Employers urged to campaign for cheaper anti-Aids drugs

Employers, as well as individuals and pressure groups, should be campaigning for pharmaceutical companies to reduce the price of anti-Aids drugs, a senior judge told delegates to the South African Institute of People Management conference in November.

Recently appointed to South Africa's Supreme Court of Appeal, Judge Edwin Cameron, himself infected with the HIV virus nearly 16 years ago, said that, thanks to drug advances and his financial ability to take advantage of them, he had been healthy for the past three years. However, international trade laws, which allowed drug companies to charge many more times the actual cost of producing the drugs, were denying access to them to 25 million Africans with HIV.

His plea for companies, trade unions and universities to negotiate special deals with drug companies was underlined by outgoing IPM (SA) president Tiisetso Tsukudu, who said that the HR responsibilities in relation to Aids were to provide education in the workplace, to monitor employees' health and to fight drug companies to make the drugs affordable.

Opening the conference, the Institute's 44th, Tsukudu paid tribute to his predecessor past presidents – Tony Frost who led the initiative for reconciliation between white and black members of the IPM through a public apology for the ills committed and the sins of omission on the part of white members during the apartheid years; J. B. Magwaza, whose 'Phambili IPM' campaign led to a truly integrated and representative institute of HR professionals; Lynne Rutherford, who championed the African

connection by establishing contact with organisations such as AFDIP (African Association of Personnel Directors and Trainers, based in Morocco); and Zohra Ebrahim who led the transformation from Institute of Personnel Management to Institute of People Management "to better reflect what our business and membership is about – leading 'people-driven growth'."

Tsukudu also called for one minute's silence in tribute to IPM (SA) founder Professor Isobel White who died in London, England, in September, aged 90. She lived and worked in South Africa from 1938 to 1960, during which time she established the first IPM branches and was involved in launching the country's first post-graduate personnel diploma.

Before handing over to his successor as president Mpho

Mpho Makwana, new IPM(SA) president

Makwana, Tsukudu told delegates he had been tasked, as the Institute's delegate to the WFPMA, to lead efforts to create a pan-African federation of personnel management associations. Its nucleus had been formed a year ago when Namibia, Nigeria and Zimbabwe had joined with South Africa. He was now in talks with AFDIP, had helped to establish an institute in Botswana and hoped to be invited to Swaziland and Losotho to do the same there.

Presenting honorary fellowship of the IPM to Tsukudu, Makwana paid tribute to his predecessor's "sterling work as a diplomat of his country".

SHRM'S NEW CEO

An HR professional from the finance sector is the new president and chief executive of the US Society for Human Resource Management.

Helen Drinan, for the past seven years Executive Vice President, Human Resources for the BankBoston Corporation, has taken over the SHRM leadership from Mike Losey who retired at the end of last year.

At BankBoston she reported to the CEO and was on the top management committee. During her 19 years with the organisation, she designed all compensation and benefits programmes and developed a work-life strategy which, together with an award-winning diversity planning model, helped the company receive recognition from *Working Mother* magazine.

She has also served on the boards of several civic and other not-for-profit organisations.

Until May 2002 Mike Losey will continue as SHRM's representative on the WFPMA board in his capacity as Past Present of the Federation. Also as Past President he becomes chair of the judging panel for the WFPMA Petitpas Award for excellence in international HR management.

To honour Losey's contribution to SHRM over the past decade the Society has named its head office after him and established a $1 million research grant in his name.

MAGAZINE OF THE
World Federation of
Personnel Management
Associations

International matrix

BY **KEVAN HALL**

Many international organisations have introduced some form of organisation structure involving two or more lines of reporting – a matrix. Typically there will be a country 'leg' to the matrix with managers reporting to a local national boss, plus a product group or functional leg where managers report to a boss with a regional, product specific or functional focus. Sometimes there are three or more legs and they may be given equal importance (solid line reporting) or may have different levels of priority (solid line for direct reporting and dotted line for more indirect reporting relationships).

