is working well, there is a buzz of activity you can literally feel. Author Stambaugh then challenges Mr. Kahan to take the beehive example and then really apply it to a business organization.

In our departments, Bob Stambaugh weaves an interesting tale in “Clever Hans,” and points out that maybe you should use “magical thinking” when approaching metrics but be cautious of miscommunication of information and erroneous decision-making. Dr. John Sullivan, in “HR Must Drive Innovation Throughout the Corporation,” says that because people and people processes drive innovation, it is critical that HR realizes the importance of its role in making sure innovation permeates your organization. Gerald Falkowski, et. al., conclude their series on organizational change management and information technology infrastructure library with this article presenting a case study at Metro Insurance. David Salyers continues his Dilemma series with “When HR Barely Exists” where the author presents another of his case studies and looks to our experts for their answers to solving the problems at hand. Ian Turnbull, in “Privacy of Personal Information in Canada” brings us up-to-date on Canada’s Federal privacy law – The Personal Information Protection and Electronic Documents Act (PIPEDA) and how it relates to similar legislation in the U.S. and Europe.

We hope you enjoy this issue and look forward to your comments.

Editor-in-Chief
Karen V. Beaman
Managing Partner
The Jeitosa Group
New York, New York USA
Karen_Beamer@jeitosa.com