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I. Introduction

Delegates to the 32nd International Symposium on Public Personnel Management met in Cape Town, South Africa to discuss issues relating to public sector human resources management. The following countries and international organizations were represented:

Association of Human Resource Management in International Organizations (AHRMIO)
British Virgin Islands
Canada
Great Britain
Kenya
Korea
Lesotho
Malawi
Mauritius
Mozambique
Saudi Arabia
Singapore
South Africa
Sri Lanka
Swaziland
Taiwan
Tanzania
Thailand
Trinidad and Tobago
Uganda
United Nations
United States
World Bank
Zambia

The main discussion topics were the role of human resources in organizational strategic planning and generational issues in the workplace. Dr. Chia-Cheng Lin, Minister of Examination, Taiwan, ROC, presented a paper, “Knowledge Management in Public Institutions: The Taiwan Experience” on Tuesday, April 17. A copy of the paper provided to participants is attached to this summary.
II. Discussion Summary

A. The role of HR in organizational strategic planning

On Monday, April 16, Mr. Peter Reilly, Director, HR Research and Consultancy, Institute for Employment Studies provided an overview presentation on the role of HR in organizational strategic planning. Mr. Reilly, began by asking whether HR should have its own strategic plan or if it should be contributing to the organization’s own overall plan. Reilly stated that HR must be present at the highest levels of decision making in order to influence the decisions that are made.

The desired outcome of participation is to make people management a high priority, provide internal consistency, and to align the HR function with business needs. Line managers are also key in human resources management, noted Mr. Reilly and HR should facilitate management decisions and work to ensure that managers do not damage the organization.

If done right, human resources strategic planning will attract and retain more talented people at a lower cost enabling the organization to provide better services and align values with the culture. Greater employee engagement and higher productivity are two more positive outcomes.

Problem areas include:

- Leadership rejecting the connection between people and performances
- A lack of leadership
- Leadership not valuing people
- Managers may not understand the cost and time involved in hiring and training
- Lack of communication particularly in large organizations

Human Resources own problems include such obstacles as:

- Time
- Capacity
- Focus
- Capability
- Positioning
- Organization
- Relationships – devolution

The result of the above problems and obstacles can include an inadequate staff, concentrating on low value tasks, disjointed policies, weak leadership, poor internal reputation, and a situation where human capital is not fully utilized.

Solutions include demonstrating the value of people, getting involved in business planning, and ensuring that HR strategy is integrated into the business plan. HR policies should be looked at horizontally as well as vertically.
Workforce planning is another potential solution to the above problems and the plan should be achievable, taking into account skills and internal and external challenges. HR should also work to create a sense of teamwork and reward individuals for working together. HR’s role should be clarified and results monitored.

Mr. Reilly described a multi-dimensional role for HR and people management that includes HR efficiency and effectiveness and people management efficiency and effectiveness. The charts are available in the attached power point presentation.

Mr. Reilly described four different ways of measuring performance. The first one described is cost efficiency which includes payroll, department, headcount – e.g. staffing ratios and productivity/quality. The second is organizational health which includes the following factors: effective performance and reward systems, sickness rates, motivation of employees and retention rates and industrial harmony.

The third described is the capacity to deliver, including factors such as supply and demand, right skills in the right place, organizational strength, and whether training is meeting current needs. The fourth area of measurement is future capability including the ability to change and innovate, the quality of recruitment and development, identifying future training needs, resource and succession planning and identifying talent.

Following the discussion, symposium participants separated into three different discussion groups and then reported back on the content of their discussions to the larger group.

Group one was led by John Ernstzen, Deputy Chairperson, Office of the Public Service Commission, South Africa and Gloria Edwards-Joseph Director of Personnel Administration, Services Commission Department, Trinidad and Tobago served as reporter.

Group two was led by Mary Jane Peters, Executive Director for the Association of Human Resource Management in International Organization (AHRMIO) and the reporter was Monique Boudrais, Executive Vice President, Public Service Human Resources, Management Agency of Canada.

Group three was led by R.G. Pandithakorralage, IPMA-CP, Director of Human Resources for Aitken Spence & Co., Ltd., Sri Lanka and the group had four separate reporters, one for each of the four questions presented. Rose Kafeero, Deputy Secretary for the Public Service Commission of Uganda delivered the report on question one. Sitthichai Tanthasith, Personnel Analyst, Office of the Civil Service Commission, Thailand, reported on the second question. Questions three and four reporters were Ibrahim Al-Juhaiman, Assistant Deputy Minister for Classification & Recruitment, Ministry of Civil Service, Saudi Arabia and Balungile Mbanda, Chief Director for Leadership Performance Improvement, Public Service Commission, South Africa.

The first discussion question asked what the key strategic HR challenges organizations are facing and how they are being addressed. The groups identified several challenges including:

1. Status
2. Limited authority in the HR units
3. Divided responsibilities  
4. Decentralized organizations  
5. Short-term issues dominate  
6. A need for training so that HR can become more strategic  
7. The need to establish growth and development strategies  
8. A highly mobile workforce  
9. The tendency to work in “silos” with line managers not assuming responsibility for performance management and compensation. A need to break out of the silo  
10. Challenges associated with public employment generally: including lower salaries, longer hiring times, high turnover.

Ways to address the above challenges include branding the organization as an employer of choice and modernizing the hiring process. Several participants noted that they already are employers of choice and offer relatively high salaries but that they have high turnover. Other ways to address the challenges include having HR develop its own strategic plan to bring to the table and developing workforce plans to address gaps and shortages in the workforce.

Other solutions include those related to the current workforce. One participant said his organization recognizes high performing employees and provides them with educational opportunities and training. Other solutions include creating career paths for those in dead-end jobs and addressing salary compression at the higher levels.

The second question asked whether or not HR is viewed as a strategic partner within the organization. Results were mixed with some reporting that they are involved in high level decision making and others stating that they are not reporting to the CEO. Others felt that they were on their way to being viewed as strategic but there was a need for HR to provide more input. Overall, participants felt that progress had been made but that more still needs to be done to make sure that HR’s voice is heard.

One group identified five overlapping inhibitors to being viewed as strategic:

1. Structure of HR  
2. Positioning of HR  
3. HR’s need to understand its customer  
4. Capability of HR staff/they want to develop a strategic plan but do not know how to go about it  
5. Lack of experience and a different language between HR and other departments

Solutions include:

1. Combining HRM and HR Development  
2. Increasing the skills of HR  
3. Surveying the customers  
4. Free flow of information between HR and business  
5. Get involved in strategic work
Question three asked how much time each organization spends on transaction versus strategic work and most organizations reported spending the majority of their time on transactional work with little time left over for strategic work. However, some organizations are doing more in terms of strategy but there was agreement that the day to day pressures often consumed the most time.

Question four related to outsourcing/shared services and the majority of participants said they are not using outsourcing or shared services although several individuals said they outsource non-core functions such as the employee assistance program, training, payroll, and testing and job evaluation. Shared services are growing in popularity and are used by several participants for payroll and transactional processes.

B. Generational issues in HR

Mr. David Archer, IPMA-CP, Director of Human Resources, British Virgin Islands, presented the overview for the second topic on generational issues in human resources. Mr. Archer opened his discussion by noting that the success of an organization will be determined by how it manages its human capital – look to the balanced score card.

HR opportunities include promoting people as the key resource, being strategic partners and contributing to the overall strategic plan. Whose job is it to promote the importance of people to the success of the organizations, asked Mr. Archer. It’s the role of HR.

The desired discussion outcomes include touching on generational cultures and issues, their impact on salary, retention, incentives, retirement and the keys to success in a multi-generational workplace.

Discussion of the generational issues included a description of the four different generations currently in the workplace – the traditionalists, born between 1892 and 1943 that are more likely to be loyal but less technologically savvy than later generations. The baby boomers, born between 1946 and 1964, will be retiring in large numbers over the next several years.

Generation X, born between 1965 and 1980, are viewed as more focused on individual goals than organizational goals. Finally the last generation currently in the workplace is generation Y, born between 1980 and 1988, they are much more technologically savvy than prior generations and viewed as impatient, and eager to achieve.

The four generational cultures do not have to have titles or time frames in order to be relevant. People may not fit neatly into a behavioral category but all employers probably recognize some differences in the generational groups, be they small or large differences. Some research suggests that people will be more influenced by their career stage than their generation. Career stages may also be broken down into four categories: the trial period, when someone enters the workforce, the stabilization period when a worker is looking for career advancement, the maintenance stage and finally retirement.

Mr. Archer described how organizations may define their workers as either old or young and that those labels can damage the organization. He noted that the workforce is always changing and globalization
has increased the speed of change. Organizations that fail to take this into account will eventually lose their competitive advantage said Mr. Archer.

HR professionals must study the internal and external environment, they must also be able to make arguments for managing people well, and be equipped with solutions to manage the changing workforce.

Solutions include recruitment strategies that are flexible and adaptable and look at various sources of finding candidates including papers, job fairs and electronic media. HR must be organizational “chefs” offering an array of salary and benefits that attract and retain a high-performing workforce.

For employment shortages can HR look to retirees to fill gaps? John Lavelle in his article for IPMA-HR News cautions that it may not provide a full solution. HR must ask what impact retirements will have on the organization and the capacity of retirees to fill positions.

Any retention plan must include the employees’ input. A retention plan will only work if there is open dialogue and staff involvement. Mr. Archer noted that HR’s plan for a diverse and changing workforce must include the following:

1. Promote communication; listen, and respond
2. Promote strategic HR planning
3. Institutionalize succession planning
4. Institutionalize workforce planning-the right number of people, with the right skills at the right time
5. Reward and promote creativity, team work, office camaraderie
6. Continuously conduct SWOT analyses
7. Monitor employment trends
8. Develop competencies standards
9. Promote good management but celebrate excellent leadership
10. Link training and development to individual and organizational needs
11. Design systems that are flexible, adaptable and relevant to the organization’s employees
12. Encourage sharing and learning through teams
13. Build a continuous measurable case for Human Resources as the most valuable resource to the organization

On Wednesday, participants split into three separate discussion groups and then reconvened in the afternoon to share their thoughts. Group one was led by Karen Petit, Hiring Strategist – Talent Management Division, B.C. Public Service Agency, Canada and the reporter was Chan K. Liang, Deputy Director, Benefits and Corporate Planning, Prime Minister’s Office, Public Service Division, Singapore.

Group two was led by Norman Maharaj, Commissioner, Office of the Public Service Commission, South Africa and the reporter was Monique Boudrias, Executive Vice President, Public Service Human Resources Management Agency of Canada.
Group three was led by John Lavelle, Senior Advisor, HR Strategy, World Bank, and the reporters were Jeniffer Njiru, Chief HRM Officer, Public Service Commission, Kenya and Brenda Namwila, Administrative Officer (A), Cabinet Office, Zambia.