NEWS IN BRIEF

Website chat page

A new section on the WFPMA website will enable users to chat and stimulate discussions with professional colleagues. Please visit www.wfpma.com/forum.html

Employee volunteering

The United Nations has declared 2001 the International Year of Volunteers. *WorldLink* invites readers to notify us of any new company initiatives to encourage volunteering among employees as a direct response to the initiative. See also www.iyv2001.org

As these structures start to mature, it is evident that they cause a new set of dilemmas and require a new set of skills.

Global organisations need to operate effectively worldwide. Whether driven by their customers, competitors or by internal factors, this is increasingly the reality of how their activity needs to be carried out. Equally real, however, is the fact that people, problems and work are located in specific places and need to be 'owned' and managed.

A matrix recognises these different demands by giving management focus to both. The matrix does not however resolve this dilemma; it makes it a permanent part of the environment. Success depends on managing the points where these two imperatives are reconciled.

At best the matrix allows local and global realities to be reconciled; at worst it allows individual managers to pursue a narrow objective without regard for its impact on the other leg of the matrix.

In years of international skills training for over 10,000 managers in Europe, Asia and the Americas in organisations like Microsoft, Cisco, Glaxo SmithKline, Dow, GE, Hewlett Packard, Nokia and Unilever, I have found their needs and issues remarkably consistent.

Divided loyalties

The central dilemma many individuals face in this area is that of divided loyalties. Loyalty is local: we are naturally more loyal to the people we socialise with, see daily and spend time with. If a new organisation chart appears with a dotted or solid line to a stranger in another country, we cannot expect equal or more weight to flow to this individual unless we actively attract loyalty and build a sense of community.

As part of our research with over 2500 international managers, we asked whether their primary loyalty and obligation should be to their local colleagues or the remote (normally central) part of their team. In Spain and France over 60 per cent preferred loyalty to the centre; in the UK, Ireland and China the majority of people (nearly 70 per cent in the case of China) preferred loyalty to local colleagues.

Interestingly HR is one of the functions most preferring loyalty to be local.

Other findings include significant differences between cultures on preference for control or autonomy and have demonstrated that functional and industry cultural differences are just as big as national cultural differences.

In face-to-face organisations it is important to work on relationships and team building but a lot of this activity comes 'free' over coffee or a beer in the evening. In remote organisations we need to schedule time and effort to make this happen explicitly.

Multiple bosses

Individuals in a matrix can receive competing demands on their time from people who are more senior than they are. To resolve time or priority conflicts there is a need to escalate (refer issues to a more senior level in the organisation) and occasionally to challenge boss(es) openly. For this reason matrix structures are most successful in cultures where there is relatively low 'power distance' between the individual and their managers – North West Europe, the USA and Australia.

Where management styles have traditionally been more paternalistic or directive (Asia, Southern Europe and Arab cultures for instance), it is relatively hard to challenge your manager, much less give loyalty to another boss where

The first HR conference organised by the Chinese HRM Association (CHRMA) was held in Taipei, Taiwan at the end of last year with over 500 participants from Hong Kong, mainland China and Singapore, as well as Taiwan. The theme was 'Optimising human capital in creating competitive edge'.

management

the relationship may not be as longstanding. In managing trade-offs and escalation in these cultures individuals will normally give much more weight to their local manager.

To overcome these conflicts organisations need to create good communication between the legs of the matrix, clear objectives integrating the different perspectives and the skills of positive escalation and strategic prioritisation.

Thinking more broadly

One of the unforeseen aspects of matrix working is that it is often the person who is matrix managed that has to make day-to-day decisions on prioritisation rather than their multiple managers. Most people naturally tend to spend more of their time and attention on issues where they have a personal interest or there is most benefit to be derived. If there are major conflicts it is always possible to escalate to your bosses to resolve it but, if you escalate everything, you can quickly be seen as negative or incompetent.

We need to equip a wider range of people with the tools and skills to make intelligent trade-offs at this new, more junior, level in the organisation. This means sharing more fully the strategic and tactical goals of the organisation and delegating real responsibility for making choices where competing streams of activity have to be merged at the point where the matrix connects.

The two major systems that exist to enable people to tell what is important to their businesses at the moment are the budget system and the objective-setting and appraisal process. In many companies these are still organised at a local national level. If you measure people locally, appraise them locally and finance them locally but tell them to think globally, do not be surprised if in reality they choose to follow the money. Objectives and key financial measures must be aligned to represent and reinforce the relative weight and importance of global and local activities.

Network relationships

Before the introduction of matrix structures, most large organisations had strong national country structures plus some kind of corporate staff function designed to integrate international operations.

For corporate staff people the matrix has probably made life easier, giving them more of a legitimate line role and aligning business activity at a supra-national level. For these people a more formal relationship, even if it is just a dotted line on the organisation chart, has given more authority than when their only real tool was to influence the senior line manager in a country.

For line managers, particularly the old country managers, the landscape has changed significantly. Before the matrix they 'owned' the country and the people based there.

Now they have to negotiate resources, resolve trade-offs and manage through influence and persuasion, without necessarily having traditional line authority. Often the country manager has been the main barrier to effective matrix and international working by resisting what they saw as a reduction in their power.

Getting things done by managing and maintaining network relationships involves a set of skills that do not come naturally to hard driving operational managers.

Remote management

Those managers driving the physically remote legs of the matrix have some additional challenges of managing 'virtual' teams. These operate across barriers of distance, culture, time zones and technology.

Most training still assumes that management skills are applied face-to-face and in your own culture, which is no longer the reality for many managers.

The symptoms of ineffective remote management are high levels of travel, inappropriate micro-management (often driven by lack of trust) and concerns about visibility and personal effectiveness.

Matrix working is a reality for many international organisations: they are experimenting with the relative strength of solid and dotted reporting lines, considering whether the dotted line should be to the local or the regional manager etc. A small number have even abandoned the matrix.

The real challenge, however, is to update the skills and processes of the organisation to reflect this new way of working; the HR community has a critical role in this. ○

Kevan Hall is President, Global Integration, a UK-based organisation that specialises in training people to work internationally. He will be speaking on matrix management at the CIPD's international forum meeting in London on 2 February and at HRD 2001 on 4 April.

Towards more options fo

A new OECD report highlights reforms introduced by member countries to counter the fashion for early retirement. Here *WorldLink* describes the background to the work and summarises some key findings

For many decades, demographic and labour force participation trends have provided a favourable economic environment in OECD countries. Notwithstanding the relatively recent fashion for earlier retirement – usually as an alternative to redundancy, the percentage of the population at work has been growing and not least among women.

However, as the 'baby-boom' generation reaches retirement age in the next five to 10 years, such favourable trends could start to reverse, and there has been increasing concern that with declining birthrates and people living longer there will be fewer people producing the goods and services needed to support a population that includes many more retired people.

In 1998 the Paris-based Organisation for Economic Co-operation and Development (OECD) pointed out the implications of these trends for fiscal, economic and social policy.[1]

It came up with seven principles for action including reform of public pensions and tax systems and programmes to remove financial incentives to early retirement and disincentives to later retirement; more job opportunities for older workers, and equipping them with the skills and competence to take them up; and retirement income to be provided by a mix of tax-and-transfer systems, funded systems, private savings and earnings – with a view to a better balance of burden-sharing between generations and more flexibility for individuals over retirement decisions.

Subsequently a questionnaire was sent to all 29 OECD member countries asking them about reforms in these areas and a new report outlining the main findings has now been published.[2]

This states that many reforms have indeed been introduced to support the employability

of older workers, to respond to the health and care needs of an older population, and to improve the operation of financial markets in dealing with large increases in private pension savings. Taken one at a time, says the OECD, these are often smaller reforms designed to make existing systems work better. Most reform agendas assume that labour markets, financial markets and health care systems are largely capable of adapting to the needs of an ageing society – with incremental help from policy reform.