The group discussions took various directions and are therefore described separately. Group one began by addressing the impending retirement of experienced officers and described the need to fill the gap. They noted that generations x and y may not have the expertise or skills to take over because of voluntary severance packages in some countries, the lack of succession planning and legislative issues. Some solutions include fast-tracking talented officers, increasing the retirement age, creating re-employment opportunities for older workers, improving pension administration and preparing officers for retirement.

Another issue is the resignation of younger workers because they view public service as a training ground and expenditures on training are therefore wasted. Solutions include exit interviews to find out why they are leaving, matching the offers of new employers, providing a bond or return to service agreement after training, and examining the workplace environment with an aim to retaining workers.

The group also talked about the challenges of generations X and Y and characteristics such as impatience to be promoted, working quickly and perhaps sacrificing quality, confrontational attitude and not viewing public service as a long-term career. Some solutions include giving them more voice in policy making, branding the public service, having internships/job shadowing and focusing on perks as incentives to keep younger workers, such as gym memberships and workshops.

Multi-generational challenges include technology issues for older workers, the need and desire for flexible compensation structures, and the benefit of a committee on rewards and recognition. Other issues include “leapfrogging” or a situation where a younger worker is put in charge of a more experienced worker although several organizations said this is an accepted practice as long as the younger worker is qualified. HIV/AIDS also pose a problem for some countries with large gaps in the workforce and high absenteeism. Other challenges include tailoring benefits to meet workers at different stages of their careers.

Workforce shortages are experienced by nearly all participants in several areas including the medical professions, teachers, finance, judges, and policymakers. Strategies to address shortages include scholarships, increasing capacity at training institutions and the possible use of expatriates. Other strategies to address the shortages include creating a leadership pipeline that might include mentoring programs, programs for high-performing employees, and providing freedom of movement between local and provincial governments.

Group two began by conducting an environmental scan – looking at generational issues, race, age and linguistic ability and discussing how all these factors would impact human resources management. They described the characteristics of different generations and noted that each group had both positive and negative attributes.

Younger workers are likely to be highly knowledgeable and technologically competent, innovative and creative but less likely to be loyal to the organization and more impatient than their older colleagues. Baby boomers might be more resistant to change than younger workers and be more rules driven and
more familiar with a traditional way of working. On the plus side, they tend to be more loyal to the organization and they have the institutional memory and the experience to get the job done.

Externally, the focus was on a more ethical government, more transparency, and greater efficiency and effectiveness in service delivery. There was recognition that all organizations face generational issues and that there is a risk to organizational effectiveness. HR has accountability to senior leaders to take action.

The group also discussed solutions including reconciliation of generational issues by breaking down resistance to change and managing the power of youth. This could be accomplished through knowledge management, and knowledge transfer through sharing, shadowing, mentorship, and learning and professional development.

Succession planning and recruitment were also discussed as solutions along with the development of a leadership pipeline. Ms. Boudrias provided a helpful line graph showing that organizations fall on different parts of the continuum in developing plans and leaders.

Group three led with a discussion of common themes, including people coming towards their normal retirement date (NRD), whether seniority determines promotion to fill gaps, fixed or variable retirement dates and how HIV affects the availability of workers in the middle group (this is still a taboo subject which makes planning more difficult).

Other common themes included:

- The absence of succession planning or the failure to do it properly
- Legal or policy changes to deal with retirement issues
- Need to open up opportunities to young people and creating incentives for older workers to leave if not productive – get people off the bus
- Golden handcuffs and the pension scheme
- Getting experience in order to meet job specifications
- Challenging recorded birthdates
- Post retirement contract jobs, may be controlled by pay limits/pensions or service contracts
- Some appointments not based on merit
- Pension reform, creating a later NRD, or required contributions by the employee
- People not leaving government when they can
- Role of HR in preparing people for retirement or separation
- Low birth rate and impact on labor supply
- Rehiring pensioners to fill gaps
- Problems with fixed retirement dates
- Retrenchment caused by demographic gaps, not successfully covered by recruits who left because of poor pay
- Keeping scarce resources after retirements
- Poor pay tends to keep public servants wanting to work after NRD
- Young people want to change things & have immediate financial benefits
- Diversity targets cut across these issues
Eligibility does not equal the right to retire  
Absence of proper pension provisions  
Keeps people at home - not working if insurance and health benefits are available  
Changing power balance if people stay beyond NRD, how to motivate  
Pay pensions for extended post retirement periods  
Impact of early voluntary retirement scheme continues beyond ad hoc problems  
Is there bias in the selection for working beyond NRD  
Effect of making pension schemes contributory  
Changing organizational requirements mean different skill sets against low turnover/inflexible career model  
Transfer of knowledge from older to younger workers  
Can retirement plan be used to encourage some to leave and others to stay  
Square pegs in round holes when technical people are promoted to management

III. Knowledge Management in Public Institutions: The Taiwan Experience

Dr. Chia-Cheng Lin, Minister of Examination, Taiwan, ROC, presented a paper on Tuesday, April 17 on knowledge management in public institutions. Dr. Lin discussed the development and significance of knowledge management and noted that the principal measures of knowledge management include the degree of investment in knowledge management throughout the whole organization. Knowledge management is important in the public sector although it made a later appearance in the public sector than in the corporate context. Achieving a knowledge based government is one of the important aims of knowledge management in the public sector and Dr. Lin identified several concrete actions by a knowledge based government including:

- Highlighting research and innovation to accumulate intellectual capital  
- Promoting a learning and sharing culture  
- Improving the sharing mechanisms of administrative organizations to boost efficiency  
- Compiling and sharing external resources to improve quality of governance  
- Matching IT and communication technology to the design of the organization

Dr. Lin then described the experience in Taiwan and noted that with substantial growth over the past two decades and the high degree of IT infrastructure, and an educated population, the government has been able to create a development plan for its knowledge economy. The government has established five knowledge communities addressing national security, public infrastructure, national finance, social welfare, and education and culture.

The platform improved communication and laid the groundwork for e-government. The effort involved the support of senior officials and the staff. In 2002, the communities were reorganized to focus on the core duties of the commission itself. Dr. Lin’s effort in this area was later transferred to the Ministry of Examination, where he was appointed in 2004. Dr. Lin reported that ministry staff have a better understanding now of knowledge management and its role in the activities of the organization. The ministry administers 80 examinations each year involving more than half a million people so knowledge management is critically important. The paper is attached as appendix D.
Overview Presentation The role of HR in organizational strategic planning
Mr. Peter Reilly, Director, HR Research and Consultancy

HR’s contribution to strategy

Peter Reilly

Today’s agenda

- What does business strategy look like?
- What role does HR play?
- What more can HR do?
- What obstacles does HR face?
- How can it overcome them?
Theories on strategy making

Textbook strategy making

- purpose/mission
- objectives/vision
- strategy
- tactics/plans

Textbook *intended* strategies

- a deliberate and purposive approach
- based on analytical understanding
- weighing up the options
- based on a rational appraisal of the environment
- action follows strategy
- in a linear process
- driven from the top
Emergent strategies

- occur unintentionally
- through small incremental steps
- as organisation “feels” its way
- post hoc rationalisation of objectives
- strategic actions as likely at operational level as from top
- implementation loops round to affect direction

Political strategies

- are product of ideologies of individuals or groups
- decision making informal & characterised by bargaining
- power & authority important to outcome
- change requires cultural shifts

How does HR contribute?

- Third order involvement
The Purcell/Ahstrand view

Order
1st
Long term direction & activities
2nd
Internal organisation & activities
3rd
Strategic choice in HR
Downstream
HR outcomes

How does HR contribute?

- Third order involvement
- Operationalises business strategy
- Provides separate people thrust
  - Connected with organisational aims
  - Disconnected: HR best practice model
- Is an integral part of business strategy

Types of linkage between business and HR strategy

- business strategy informs HR actions: integrative
- passing ships: independent HR and business strategies
- two way linkage: mutual influence
Different models of strategic alignment

Strategies can be seen in terms of:
- Organisational complexity
- Stage of organisational development
- Organisational core competencies
- Organisational purpose
- Organisational business positioning

Linking business & HR strategy

Factors that affect this linkage:
- planning process
  - Formal/informal
  - Deliberative/emergent
- degree and timing of HR involvement
- extent of challenge permitted
- legitimate areas for HR input

Characteristics of strategic HR

- A planning approach to resources
- A philosophy underpinning HR policies
- Seeing people as a competitive resource:
  - a Human Capital view of people management
- HR’s alignment with
  - high level business positioning
  - core competencies
  - organisational structure
The desired outcome

- People management is a high organisational priority
- Business strategy informs HR policies
- HR policies are internally consistent
- Resources are planned & allocated in line with business need
- Line managers take responsibility for people
- HR facilitates management decisions
- HR acts to prevent managers damaging the organisation

Making the case: what HR can deliver

- Improved utilisation of talent
- Higher productivity
- Reduced costs
- Better service delivery
- Organisational integration
- Aligned culture and organisational values
- Greater employee engagement
- Stronger employee proposition

Problem areas

- Human capital not recognised as a source of advantage
- Weak organisational leadership
- Poor people management skills
- Business strategy poorly defined
- There is little forward planning
- People resources assumed to be unlimited, free or fully trained
- Resources are hoarded & not shared
HR’s own problem areas

Obstacles to success:
- Time
- Capacity
- Focus
- Capability
- Positioning
- Organisation
- Relationships. Devolution not working. The villains:
  - HR - not letting go
  - the line - not taking it up
  - senior mgt - sending wrong signals

Results

- inadequate HR service performance
- concentrating on low value tasks
- HR policies are disjoined & inconsistent
- they serve functional not organisational needs
- weak functional leadership
- poor internal reputation
- Human capital not exploited, developed

Solutions for HR

- Demonstrate the value of people
- Get involved in the business planning process
- Ensure the HR strategy is derived from or integrated with the business plan
- Look at HR policies horizontally as well as vertically
HR strategic integration

Solutions for HR

- Demonstrate the value of people
- Get involved in the business planning process
- Ensure the HR strategy is derived from or integrated with the business plan
- Look at HR policies horizontally as well as vertically
- Ensure people management policies address real business needs

Solutions cont.

- Develop an achievable workforce plan that takes account of:
  - skills as well numbers
  - internal & external challenges
  - operates over a reasonable period
- Encourage a sense of corporacy - prizes for working for common good
- Work out an effective devolution deal
- Clarify HR’s role & monitor functional effectiveness
Multi dimensional measurement: HR and PM

- HR efficiency
- People management efficiency
- HR effectiveness
- People Management effectiveness

Multi dimensional measurement: HR and PM

- Process metrics
  - Ratios
- Cost/income against headcount
- Strategic alignment
  - Functional positioning
- Human Capital

Measuring performance (1)

- Cost efficiency (against budget/target)
  - Payroll
  - Department
  - Headcount (incl. ratios)
  - Productivity (& quality)
Measuring performance (2)

- Organisational health
  - effective performance & reward mechanisms
  - sickness rates
  - employee motivation
  - rates of retention
  - industrial harmony

Measuring performance (3)

- Capacity to deliver
  - supply/demand balance
  - right skills in right places
  - organisational strength (incl. flexibility)
  - training meeting current needs

Measuring performance (4)

- Future capability
  - ability to change/innovate
  - quality of recruitment/development
  - identification & training to future needs
  - resource/succession planning
  - recognition of talent
Further information:
www.employment-studies.co.uk

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.....thank you
Appendix B

Overview Presentation on Generational Issues in HR

Mr. David Archer, IPMA-CP, Director of Human Resources, British Virgin Islands

**Generational Human Resources Issues**

The Future and Success of Organisations will not be determined by a company's financial wealth or its technological capabilities but by how the company manages its human capital (HR Balance Scorecard)

**OPPORTUNITIES!**

1. Human Resources Professionals to promote people as the key resource towards organizational success.

2. Human Resources Professionals to continue being strategic business partners.

3. Our Organizations to compete, excel and lead through Strategic Human Resources Management.
Generational Human Resources Issues

Valuing Human Resources as the most critical component to organizational success requires organizations to understand how to get the best out of its people.

*(Creating a Strategic Human Resources Organization)*

Generational Human Resources Issues

Whose job is it to ensure that people are recognized as valuable contributors to the organization?

*HUMAN RESOURCES PROFESSIONALS!*

Discussion Outcomes

1. Generation Cultures.
2. Generational Issues.
3. Role of HR as a Strategic Business Partner.
5. Key to Success within a diverse generational workforce
**Generational Cultures**

**Traditionalists**
- Born between 1892 and 1943
- Strong traditional values
- Loyal, highly dedicated
- High moral standards
- World War II

**Baby Boomers**
- Born between 1946 and 1964
- Optimistic, success oriented
- Challenge traditional values and moral standards
- Flexible, Open to Change
- Value work over personal life

**Generation X**
- Born between 1965 and 1980
- More focus on individual growth than employer loyalty
- Independent
- Educated
- Interested in multiple career choices
**Generational Cultures**

**Generation Y**
- Born between 1980 and 1988
- Team-Centric
- Technologically savvy
- Educated
- Use to instant gratification
- More likely to have multiple professions and careers

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<tr>
<th>Traditionalists</th>
<th>Baby Boomers</th>
<th>Generation X</th>
<th>Generation Y</th>
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**Generational Culture or Career Stage?**

When it comes to the workplace, people are more likely to be influenced by their career stage.

(Dennis Doverspike, Ph.D. & Allison O’Malley.)
**Career Stages**

1. **Trial** (under 30) looking for good career fit and learning about personal competencies
2. **Stabilization** (30-45) career oriented through advancement
3. **Maintenance** (45-65) maintaining status and working at maximum potential
4. **Retirement** (65 and up) retirement from main career.

**Old Verses Young Workforce**

- Organizations tend to group workers in two broad categories, old and young.
- The perceptions between the two categories can damage the success of the Organization.

**Generational Human Resources Issues**

- The composition of all workforces change daily based on social, cultural and economic circumstances.
- Globalisation has led to a change in workforces throughout the world.
- Organizations that do not plan around changes in the workforce; differences in generational needs, differences in career stages, will eventually lose their competitive advantage.
HR as a Strategic Business Partner

- HR Professionals must study trends within the internal and external environment.
- HR Professionals must be able to make a qualitative and quantitative arguments for managing people well.
- HR Professionals must be equipped with solutions based on the changing workforce to ensure the continuation of organizational success.

Recruitment

- Recruitment Strategies must be flexible and adoptable to the changing working environment and professional make-up.
- Where, When and How to Recruit?
- Electronic Media, Job Fairs, Career Drives, Succession Planning?

Benefits and Salaries

- HR Professionals must be excellent Organizational Chefs-offering a variety of benefits and salary incentives geared to attract and retain varying needs of employees.
- Sign on Bonuses, Performance Pay, Team Rewards, Medical Insurance Coverage, Varying Allowances.
Retirement

- John Lavelle, in his article on working beyond retirement was pointed, real and deserving of close attention.
- Can we rely on retirees to provide continued support in an environment that is rapidly changing, requiring additional and continuous upgrading of skills?
- What do our retirement or pension system promote? Longevity? Loyalty?

Retirement

- Does it discriminate?
- Is the Organization preparing persons to leave or embracing their continuation?
- What effect does the retiring population have on the sustainability, growth and success of the organization?

Retention

- An Organization’s Plan for Retention can only be effective if the plan was motivated by its employees.
- Promoting a culture of open dialogue, staff involvement in decision making and success through people creates the best chance for adaptability and resiliency (retention)
HR Plan for the Diverse and Changing Workforce

1. Promote Communication; Listen, and Respond
2. Promote Strategic HR Planning
3. Institutionalize Succession Planning
4. Institutionalize Workforce Planning—the right number of people, with the right skills at the right time
5. Reward and Promote Creativity, Team Work, Office Camaraderie

6. Continuously Conduct SWOT Analyses
7. Monitor Employment Trends
8. Develop Competencies Standards
9. Promote good management but celebrate excellent leadership
10. Link Training and Develop to Individual and Organizational Needs.

11. Design systems that are flexible, adaptability and relevant to the organization’s employees
12. Encourage sharing and learning through teams
13. Build a continuous measurable case for Human Resources as the most valuable resource to the organization
Discussion Outcomes

1. Generation Cultures.
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Appendix C
Group One Slide Presentation prepared by Mr. Chan Liang, Deputy Director, Benefits and Corporate Planning, Prime Minister’s Office, Public Service Division, Singapore

Slide 1

**Generational HR Issues**

32nd International Symposium on Public Personnel Management

Group 1

Slide 2

**Impending Retirement of Experienced Officers (1)**

- Older officers (baby boomers) due to retire
  - Need to fill the gap
  - Gen X & Y don’t have expertise & experience to take over
  - Causes:
    - Voluntary Severance Package in some countries
    - Lack of succession planning
    - Legislative issues
      - e.g. short termed appointments for senior positions
Impending Retirement of Experienced Officers (2)

- Solutions / Initiatives:
  - Fast-tracking younger talented officers
  - Increase in retirement age
  - Create employment/re-employment opportunities for older workers (e.g. part-time/substitutes)
  - Improvement in pension administration
  - Programmes to prepare officers for retirement

Resignation of Younger Officers

- Public sector viewed as a “training ground”
- Expenditure spent on training has gone to waste

- Solutions:
  - Exit interviews to find out reasons for leaving (e.g. expectation to be promoted)
  - Match offer of new employer
  - Return-of-Service Agreements/Bonds in return for scholarships
  - Examination of workplace environmental issues with aim of retaining staff

Generations X & Y (1)

- Challenges of Generation X & Y
- Characteristics:
  - don’t want to be tied down
  - don’t view Public Service as a permanent job or life-long career
  - impatient to be promoted/progressed
  - “what’s in it for me” mentality
  - anxiety to get things done (possibly compromising quality)
  - confrontational
Generations X & Y (2)

- Solutions:
  - Give Gen X & Y a voice in the policy and decision-making process
  - Posts advertised publicly/openly
  - Branding Public Service
  - Internships ("day in the life of an ADM")
  - Beyond just pay, increased focus on other "perks"
    - e.g. gym, sports club, cricket teams, workshops

Leadership Pipeline

- Deliberate Succession Planning
- Mentoring Programmes
  - Induct younger officers into the Public Service
- Programmes to develop high-potential officers
  - Scholars
  - Officers who have demonstrated their potential through performance
- Freedom of movement between local and provincial Governments
  - More uniformity of pay and terms

Multi-Generational Challenges

- Technology as a challenge for older officers
  - Computer Purchase Programmes
  - Opportunities to learn Programmes
  - YouTube/Google
    - Enables connection with younger officers
- Flexible Compensation Structure
- Committee on Rewards and Recognition
Older Officers being Supervised by Younger Officers (leapfrogging)

- Resentment - may perceive younger officers as unqualified, inexperienced to manage them
- Some countries: Acceptance of talented younger officers in senior positions, provided they prove their worth

HIV/AIDS

- Significant proportion of working population affected by HIV
- Increased absenteeism
- Strategic HR Planning needed
- Raise retirement age

Benefits

- Benefits aligned to the needs of multi-generational workforce
  - Unrecorded leave for childcare, examination leave
  - Sick leave – full-pay sick leave
  - Encourage consumption of leave for work-life balance
- Accumulation of Leave
  - Bought out for senior officers nearing retirement
- Changes to Pension Plans
  - Pressure to cut-back to reduce costs
Slide 12

**Appreciation of Different Cultures**

- Observation: people tend to relate to racial communities across age and generations
- Functions to commemorate important days/festivals

Slide 13

**Workforce Shortages**

- Doctors and Nurses
- Teachers
- Judges
- Policymakers
- Project Managers
- Finance
- Strategies:
  - Scholarships (although there are limitations in terms of bond)
  - Improve terms of service
  - Increase intake in training institutions in anticipation that some will leave (attrition)
  - Expatriates (but there are issues of adjustment)
  - Studies on these shortages
Appendix D

Knowledge Management in Public Institutions: The Taiwan Experience

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This article discusses knowledge management in public institutions and provides an analysis of the experience of Taiwan in this respect. In the first of three sections, the paper addresses the development and significance of knowledge management as a discipline. Section 2 then discusses the necessity of implementing knowledge management in public institutions and describes various concrete scenarios for this. Section 3, finally, discusses the experience of knowledge management implementation in government agencies and institutions in Taiwan.

I. The Development and Significance of Knowledge Management

Knowledge has long been a topic of academic interest, not least since Descartes expounded his rationalism and Locke his empiricism, which philosophies gave impetus to the later development of theories of inductive and deductive reasoning. In a more modern context, developments in organizational learning and information technology have spurred the rise of knowledge management, a topic which began to feature in business administration and information management activities as of the late 1980s. Now, discussion of knowledge management raises inevitably the questions of what in fact can be termed knowledge, what points to the necessity of knowledge management in an organization, and how most efficiently to proceed with this.

So what is knowledge? In what ways does knowledge differ from data, from information, from wisdom? Viewpoints will of course differ on such questions, but a review of the field can yield certain points of consensus. Briefly put, data are a simple telling of objective fact; information is data that have been processed in some way that gives it significance in the eyes of the user and has the potential to change the user’s understanding. Knowledge, for its part, is information that has been subjected to processes of analysis, interpretation, reasoning, linkage and abstraction, while wisdom represents the effective integration, selection and utilization of the latent potential of various elements of knowledge.
In summary, there are various characteristics of knowledge we can observe. These include that: 1. Knowledge is the product of human mental models; 2. Mental models proceed from external stimuli to perceptions, selections, comparisons and strategizing to reactions; 3. Knowledge comprises hypotheses, the structures of cause-effect relations, empirical rules and values, as well as norms and convictions; 4. Knowledge displays attributes, such as invisibility, orientation of action, dynamism, duplicability and re-usability and boundless extendibility, and is not wholly competitive; 5. Personal or individual knowledge is reflected in intuition, understanding, cognition, insight, familiarity and logical reasoning.