On the other hand, larger changes have taken place in policies that affect the work-retirement transition and the structure of retirement income financing. The critical challenge in many countries, claims the report, has been to slow, and eventually reverse, trends towards a shrinking portion of life being spent in employment and ever-longer periods spent in retirement. Fiscal

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EXAMPLES OF REFORMS INTENDED TO PRODUCE A WORKPLACE FOR ALL AGES, TO RETAIN OLDER WORKERS AND TO HELP OLDER PEOPLE FIND NEW JOBS

■ **Austria** A 'pact for older workers' negotiated by Austria's social partners was due to come into force last year. One element of this policy package is a reform of the subsidy to short-time work in favour of older workers. Currently, an employer may reduce working hours to four fifths (averaged across a month) to retain workers in the event of major, though temporary, problems within the undertaking. Under the new programme, an employer may reduce working time down to one fifth if a major proportion of the company's employees have completed their 45th year and are affected by such involuntary short-time work. The period of working short hours may then take up to a year. Austria introduced a system in 1996 that offers financial incentives for recruiting older workers and penalises the dismissal of workers over 50.

■ **Belgium** Employers hiring unemployed workers over 50 benefit from laws that eliminate social charges, and a new measure aims to reduce benefit losses for older unemployed workers and early retirees who accept

jobs instead of remaining without work. The 'Accord Interprofessionel 1999-2000' promotes continual training for older workers. An agreement was signed on 1 March 2000 in the federal health care sector allowing staff gradually to reduce their hours of work from 45 years of age with full salary, in order to stop the massive departure of older workers in this sector.

■ **Canada** dropped a programme that mainly provided last resort income support for displaced older workers in favour of a series of pilot studies directed towards the testing methods of re-integration of older workers into the workforce. Canada also reports an initiative to provide job placements for older workers in the non-profit sector. The results to date have been positive.

■ **Czech Republic** A 'National Employment Plan' was decided in 1999 to support the development of education and retraining; to enhance the dynamism and flexibility of the labour market (new forms of employment, contracts etc); and to eradicate all aspects of discrimination (both in terms of remuneration and

access to employment, with regard to sex, age, ethnicity or religion, skin-colour, sexual orientation etc).

■ **Denmark** The government is working on programmes that create jobs on special terms, called flex jobs: 3,000 of these have been created since 1998. In addition, large efforts are being made to re-integrate people on long term sick leave into the labour market. In 1999 an agreement was reached between the Danish government and the National Association to give elderly workers who are long-term unemployed a foothold in the labour market, by using targeted subsidies.

■ **France** In February 2000 a new framework was laid down, where firms are bound not to use the full State early retirement scheme. In exchange they get subsidies, which are conditional to their setting up manpower and skill planning, when changing over to the 35-hour week. The purpose is to make firms more aware of their responsibility to manage the careers of employees over the lifetime. In 1992 the Delalande contribution, which made firms pay more to the unemployment insurance scheme, if they dismissed employees who were older than 55, was extended to employees over 50 and in 1998 the contribution was increased significantly. Retraining

contracts have been introduced and offered to older redundant workers. In the market sector the European Initiative Contract gives employers a 100 per cent exemption from the welfare contribution and recruitment premium when recruiting an unemployed person aged 50 and over. Similar models exist for the non-market sector, where in addition to exemption from welfare contributions there are wage subsidies.

■ **Germany** The Federal Plan for Old People deals with employability issues, particularly in safety and health at work, and also brings older people in touch with organisations that need volunteers. Eligibility requirements for integration subsidies for older employees (labour cost subsidies paid to employers to reduce hiring disadvantages for older people) were relaxed, and on August 1, 1999, the age limit for the subsidy was lowered to 55 until 2001. Subsidies for additional employees for Eastern German industrial companies were focused on employees with a particular need for support, including those aged 55 or over, and the term in which subsidies are paid for employing unemployed over 55s in the context of structural adjustment measures was increased from three to five years in regions with particularly high unemployment.

r older workers

consolidation has been a major driver of reform and a more diversified system of retirement income will be the main outcome – a better balance among private and public pensions, taxation and, especially, earnings.