In addition to their explorations of the nature of knowledge per se, researchers in knowledge management produce detailed analyses of the distinctions between personal and organizational knowledge, and of the differences between tacit and explicit knowledge. Knowledge management stresses knowledge innovation within an organization, as well as its sharing, storage, transmission and diffusion. Individual members of an organization each possess personal knowledge, but the organization does more than just absorb this from each individual - it shapes over the years a body of organizational knowledge. Personal knowledge belongs to the individual and is reusable, but rather difficult to share. Organizational knowledge, on the other hand, helps to create organizational values and can easily be shared with others in the form, for example, of an organizational culture, standardized procedures for internal operations, pertinent regulations, etc. Here, the concepts of tacit knowledge and explicit knowledge are important. As first expounded by Nonaka & Takeuchi, the former is described as personal, context-specific and difficult to formalize and communicate, while the latter lends itself easily to being codified and systematized, and transmitted through language. The authors applied specific terms to transformation models for these two types of knowledge, calling tacit-to-tacit transformation ‘socialization’, tacit-to-explicit transformation ‘externalization’, explicit-to-explicit transformation ‘combination’, and explicit-to-tacit transformation ‘internalization’. These processes working in tandem constitute a knowledge spiral that creates knowledge content within an organization.

Knowledge management first gained currency in the business world as companies sought to improve their competitive advantages and survivability through programs for the collection, storage, sharing, transfer, utilization and evaluation of the various forms of personal, group and corporate knowledge existing within their organizations. That human economic systems have moved from labor-intensive and capital-intensive models to a knowledge-intensive one is a fact underlined in 1996 when the OECD declared the advent of the knowledge economy. For corporations, knowledge has become an important factor of production as well as an asset, and knowledge management furthers the development of new products and services while reducing costs, helping to maintain company market share and accelerating the movement of products to markets. Knowledge management also helps preserve core competencies, contribute to higher profits and improve customer satisfaction rates. The overwhelming majority of transnational corporations at the beginning of the new century have internal knowledge management systems in place and, matching these with organizational strategies and long-term vision, employ
the knowledge proper to their area of activity to improve their forecasting abilities with respect to customer
demands and market trends. Authors Tom Davenport and Larry Prusak have stated that the objectives of
organizational knowledge management are to foster a culture that shares organizational knowledge, create
environments conducive to the sharing of tacit knowledge, assess procedures for knowledge creation, provide
customers with extra knowledge, and obtain knowledge from customers. In this way, new benefits are derived
from existing knowledge. Their analysis of the corporate knowledge market revealed nine features to be
observed: 1. kinetic energy and efficiency of the knowledge market; 2. buyers and sellers on this market; 3.
knowledge brokers; 4. pricing mechanisms; 5. mutual benefit, reputations, altruism, trust; 6. market signals; 7.
workplace ranks, levels of education, informal networks, executive groups; 8. knowledge market failings, such as
transaction impediments, inappropriate human actions; 9. peripheral benefits such as improved workplace
morale, greater company cohesiveness, enriched knowledge banks, personnel who are valued.

Corporate organizations generally view knowledge management as fulfilling multiple functions: knowledge has
competition value, and can shape a competitive advantage; knowledge is difficult to copy and is more a type of
synergy than a single product; knowledge competency is accumulated over time and is characterized by a
propensity to grow and evolve; knowledge produces leverage that can be used in support of other resources.
Finally, knowledge can be employed to coordinate and integrate all the various important resources of an
organization.

Knowledge management now benefits from many years of theoretical and practical aggregation and the field is
well-defined with respect to the creation, sharing, transfer, utilization and storage of knowledge, as well as
technology inputs and outcome assessment. Achieving success in knowledge management involves promotion of
a knowledge-oriented culture, introducing technical and organizational structures supported at the executive level,
demonstrating economic benefits for industry, introducing attractive incentive measures and developing a certain
level of knowledge structuring.

As noted earlier, the development of knowledge management and of information technology have been closely
related. Knowledge management uses technology to a high degree, particularly the data processing tools which
are instrumental in the management of explicit knowledge and which include document management systems,
case-based reasoning systems, FAQ (frequently-asked questions) systems, workflow systems, the worldwide
web, expert systems and specialist webpages. With respect to accessing tacit knowledge, meanwhile, the
principal technological tools available include collaborative software or groupware, corporate internal and external
networks, electronic communities of practice and chat rooms. Technology dominates in the storage, utilization,
sharing and transfer of knowledge, as can be seen in organizations that use computers and online networks for
storing the knowledge, experience, documents and skills – those items commonly referred to as ‘knowledge
objects’ – pertinent to particular fields. Subject-oriented, integrated, time-variant and nonvolatile data warehousing
strategies are also employed in the aim of ensuring swift support to users involved in decision-making. Sharing and transfer of knowledge within organizations also occur through informal mechanisms which are not technology-based, such as in non-official sites or through self-directed exchanges, or through formal mechanisms such as knowledge-oriented seminars, exhibitions, etc.

The principal measures of knowledge management include the degree of investment in knowledge management throughout the whole organization, the value of the organization’s intangible capital and cost-effectiveness of its investment in knowledge management projects, the value of the knowledge units in each process, the degree to which knowledge management reaches specific stated objectives, and the penetration depth of knowledge units in each process. It is worth noting that even though knowledge management has been widely adopted by corporate organizations, companies must attach importance to both the tangible and intangible benefits that may accrue, and a system for outcome evaluation is thus indispensable.

II. Knowledge Management in Public Institutions

What this paper refers to as public institutions or the public sector are government administrative agencies, and does not include state-owned enterprises, hospitals, juridical persons, social welfare agencies or cultural institutions in which the government may hold investments. By nature, public institutions differ from enterprises. While these latter are profit-oriented, the former serve to shape and execute public policies, address public welfare and ensure national security. Like enterprises, however, public institutions are organizations made up of members, and similarly have missions, visions, objectives, strategies and approaches that they implement. While the ‘corporate government’ model proposed by a new breed of scholars in public administration may well have been widely criticized, there is no lack of consensus around such concepts as service-oriented or customer-oriented government. The various areas explored in organization theory – which include leadership and governance, human resources, organizational learning, innovative R&D, strategic development, informatization, performance evaluation, organizational culture, organizational change, etc. – are all as equally applicable to public institutions as to the corporate field, although there are of course differences in theory and in analytical methods.

Knowledge management did indeed make it into the public sphere later than to the corporate, but there is no need to explain its eventual adoption – public institutions constitute a knowledge-intensive service industry, and their employees are by definition knowledge-workers. In the age of the knowledge economy, the public policies determined by public institutions – be these economic, financial, diplomatic, environmental, demographic or related to public health, social welfare, etc. – all feature high knowledge content. In their dealings with the citizens of a knowledge society, public institutions aim on the one hand to provide a greater number of channels to participation and on the other to satisfy public needs. In both cases, there is reliance on upgrading the knowledge
of government employees. Meanwhile, the relative competitiveness of a country in the global age bears directly on its development and survival, and without disregarding the efforts of the private sector in this regard, the public sector plays an important role in this competitiveness. The Global Competitiveness Report and the Global Competitiveness Yearbook, produced by the WEF and the IMD respectively, demonstrate this clearly.

The theory and practice of public sector knowledge management need not entirely emulate the corporate model, but reference can be made to it in many respects. Such areas as human resources, organizational learning, core competencies, internal informatization and innovative research and development can all be seen as important factors in the growth of a public institution, and each of these is inseparable from knowledge management. With respect to innovative R&D, for example, governments often establish a specialized R&D agency which in turn commissions universities and private research bodies to conduct particular projects that produce the reference background for determinations of public policy.

A decisive issue in this context, as is stressed as much in knowledge management as in human resources theory, is how to endow public-sector workers with competencies in research and innovation. In his book *The Fifth Discipline*, Peter Senge set out five disciplines for members of a learning organization to pursue together—*personal mastery, mental models, building shared vision, team learning* and *systems thinking*. Indeed, there is no lack of knowledge management theories pertaining to innovation research and some of these are applicable to the public sector. In the area of knowledge learning, for example, they may include “learning by doing”, education and training, mentoring, brainstorming, dialogue and group knowledge creation. Knowledge creation methods in the public sector may include the establishment of dedicated R&D facilities, simulation exercises, adapting to environmental pressures and building organizational memory. Knowledge creation processes, meanwhile, may include employee ambition, autonomous teams, differentiated associations and access to ample resources.

In 2000, the OECD for the first time listed knowledge management as an important issue in government restructuring, and a 2002 survey of the status of knowledge management that addressed 132 government agencies in 20 member countries showed that it had become a topic of significant management interest. Most of the agencies reported that strategies had been drawn up and practical efforts were under way to improve their knowledge management operations. The survey found that OECD member states were progressively increasing the creation and flow of knowledge in government agencies, and that central government bodies were increasingly dependent upon local governments, universities, specialized corporations and international organizations as sources of information and knowledge. Meanwhile, the extent of knowledge interaction among public and private sector bodies, as well as academic institutions, consultancies and international organizations had been significantly liberalized. The report also showed that even though government policies are increasingly open and transparent, and investment in information and communication infrastructure is growing in step, a number of the benefits to be derived from the structural changes brought about through the promotion of
knowledge management will still require a certain time to be fully realized. These include enhancing the competitive profile of civil servants, overcoming institutional departmentalism, reducing the number of levels in bureaucratic hierarchies, putting in place horizontally-oriented collaborative working groups, enhancing knowledge competency, promoting lifelong learning, et cetera. The report also concluded that critical factors in the success of implementing knowledge change were priority support given by agency heads, sound knowledge innovation plans and communication plans, high participation rates of agency staff, the promotion of incentives to knowledge sharing and the allocation of sufficient resources to achieve these goals. These findings are consistent with the features of knowledge management success in a great number of private sector enterprises.

The public sector includes a great number of administrative agencies, and even though the government is a single body, unless a top-flight ministry has specifically mandated that its affiliates adopt an identical model for knowledge management, each of these will inevitably implement a scheme that reflects its own internal culture, as well as the determination of its head. Implementation of knowledge management in the public sector is generally an initiative of the individual agency itself, with the methods and processes involved being in large part similar to those that apply in private companies – in the first stage, a steering committee is formed that includes a mix of responsible higher executives and enthusiasts from the ranks who together plan a strategy and make the major decisions. In general, the Chief Knowledge Officer, responsible for making knowledge management decisions, will be the agency chief in person or a direct subordinate, and will have a small staff to assist with routine affairs, appointed by the steering committee.

The establishment of formal knowledge communities is a key factor in the success of knowledge management. As administrative agencies generally have duties prescribed in law, their core operations are quite clear and these knowledge communities can be set up more or less to reflect the agency’s principal areas of operation. Knowledge communities are not a formal constituent department of the agency, nor are they a form of ad hoc task force, and as they can easily be confused with formal administrative units, it is best that their membership be drawn from across departmental structures. Knowledge communities may be made up of staff members who join of their own volition, or there may be a stipulation that staff above a certain rank are required to join. Each community has a leader and an executive secretary, both generally chosen from the high ranks of the organization, who plan the community’s activities.

The members of each community schedule meetings at which they exchange views on specified topics or present reports. As a rule, members can also exchange information at any time over the institution’s internal network. Each community collects information and discusses outcomes according to its stated objectives, and examines knowledge objects according to a strict procedure, after which these objects can be posted to the institution’s internal knowledge platform. Over time, this process builds up a capacious knowledge
repository available to all agency staff. To encourage dedicated and enthusiastic participation in knowledge community activities, the agency can introduce incentive measures featuring, for example, awards to community groups or individuals that have made a significant contribution. Administrative agencies have the option of giving awards in the form of performance rating points or material benefits to encourage enthusiastic participation in the processes of knowledge creation, accumulation, diffusion or utilization.

In addition to setting up knowledge communities proper, it is common that agencies also draw on their internal IT resources to set up a common knowledge management platform that staff can use for information and opinion exchange and for sharing individual outcomes with fellow staff members. Specialist webpages, the regulations of the agency and knowledge of all sorts that relates to the agency’s core operations can be categorized and posted on the platform for general reference. It is generally emphasized in Western countries that the promotion of knowledge management in the public sector should be associated with implementation of e-government, a common government objective for some ten years that aims to utilize information technology to boost government efficiency, improve public services and enhance Internet democracy. E-government includes, for example, internal inter-linkage of all government websites to facilitate the exchange of official documents, on-line review and authorizations, electronic bulletin and messaging services, etc., all of which contribute to improved administrative efficiency. In societies where Internet use is prevalent and most citizens have access facilities, government websites can not only provide a great deal of information that helps citizens understand policy, but also provide the facilities for citizens to carry out civil procedures such as pay taxes or vehicle fees, purchase tickets, register for services, update ID cards, apply for drivers’ licenses, etc.

Such measures as setting up integrated cross-agency services accessible through a ‘single-window’ portal and putting in place common, pan-governmental platforms also serve to improve services to the public. In addition, with Internet democracy being a further objective of e-government, such features as facilities for the direct expression of citizens’ opinions to government offices, interactive communication with government officials, opinion exchange on government websites, forums, ‘minister’s mailboxes’, opinion surveys, etc. contribute directly to this. Another possible outcome of Internet democracy could be electronic voting, which would favor direct democracy. Beyond measures associated with e-government such as developing agency intranets and knowledge management platforms, meanwhile, the Internet also has a bearing on knowledge management as it allows government bodies easily to access and obtain pertinent knowledge as well as to survey public opinion with respect to aiding in the formulation of policy.

The methods and approaches of public sector knowledge management are many and varied, and extend beyond setting up knowledge communities and putting in place knowledge platforms. Becoming a learning organization,
strengthening agency human resources and building staff core competencies shapes a learning culture, while instituting mechanisms to reward innovation and creativity, and providing in-service training opportunities, can help to shape a common vision and set of values. Such initiatives, while helping to overcome hierarchical barriers and over-protectiveness with regard to members, which are factors inimical to a learning organization, also contribute to the accumulation of internal personal knowledge, organizational knowledge and external customer knowledge. Some public sector entities have created dedicated research and development agencies, while all have at least internal units of this type or planning departments, and together these have important responsibilities in public sector knowledge management. For in addition to producing research outcomes that are applicable in the public sector context, these R&D units also play a role in the intake of external knowledge and its diffusion within the pertinent areas of the public sector.

In brief, the objectives of knowledge management in public institutions are: to implement knowledge management through e-government, to increase the competitive profile of the public sector, to share best practices and benchmarking, to support leadership and decision-making, to preserve human capital and foster team spirit, to strengthen strategic policy planning approaches, to strengthen the trust in government of citizens and of civil servants. Performance measurement in this respect is still needed, and can be achieved through peer evaluations, implementation reports, success stories, various types of scorecard, assessment of citizen satisfaction with pertinent government policies, evaluations of compliance with the vision, strategies and value systems of the agency in question, and evaluations of staff core competencies, agency planning and execution, etc.

Knowledge management in the public sector aims to achieve knowledge-based government, which in turn aims for systematic and sustained innovativeness through such approaches as listening carefully to its citizens and proactive learning. This involves using and building external forms of knowledge, innovation and intellectual capital to innovate government organizations, policies and services, to put in place a knowledge-friendly and creative social culture and to improve overall strategic capabilities, effectively creating public value and promoting public trust in the whole. Concrete actions by a knowledge-based government may include:

1. highlighting research, development and innovation so as to accumulate intellectual capital;
2. promoting a learning and sharing culture for organizational knowledge;
3. taking due inventory of the government’s intellectual assets so as to bring knowledge value fully into play;
4. improving the sharing mechanisms of administrative organizations so as to boost efficiency overall;
5. bringing into play the expertise potential of the organization and of the individual to achieve sustainability in the operation of a learning organization;
6. improving the internal learning culture of governmental bodies;
7. compiling and sharing external resources so as to improve quality of governance;
8. fostering swift responsiveness in institutions, and simplifying procedures;
9. promoting ‘flat organizations’;
10. matching IT and communication technology applications to the design of the organization;
11. putting in place platforms for knowledge management information systems.

III. The Taiwan Experience

As a small country lacking in natural resources, Taiwan views its human resources with no little importance, and decades of economic growth and twenty years of democratic reforms have attracted to the island no little attention. Taiwan can boast a high degree of IT infrastructure development, a highly-educated population and a government that has, in the global context of a competitive knowledge economy, produced a viable development plan for its knowledge economy.

As private-sector businesses began to implement knowledge management systems in the 1990s, they were quickly followed on this path by state-owned enterprises and government research institutions. Knowledge management in government was introduced on an initiative of the Research, Development and Evaluation Commission (RDEC) in 2000 and extended to all central government agencies in 2004. This Commission is responsible for policy research, government restructuring, e-government planning, departmental performance evaluation and government publications and archives, and also handles oversight and approval of the mid-term and annual plans of affiliates of the Executive Yuan. The author was appointed Minister of the Commission in May, 2000 and established at that time a knowledge management steering committee in the aim of boosting staff core competencies and implementing knowledge management procedures throughout the organization.

As the Commission’s Chief Knowledge Officer, the author established five knowledge communities addressing, respectively, national security, public infrastructure, national finance, social welfare, and education and culture. These communities reflected the main areas of responsibility of affiliates of the Executive Yuan. In view of the Commission’s responsibilities to oversee mid-term planning, policy reporting and performance of the various ministries and other bodies of the central government, it was essential that staff have a firm grasp of the requisite knowledge. Between 2000 and 2002, the five knowledge communities set their agendas, met regularly, presented their research findings and set up a knowledge management platform that provided interlinkage for the various agency intranets and websites, hosted approved knowledge objects, and organized motivating knowledge contests with an award incentive scheme for outstanding communities and individuals.

The knowledge management scheme put in place by the RDEC proved to be of advantage in several areas. It laid a foundation for later efforts in e-government and provided a coordinating forum for interagency communication, while focusing agency innovation capabilities and enhancing the quality of decision-making in public policy.
Implementing knowledge management in a public institution in this way proved to require, in addition to resolve on the part of senior managers, strong implantation of the necessary concepts among staff, as well as creation of structures for internal knowledge inventories and management, and strong networks for knowledge sharing. After some two years of operation, staff had become used to the knowledge management system, but still experienced various difficulties. While the five knowledge communities addressed the nation’s most important policies, it became clear that staff background in certain areas was clearly inadequate and that even when the greatest efforts were made, there were limits to the amount of genuine input and effectiveness they could achieve. This was particularly true in the areas of national security and finance.

After 2002, the five knowledge communities were thus reorganized to focus on the core duties of the Commission itself, to wit, government restructuring, e-government, government performance evaluation, regional development and government information technology. At the same time, an effort was made to expand the levels of staff participation and improve in-house education with respect to knowledge management, while improving incentive and team-sharing mechanisms. Presentations were arranged to highlight the accomplishments of the in-house and various invited external communities as a means of encouraging administrative support. In the context of boosting the capabilities of available information systems, requirements included putting in place policy-linked knowledge management systems, writing up user manuals for these, organizing system-user seminars and setting up online discussion forums. The RDEC came to identify the principal objectives of its knowledge management program as including that it constituted a think-tank for national development, a motivator for administrative modernization, a center for policy innovation, and the framework for knowledge-based government. With respect to strategic implementation, meanwhile, key goals were to foster an agency-wide culture of knowledge-sharing, to integrate and make best use of technology in agency operations, to incorporate knowledge management into these operations, and to undertake comprehensive knowledge inventories.

After four years of in-house experience with knowledge management, the Research, Development and Evaluation Commission – whose legal mandate includes responsibility for research and development programs in agencies subordinate to the Executive Yuan – moved to implement an April, 2004 decision by the Executive Yuan to promote R&D activities in its affiliates by requiring all such secondary and tertiary agencies to introduce knowledge management in their operations. With respect to local government, however, as this is a highly autonomous level of government in Taiwan, the Executive Yuan has no means to compel the adoption of particular programs. The RDEC has nonetheless provided assistance on its own initiative to local government agencies to set up knowledge management platforms. The Commission has also published an executive manual for administrative bodies that offers guidance on introducing KM initiatives, and has organized seminars and training opportunities for pertinent operatives.

A 2006 report that surveyed the introduction of knowledge management in public institutions showed that the great majority of administrative agencies had set up KM platforms, formed KM steering committees and announced formal projects to
implement KM. A rather lower proportion of these agencies had taken the further steps of forming knowledge communities and holding regular meetings. Staff involved in these programs had varying opinions, with those in support arguing that KM was of value in their jobs and in increasing the availability of pertinent knowledge, while those opposed claimed that they were busy enough in their work as it was and had little time to participate in discussions of knowledge. For these people, knowledge management was easily dismissed as a formality. Needs, of course, vary according to the nature of an agency’s responsibilities, user rank and the types of knowledge in question, but at present more and more public sector workers are in favour of knowledge management programs.

In May, 2004, the author left the RDEC to take up his current post as Minister of Examination. This Ministry is responsible for the competitive recruitment to and promotion within Taiwan’s civil service, as well as for developing and administering certification examinations for more than one hundred professions and technical occupations, from lawyers, physicians, accountants, etc. to architects, engineers, and technical specialists of all stripes. In the interest of maintaining the objective neutrality necessary to its functions, the Ministry of Examination is constitutionally separated from the executive branches of government and is not subject to the jurisdiction of the Executive Yuan. The knowledge management initiatives promoted by the Executive Yuan do not compel the Ministry of Examination in any way, but in view of my many years of involvement in public sector knowledge management, I began to put in place a KM system at the Ministry as of my appointment.

At the outset, many Ministry of Examination employees were thoroughly unfamiliar with the concepts and methods of knowledge management, and as the new Chief Knowledge Officer, I imported the models we had developed at the RDEC - set up a committee, appointed an executive secretary and formed six knowledge communities in keeping with the core functions of the Ministry and the core competencies required of its staff. The designated groups addressed external affairs, laws and regulations, client services, informatization, examination reform and examination question reform, respectively. The External Affairs unit was tasked with researching civil service practices and the certification procedures for the professions and technical occupations abroad, as well as upgrading Ministry capabilities in respect of communication with other countries. The Laws and Regulations group surveyed the variety of examination systems that exist and the regulations governing these, particularly with regard to candidate eligibility requirements and subjects tested in various categories. The Customer Services group addressed candidate services - the Ministry administers some 80 examinations every year that involve upwards of a half-million examinees, so responding to their needs and providing the information they need in a proactive way is of importance to us. The Informatization group addressed the issues of online registration, computer-based testing, electronic question banks, Internet security and related topics. The Examination Reform unit reviewed the entire process of candidate registration, qualifications review, hire of question drafters, examination paper marking, publication of answers, management of disputes, examination site regulations, procedures for examination preparation, etc. Meanwhile, the Examination Question Reform group undertook
assessment of the reliability and effectiveness of examination questions, the establishment of question banks and
developing techniques for question formulation.

Some two and a half years after the initiation of this project, the results are entirely positive as Ministry staff have
acquired a clear understanding of knowledge management and its role in Ministry activities. The Ministry hosts a
knowledge management ‘festival’ every year which is attended by a great number of outside organizations from
both the public and private sectors. Meanwhile, the knowledge objects accumulated are made available for the
use of all Ministry staff, and the knowledge platforms we have put in place register very high rates of usage.

The preceding has been a brief survey of the implementation of knowledge management in Taiwan’s public sector,
supplemented by insights from the author’s personal experience in this area. Although it does not amount to a comprehensive
account of knowledge management penetration of the nation’s public institutions, it does offer a glimpse of the programs and
procedures we have put in place in the name of efficient and proactive government participation in today’s knowledge
economy, and may in some ways be of reference value for others engaged in knowledge management in the public sector.

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Appendix E

Discussion Paper on the Role of HR in Organizational Strategic Planning

There is growing recognition of the importance of the human resource management profession and the crucial role that employees play if organizations are to succeed. Senior leaders understand that their employees are their most valuable assets. Human resource professionals should be the ones most responsible for ensuring the hiring, developing, managing, and retaining of the human capital needed to achieve organizational success. In recognition of the growing importance of human resource management, Money Magazine rated it the fourth best profession in the United States.

With this heightened role, human resource managers need to recognize the importance of being more strategic and focusing on adding value to their organizations. Organizations are looking for human resource professionals to become partners in executing business strategy and improving the efficiency of human resource management. They need to move to leading the talent management effort within their organizations by working with senior leaders to ensure that the human capital needs of the organizations are met.

The importance of human resource management was acknowledged in the 2005 United Nation’s World Public Sector Report entitled, “Unlocking the Human Potential for Public Sector Performance.” The main objective of the report is to discuss the critical role of people and human resource management in effective public administration, with a particular focus on developing countries and transition economies. The report recognizes that people are the lifeblood of organizations.

According to the authors of the United Nations report, organizational effectiveness is determined by the capacity, motivation and integrity of the human capital and the quality of leadership. Effective human resource management is a key building block for institution building in the public sector, which ultimately impacts national development performance.

The United Nations believed that evidence suggests that human resource management is not simply connected with organizational effectiveness, but is actually causing it. The report recommends that human resource management should be professionalized so that staff has real input into strategic decisions. The status and influence of human resources managers in organizational structures and decision-making processes should be upgraded.

Human capital management is also where organizations compete, say Peter Reilly and Tony Williams in their book, Strategic HR: Building the Capability to Deliver. Because services and products are easy to copy, the difference between organizations comes down to the intangible assets, say the authors.
Reilly and Williams also argue that the role of HR is changing and is in some ways bound by
the past. Human resources have traditionally been focused on transactions, administration and
resolving employee complaints and disputes.

And, recent research by the IPMA-HR benchmarking survey on recruitment and selection
showed that HR spends most of its time on traditional HR work such as delivering HR
services and training and in performing routine transactions and recordkeeping. Very few spend
much time on strategic partnering.

Thirty-five percent of survey respondents said they spend no time on strategic partnering,
thirty percent said they spend between 5 and 10 percent of their time on this function while 33
percent said they spend more than 15 percent of their time on this function. Very few HR
directors or deputy directors reported spending a significant amount of time on this function.

That HR remains focused on traditional service delivery is also backed up by the results of the
IPMA-HR/EquaTerra research series survey, which was conducted in 2006. In the report,
“Human Resources Transformation in Public Sector Organizations,” 48 percent of respondents
said they do not believe they are viewed as a strategic partner. Only 55 percent of respondents
said they have a written strategic plan. Survey respondents are IPMA-HR members and are at
the senior level, HR directors and deputy directors in U.S. municipalities.

Reilly and Williams, while arguing that the HR role is changing to become more strategic also
say, “...[T]here is a strong argument to say that delivering HR services will remain the core
activity of the function. This is not just in the transactional area.... but also in designing HR
processes and executing people management tasks.” So perhaps the continued attention to
transactions and service delivery is not a negative, but simply part of HR management’s
evolution.

In 1996, the National Academy of Public Administration (NAPA) issued a report, “A Guide for
Effective Strategic Management of Human Resources.” The NAPA report describes five
“forces” that have led to organizations adopting strategic human resources management,
which it defines as the merger of human resources management and strategic planning:

1. Increased potential for accomplishing their mission
2. The belief that people are their most important asset
3. The existence of perpetually turbulent times
4. The changing nature of work
5. Changes in workers

The NAPA report expands on the five factors. In a study of 700 publicly held firms, Mark
Huselid of Rutgers University found a link between progressive HRM policies and superior
financial performance. Examples of progressive HRM policies include flexible and compressed
work schedules and longer customer service hours.
In the article, *Strategic Human Resource Management*, Robb Van Cleave, IPMA-CP, SPHR, Director of Employee and Administrative Services for Wasco County, Oregon, says there are six areas where an HR team can make a difference by taking a strategic approach: (1) by aligning organizational and human capital strategies, (2) improving performance management, (3) managing costs, (4) creating a future-ready workforce, (5) creating an ethical culture, and (6) planning for and managing labor relations.

At first blush, these seem like simple propositions yet, upon further reflection, these six categories encompass a great deal. Aligning organizational and human capital strategies, as defined by Van Cleave, is something most HR organizations are likely already doing. One example he gives is staffing a citywide call center and the need to recruit, retain, and adequately train the staff. This could be considered both traditional human resources work and strategic. The strategy piece likely comes in when HR is included in the discussion on which direction to take by offering advice and input on what type of staff is needed and the feasibility of providing that staff.

Improving performance management is listed as number two above and Van Cleave says that there is no one-size-fits-all approach and then lists 12 different factors that must be in any performance management system, they are too detailed for this paper but include the goals of most effective performance management systems: that they integrate the values and beliefs important to the organization, that appropriate measures are used, that those measures distinguish between good and bad performers and that managers be trained effectively to use the system.

Managing Costs is number three and Van Cleave says this is an area where HR can make a real difference and points to controlling the cost of health care and similar benefits. He also suggests that HR should look to other ways to control costs such as outsourcing. The September 2006 IPMA-HR EquaTerra research series survey on “Trends in Outsourcing and Shared Services” conducted in 2006 revealed that outsourcing is an often-overlooked tool for improvement and transformation in the public sector but that shared services is more common and is also effective.

Reilly and Williams caution against outsourcing core services and advise organizations to fully consider which functions to outsource and the impact of those decisions. The U.N. World Public Sector Report refers to outsourcing as a “double-edged sword.” The report cautions against attributing the success of outsourcing to the wrong causes, especially where savings are primarily due to less favorable pay and working conditions for private sector workers compared to their public sector counterparts.

Number four, creating a future ready workforce, is probably most easily recognized as a strategic function. Much has been written about the aging workforce, with some 78 million baby boomers approaching retirement age in the U.S. and only about 40 million in the
generation behind them, staffing shortages and the consequent knowledge loss are likely to occur.

The IPMA-HR EquaTerra Survey on the Aging Workforce, released in February 2007, found that the impact on public sector employers is likely to be great. “Sixty-nine percent of organizations report that between 1 and 25 percent of the workforce is currently eligible for retirement and 26 percent report that between 26 and 50 percent of the workforce is currently eligible,” said the report. “Clearly, these ranges are broad and will have a different impact according to the size of the organization and where eligible employees work within the organization. However, both figures demonstrate a sizable portion of the public sector workforce that is eligible to retire.”

Strategic planning for the workforce of the future is not limited to the aging workforce. The issues go beyond mere staffing shortages and include the loss of institutional knowledge, a lack of leadership and the need for succession planning to fill leadership gaps, the need to increase the skill levels of entry level workers and addressing increased diversity in the workforce.

The final two areas identified by Van Cleave are creating an ethical workforce and planning for and managing labor relations. HR has an important role in creating an ethical workforce says Van Cleave because one instance of unethical behavior can ruin the organization’s reputation and erode public confidence. Van Cleave argues that HR can create a culture in which integrity is a priority. Labor relations, always an important function of HR is highlighted by Van Cleave because of the relatively high level of unionization in some countries.

Is it enough to be strategic? Reilly and Williams argue that HR must not only have a seat at the table but that they must also work to improve the quality of the strategic process. This is because organizational strategy making is not always rational and it is not always done well. Further, Reilly and Williams argue that HR must also be active in the political and informal arena or they risk not being part of the inner circle. Often times decisions are made on an informal basis and HR must work to form alliances and partnerships within the organization that allow them to have a real impact.

**Barriers to Strategic Partnering**

Once it is agreed that HR has a role in organizational strategic planning the question becomes how to get there. If it were easy, every HR department would be functioning strategically, cooperating with other line departments and senior leadership to accomplish organizational goals.
As mentioned above, research by IPMA-HR and EquaTerra reveals that nearly half of top level HR practitioners in the IPMA-HR membership do not believe they are viewed as strategic partners and many do not have any type of written strategic plan.

David Ulrich, in *Human Resource Champions*, identifies five challenges to overcome in becoming a strategic partner:

1. Avoid Strategic Plans on Top Shelf
2. Create a Balanced Score Card
3. Align HR Plans to Business Plans
4. Watch out for Quick Fixes
5. Create a Capability Focus within the Firm.

Ralph Christensen, author of *Roadmap to Strategic HR* (2006), identifies 10:

1. It is hard to balance valuing the past with the need to change
2. Some within HR will love the changes, and some will hate them
3. The new role of HR can be threatening to some line managers
4. Line, HR and employees do not share a common view of human resources
5. Some managers don’t make the connection between people and business results and are unclear about the role of the HR department
6. Many line managers are averse to examining process
7. Diversity is not a work process but rather a subset of all aspects of human resources
8. HR skill gaps cannot be ignored
9. The integration of generalist, specialist, and service center roles is very difficult
10. Communication within HR is often weak

And Flozenia Pieterson, an industrial psychology master’s student from Stellenbosch University, in a 2002 article published in Workinfo.com, adds one from the perspective of South African companies. That ambiguity in the role of human resources managers can result in line managers and executives taking over some of the people management functions. She notes that this encroachment is only a problem when HR lacks the skills or credibility to perform their duties competently.

Ulrich’s first barrier, not putting strategic plans on the top shelf, really encompasses many of Christensen’s barriers, because putting the plan on the top shelf is what happens when people resist change and feel threatened. “Becoming a strategic partner,” says Ulrich, “means turning strategic statements into a set of organizational actions.”

Christensen’s barriers also include the evidence turned up by the IPMA-HR, EquaTerra survey results – that HR is not always viewed as a strategic partner. For instance, if line managers are threatened, if line managers and HR do not share a common view of human resources and if line managers are averse to examining process, then HR may remain locked into a
transactional, administrative role and not be provided the opportunity to perform the strategic function.

**Becoming Strategic**

What can HR professionals and departments do in order to have a role in organizational strategic planning? Given that surveys show HR is not always seen in this light, it appears that at least one part of the effort is a public relations campaign to show that HR can and will contribute to the success of the overall organization.

On an individual level, HR practitioners can show they have the necessary human resources and business skills to succeed in a top management role. This can be done through certification and continuing professional development.

IPMA-HR recognized the need for individual professional development and created the Competency Model which outlines the roles of an HR professional: a change agent, a business partner, leader and HR expert and provides training in these areas. The IPMA-HR certification program is further designed to provide public sector HR professionals with knowledge and recognizable credentials.

On an organizational level, if HR is going to be perceived as strategic and indeed make a strategic contribution then it cannot wait for a mandate from line managers and senior executives who may not perceive their value. Instead, HR professionals must begin to act in a strategic manner by creating strategic plans and addressing issues that are clearly within the realm of HR such as workforce planning.

An article, “A Guide to Strategic Human Resource Planning,” on the website, Workinfo.com is very useful and the authors provide some basic advice for beginning the process. “The HR strategy will need to show that careful planning of the people issues will make it substantially easier for the organization to achieve its wider strategic and operational goals.” The authors suggest that HR look for the right opportunity to present a case for developing an HR strategy and that giving the strategy a strong practical slant may help gain management support. The authors suggest that it is important to build “early, or quick wins” into the plan.

Opportunities to present a strategic plan could arise when there is a major new internal or external initiative and sometimes even negative news, for example dissatisfaction with a program or service, could provide the opportunity to present a strategic plan, suggests the report.

In the Guide for Effective Strategic Management of HR by NAPA, the report suggests that the planning cycle should be short and simple. Individuals from all levels within the organization should be included because those at lower levels are often the most aware of the “icebergs” that management needs to take into consideration.
And, the process must involve individuals from all departments, HR cannot do it alone and on the other hand if HR is left out a critical piece of the puzzle will be missing. The report revealed that the greatest obstacle to major change is the belief that company-wide program sponsored by one office, such as HR can make it happen.

Strategic human resource planning should also be short-term, with efforts measured in days and weeks, not months. If the planning process takes too long, the environment can change, making action even more difficult, says Ralph Christensen in Roadmap to Strategic HR (2006). Leaders should recognize that there is no perfect solution and err on the side of action.

And, NAPA recommends that the plan be simple with no more than five or six key objectives and each one only a single sentence that clearly states what needs to be accomplished in quantitative or qualitative terms. And, the report cautions readers to remember that it is not a one-time effort but a continuous one.

In their conclusion, Reilly and Williams identify nine areas where HR teams in organizations should concentrate in order to be a strategic business contributor. Those areas are:

1. Better defining the role of the function and, in particular, in its relationships with line management and employees
2. Being clearer on the key areas of HR activity
3. Designing an operating model that combines cost efficiency, through obtaining economies of scale and working with well-constructed processes, and providing a quality service, which meets customers’ needs
4. Limiting the risks of service segregation and poor communication, by more clearly specifying the nature of the key roles within the function the relationships between them
5. Taking care to invest in technology where it supports helpful standardization, cuts costs and improves service, but not in such a way or at such a pace that it becomes a case of the tail wagging the organizational dog
6. Choosing to outsource when there is a clear cost or quality advantage
7. Building up functional capability through training, development and improved career management in order to fulfill existing roles and build up expertise for the future
8. Making sure that the function is measuring the right things for the right reasons, attributing responsibility to those that can make a difference
9. Evaluating the results of any people management policy or practice initiatives to aid future learning

A Case Study: Fairfax County Virginia

Fairfax County, Virginia is located near Washington, D.C. and is a large and growing county of nearly one million people. In 2003, the county executive mandated that all agency heads
develop a strategic plan. HR created a leadership team of 15 individuals, including management and non-management. Sub groups were formed to:

1. Develop economic scenarios,
2. Meet with agency leaders to assess their priorities and expectations for HR
3. Research best practices; and
4. Recommend structural changes within the HR department to align the priorities of the department with those articulated by their customers.

The department of human resources (DHR) began the process by conducting training and informational sessions for its employees. Next they oriented employees to the county’s mission and vision statements and used these as a guide throughout the process. They reviewed the organizations core values and behaviors, conducted an environmental scan and determined outcomes, strategies and action plans and established time frames.

The four identified outcomes are:

1. DHR operating as a strategic partner with its customers.
   a. Strategy: Balance DHR’s competing roles as a regulator and a service provider
   b. Strategy: Expand DHR’s knowledge and understanding of our customers’ business to better meet their needs
2. Develop and support a high performance workforce.
   a. Strategy: Collaborate with our partners in developing and promoting programs, products, services and systems to support a high performance organization.
3. Being a key communicator, to our customers, partners and the community at large.
   a. Develop a communication plan to facilitate information exchange with our customers and partners.
4. Embracing continuous improvement
   a. Strategy: Continually evaluate programs, products, services, and systems to improve efficiency and discontinue those that add minimal value.
   b. Strategy: Leverage new and exiting technology to meet our customers’ needs.
   c. Strategy: Develop and promote an organizational culture and structure that unifies the department improves customer service.

Each strategy is supplemented by several initiatives that were then included as part of an Action Plan Sheet Timeline with dates for completion. HR Director, Peter Schroth, said that the program had a three year time frame and that most of the initiatives were completed by June 2003, or still in progress. In 2005 and 2006 the HR strategy team met with senior leadership to discuss and update the strategic plan. New initiatives were identified, including items such as succession planning and workforce planning.

In the area of succession planning the county worked with an interdepartmental team to develop and implement succession-planning models in five pilot agencies. Revisions were
made based on the pilot and software is being purchased to expand the program to other departments. The county plans to implement the succession-planning model countywide in 2007 and 2008.

In the area of workforce planning, the county in 2005 and 2006 conducted and supported comprehensive review of a number of class series such as Trades Group classes, Information Officers, Engineers and others, and supported reorganization efforts at various levels of the organization, supported pilot language stipend program and modification of administrative assistant series to provide greater upward mobility. For the coming two years the DHR plans to review the current workforce planning process and implement major studies in the areas of engineering and financial.

The county is working on five other initiatives in the areas of employment (recruitment/training), compensation, training and organizational development, other HR initiatives and HR technology. Peter Schroth said, “All in all it’s been an exciting, focused and extremely productive engagement, and the positive feedback from our customers has been motivating and invigorating.”

Questions:

1. What are the key strategic HR challenges facing your organizations and how are you addressing them?
2. Is the HR department viewed as a strategic partner within your organization? What barriers have you experienced?
3. Does the HR department within your organization focus primarily on transactions or HR strategy? What percent of time is devoted to transactional work as compared to HR strategy?
4. Have you outsourced any HR functions or moved to a shared services delivery model? If so, why did you do this and which functions are you including? What have the results been?
Appendix F

Generational HR Issues

The fact that as many as four generations occupy the workforce has broad implications for human resources professionals. In the short-term, the question is how to manage the different expectations and communication styles of such a diverse group. For the long-term, HR and senior management must address the looming retirement of the largest generation – the baby boomers.

Dennis Doverspike, Ph.D. ABPP, a professor of psychology at the University of Akron, Ohio, and Alison O’Malley, a graduate student at the University, in their article When Generations Collide, identify the four generations and argue that when it comes to the workplace, people are more likely to be influenced by their career stage than by their generational culture.

The four generational cultures are:

1) Traditionalists, born between 1922 and 1943, the youngest are now over 60 and most lived through the Great Depression and World War II, various articles and reports describe this group, also called the silents, as loyal, highly dedicated and risk averse.

2) Baby Boomers, born between 1946 and 1964, they lived through the Vietnam War and the U.S. Civil Rights movement and tend to be optimistic and success-oriented; they will begin retiring in large numbers in 2008. Other reports describe this group as open to change and valuing work over personal life while still being responsible for the “me generation” and showing a sense of entitlement in the workplace.

3) GenXers born between 1965 and 1980 grew up during a time of decreased wealth in the U.S. and tend to be focused more on individual growth than with employer loyalty. Several articles describe this group as the slacker generation, questioning authority and being independent. This group also has strong technical skills.

4) 9/11s (generation Y, generation next) born between 1980 and 1988 were in school during the terrorist attacks of 9/11 and are seen as having greater technological savvy than prior generations. They are also described as team-centric having come of age in a time when group activities were emphasized while boomer parents worked.

Doverspike cautions that individuals often do not fit neatly into categories. Some people belong in a different generational culture than their birthday suggests. Others will have grown up with different experiences, perhaps in another country, and will not identify with the descriptions above. The categories are most useful as a way of thinking about the different groups in the workplace.
Another approach to generations in the workplace, suggest Doverspike and O’Malley, is the career-stage theory which divides workers into the following four categories: (1) Trial (under age 30) where workers are looking for a good career fit and learning about their own skills and abilities, high emphasis on leisure and self-reliance; (2) Stabilization (30-45), workers are concerned with career advancement and home life, (3) Maintenance (45-65), workers seek to maintain status will be working at maximum performance levels and begin considering other careers and retirement, (4) Retirement (65 and older), workers are planning their retirement from their main career.

Doverspike and O’Malley say that their research suggests that the career stage perspective is probably more accurate than the generational perspective but that it is important to take cultural generational differences into account. Yet a third perspective, proposed in the article is an “Interactionist” theory that combines the two described above and refers to the movement of generations through the work stages, and proposes that the critical feature is how the group as a whole addresses the different stages.

Doverspike and O’Malley end their article with a discussion of age, and what it means to be old. When we talk about generations in the workplace Doverspike cautions that while we know the demographics now, they may change depending upon advances in science and medicine that keep older workers active longer. Moreover, the impact of immigration may change the workforce as well as our opinions of aging and what it means to be old. All of these have implications for the workforce of the future.

The implications of Doverspike’s and O’Malley’s articles for HR are many. For instance, the career stages theory means that HR should consider the implications of various policies on the workforce, not just how different generations react to work.

For instance, those in the trial stage of their career are more likely to be concerned with training opportunities and advancement than retirement benefits. Those in stabilization stage might be concerned with work-life balance issues and the opportunity to work a flexible schedule. The maintenance workers might look first to benefits when assessing a new job.

Human resource practitioners who are aware of these factors can contribute a great deal to their organizations. For instance, when considering pension and benefit plans, HR might want to conduct an environmental scan to find out how important this issue will be to workers, how many workers will be immediately impacted and whether or not a change will have the desired result. For instance, cutting back on health or pension benefits might have the unintended consequence of encouraging older workers to find jobs elsewhere. Creating a family-friendly work environment might help attract mid-career professionals.

Generational issues transcend basic HR policy making though and expand into the everyday workplace. Differences between generations can be as problematic in the workplace as ethnic
or gender differences. In an article on the American Management Association’s website, *Building Bridges Across the Generation Gap*, issues relating to younger supervisors and older workers is discussed.

One of the most difficult aspects of managing older workers, says the report, is the ability of the younger supervisor to gain respect. Older workers tend to believe that the younger generation has a lax work ethic, reports Robert Wendover, managing director of the Center for Generational Studies in Aurora, Colorado, who is quoted in the article.

Wendover says one generational difference is that baby boomers tend to socialize more in the office, having worked in an era when socializing was an expected part of the job. A younger manager might not take the time to talk, leaving the older worker feeling that his experience and words of wisdom are not valued. Wendover suggests that younger managers take time to listen to older workers and not to view chatting as a waste of time. Valuable experience and insights can be shared in these conversations.

Another difference is in technology. The younger the worker, the more likely he or she is to be technologically savvy, having gone to school with computers and gadgets that older workers did not. Wendover also points out that resentment is the third reason cited by survey respondents when addressing older worker/younger supervisor issues. Wendover suggests that younger supervisors try to empathize more and that older workers try to utilize their knowledge by conducting training and mentoring.

In addition to communication and supervisory issues, generational differences in the workplace can lead to discrimination, intentional or not. The U.S. Government Accountability Office (GAO) issued a report in February 2007 on a forum “Engaging and Retaining Older Workers.”

The report, which describes the outcomes of a December 2006 forum on the topic, stated that one of key obstacles to employing older workers is the negative perception of older workers’ skills and abilities. Forum participants said that many organizations do not value the experience of older workers and often fail to realize that much of the organization’s institutional knowledge resides with these individuals.

Forum participants elaborated on the negative perceptions: employers believe older workers will produce lower quality work, that they will be less productive because of declining health and may be less flexible. Other barriers to engaging and retaining older workers might be based on the fear of age discrimination lawsuits and the potential cost involved with health care benefits.

In order to address these concerns, GAO and forum participants recommend a national campaign to change the mindset about working at older ages. Participants also recommended a national discussion about what it means to be old.
In terms of actual discrimination, the U.S. passed the Age Discrimination in Employment Act (ADEA) in 1967 and routinely fields roughly 16,000 charges of age discrimination per year. The ADEA protects workers aged 40 and over.

Having described some of the negative aspects of managing four generations in the workplace, it may seem that there are no positives. But, just as ethnic, racial and socioeconomic diversity may make an organization stronger and more responsive, so too might the generationally-diverse workforce where individuals can learn from each other. Customers too may benefit by having a diverse group of workers who can respond to different challenges.

No discussion of generational issues would be complete without a discussion of the impact of generations on the future workforce. Seventy-six million baby boomers in the U.S. are expected to start retiring later this decade. With only about 40 million workers behind them, the impact on employers is expected to be huge – a tsunami – in the words of David Walker, Comptroller General of the U.S.

And it is not only the U.S. that will be affected. The U.N. World Public Sector Report: Unlocking the Human Potential for Public Sector Performance contains a chapter on Socio-Economic challenges facing HRM and describes the problem. “While in 1950 roughly half of the world population was older than 23 years, it is projected that by 2050, half of the population will be concentrated above 36 years.”

In places such as China and Europe, improved health care has led to greater longevity while at the same time, declining birth rates means a shrinking workforce. In some developing nations, says the report, such as India, increased longevity is combined with an increased birth rate, so the working population continues to grow.

Still another factor affecting the age of the workforce is HIV/AIDS. The U.N. report says this disease is the fourth most common cause of death in the world and the first in sub-Saharan Africa. Because the disease affects younger workers in the most productive years, many sub-Saharan countries are dealing with worker shortages now and in the near term, instead of later. For instance, by 2020, the report predicts that the workforce in the eight countries most affected by HIV/AIDS will be 20 percent smaller than it would be without the disease.

Because nearly all countries will have to address worker shortages caused by the aging population, or in some cases the absence of an entire generation lost to HIV/AIDS, organizations should begin planning now, if they have not done so already.

A February 2007 EquaTerra IPMA-HR research study on the aging workforce, showed that there is not a great deal of concern or action in this area, at least among HR directors and deputy directors in the U.S. “Respondents were asked to rank management’s concern on the potential impact of the aging workforce on the organization’s ability to achieve overall
mission. On a scale of one to five (1 being low/not urgent concern and 5 being high/urgent concern) the average response rank was 3.2. Organizations are about the middle of the road when considering the potential impact of the aging workforce.”

“It’s apparent that many organizations either lack information about their own workforce or, worse yet, are not sharing it with their own management. It is difficult to be concerned and proactive about a problem if an organization is largely unaware of the issue,” notes Glenn Davidson, Managing Director of Public Sector for EquaTerra. When asked about concern for additional areas such as recruiting, staffing, succession planning and the capture of institutional knowledge average rankings were almost the same.

It appears that many organizations are simply hoping that technology or the return of retirees to the workforce will take care of the problem. However, the IPMA-HR/EquaTerra Survey cautions that an over reliance on technology could lead to disaster because there is little basis in fact to show that it will compensate for the worker shortage.

And, don’t count on retirees returning to the workforce either, cautions John Lavelle in his article, Working Beyond Retirement: A Cassandra Viewpoint. Lavelle describes the experience of the World Bank in its efforts to hire retirees as contractors. A number of years ago the World Bank undertook a significant employment redesign that hinged on recently retired workers returning as consultants. At first, all was fine and about 75 percent of recent retirees returned following retirement. But, then a strange thing happened. Four years later, the number of retiree consultants had dwindled to just 5 percent. Why did this happen?

Lavelle sets out five propositions. First, he suggests that retirees have a much narrower field of marketable expertise than originally believed. Organizations propel workers into other areas, such as project leadership and management, and these skills are not necessarily valuable in the post-organization life. A second reason may be that the shelf life of these skills is short because they are no longer with the organization and are not included in new ways of doing things.

The more time passes, the more changes occur between the way the retiree and the organization conduct business. Third, the social contacts and networks within the organization disappear rapidly, isolating the retiree from necessary contacts. Some retirees also fail to manage the transition from worker to consultant because the skill sets are not the same.

Consultants must be very organized and manage their own time, without benefit of a schedule, an office and assistants. And, on a final note, Lavelle cautions that these difficulties may be exacerbated once GenXers take over leadership roles, leaving baby boomers in the unpleasant position of reporting to former subordinates.

If technology and re-hiring retirees is not going to solve the coming workforce shortage, what can HR do?
This is not a new problem. The war for talent is not new. Public employers have always had to compete with private employers for top-notch employees. The situation may be more dire, because overall there will be fewer workers but many of the proposed solutions are familiar.

Public employers must attract candidates. This can be done in a variety of ways and probably should be approached in a variety ways in order to find the best possible solution.

- Become an employer of choice. Public sector employers must examine their strengths and weaknesses and highlight those factors, be they generous retirement benefits or a good working environment and use these to attract new candidates. In the discussion above relating to the needs of different generations of workers, many of those HR policies can be used to attract candidates.
- Branding. Become the employer of choice and then let everyone know. Public sector is often behind the private sector when it comes to marketing and self promotion.
- Be aggressive in recruitment efforts, look for new avenues, new universities and schools. Think of places where workers might be and go to them.
- Consider whether or not certain functions can be shared across agencies or even municipalities. Fire departments often respond to emergencies outside their jurisdiction, allowing for effective use of resources. Can any functions be performed in a similar way, for instance technical support?
- Consider outsourcing as a potential tool to address a workforce shortage.
- Plan

A workforce plan that includes an environmental scan of current talent, a gap analysis to determine what types of work will need to be done in the future and whether or not the human capital exists to do it, followed by focused suggestions on how to obtain that human capital is a critical first step in addressing the potential workforce shortage.

Succession planning is another crucial piece to the puzzle. Institutional knowledge may be lost when senior employees leave an organization. How to transfer that knowledge to younger workers and train new leaders will be a key challenge for human resource professionals going forward.

As part of a 2005 research study jointly sponsored by IPMA-HR and CPS Human Resource services, an integrated approach to developing a leadership pipeline was recommended. The integrated approach addresses long-term developmental needs of workers at many levels and across the employee lifecycle.

The study identified three consistent priorities in terms of future leaders’ developmental needs: 1) knowledge and understanding outside the employee’s own department or functional area, 2) knowledge and understanding at the enterprise level, and 3) a broad network of relationships.
Case studies included in the report showed that the developmental needs are being met through action learning and other projects, using rotational and/or developmental assignments, utilizing data-driven development based on assessments, feedback and other sources, and involving senior leaders.

The study offered the following eight recommendations for those organizations that want to build their leadership pipeline:

1. Make workforce planning the foundation
2. Engage senior leaders
3. Identify competencies leaders will need
4. Assess developmental needs
5. Create a leadership development strategy
6. Institutionalize the process of Individual Development Plans
7. Tap into the talent pool of retirement-eligible employees and retirees
8. Do not let cost concerns keep your organization from building the leadership pipeline

As John Lavelle points out in his article, no one knows yet whether or not the retirement wave will come at once or in ripples, but either way, it will pay to be prepared.

Questions:

1. What generational issues have you experienced in your workplace?

2. How have you addressed them?

3. Do you anticipate a workforce shortage? If so, in what occupations and what strategies will you use to address them?

4. Do you have an aging workforce? If so, are you taking any steps to retain current employees or to rehire retirees?

5. Has your organization developed a leadership pipeline? If so, what components are included and what have been the results?
Appendix G

Participant Roster

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THIRTY-SECOND INTERNATIONAL SYMPOSIUM ON PUBLIC PERSONNEL MANAGEMENT
Lagoon Beach Hotel, Cape Town, South Africa, April 15-18, 2007

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