Greater use of private pensions is already showing up in the income statistics for older people. Recent reforms suggest that income from capital will become increasingly important in the future. However, earnings are still declining in importance in the income of current older people, as a result of past trends to early retirement. This is likely to change, says the OECD. Trends towards earlier retirement appear to have levelled off in the past few years, or reversed in some countries, and recent reform trends suggest that earnings may play a significantly larger role in the future. Indeed, the ground is being laid for what appears to be a transformation in the way retirement is financed and in the public role in that financing.

Recent reform agendas related to ageing have been driven mainly by fiscal agendas – to adjust systems to the coming retirement of the baby boom generation. That is still a main concern for many countries. Once the needed fiscal action has been taken, the new, emerging agenda appears to be centred on reversing trends towards longer retirement.

However, there is little evidence yet of a trend towards later retirement, except in a few countries, or that retirement has become more flexible.

In a number of the countries in the study, a substantial proportion of older men who are still working have part-time jobs. Sweden and Finland, two countries with a partial pension system, stand out. So does Japan, where the 'earnings rule' that governs pension entitlements between the ages of 60 and 65 encourages part-time work. Some one in three older men in work in the Netherlands work part-time, but the Netherlands is a country in which male part-time work at all ages is high. (On the other hand, in Finland and the Netherlands, the actual number of older part-time workers is small: in these countries, very few older men work, even if many of those who do, work part-time.)

Nevertheless, in only three countries in the study – Sweden, Japan and the United Kingdom – is there a substantial increase in the share of the older male population working part-time. This means that there was a switch to part-time status for some. However, in recent years there has also been a dramatic decline in part-time work among older men in Sweden. This may reflect the restriction introduced into the benefits available under the partial pension system, says the OECD – a cut in the compensation rate and in the number of non-worked hours eligible for compensation after 1994. Sweden has decided to abolish the partial pension and no new entrant will now be allowed.

The report provides statistical information from selected countries that sheds light on the work-retirement transition, gradual retirement and how people actually spend their time during this period. One important conclusion is that there is nothing inevitable about the effects of population ageing – policy can make a difference.

An annex to the report is in effect a country-by-country chart of basic data that explores the interaction between demographic and labour trends. ○

Footnotes

1 Maintaining Prosperity in an Ageing Society, 1998.
2 Reforms for an Ageing Society, 2000.
www.oecd.org/subject/ageing

■ **Greece** A pilot programme subsidises the hiring of unemployed people aged 50 to 64 for a period of 20 months, starting with two-months on-the-job practice, aimed at adapting employees to working conditions.
■ **Iceland** The Pension Act of 1998 exempted workers over 70 years from paying contributions to pension funds.
■ **Japan** Legislation encourages employers to set retirement at 60 or over and they are obliged to re-employ people who wish to continue work after retirement age. Compliance is now close to 100 per cent. Vocational training facilities are geared to the kinds of jobs older and middle-aged people are likely to find, such as building management or gardening.
■ **Korea** Three job placement programmes for older people were planned and implemented by the Division of Elderly Welfare. The Employment Promotion Law encourages businesses to hire 3 per cent or more of employees from among those aged 55 and over. It is not compulsory and so far only a few businesses follow the guideline. This law also stipulates that certain occupational categories should be allocated to older people.
■ **Lifelong learning** and educational reforms were introduced in Italy in 1997 and 1999. Norway has implemented special reforms in the education system aimed at promoting adult education. In Iceland increasing emphasis is being put on lifelong learning and proposals will be introduced soon. In Sweden a new skill enhancement programme is planned for the period 2000-2002 in addition to the ongoing programme for adult education. In Korea lifelong learning for all is a policy priority. In Ireland reforms are under consideration and a Green Paper on adult education has been published with the establishment of a National Adult Literacy programme as the top priority, a third level mature access programme, and a Forum for Practitioners in Adult Education.
■ **Mexico** In July 1998, the Mexican Ministry of Labour and Social Provision introduced measures to integrate vulnerable groups; older workers are a major focus. They are also in talks with other institutions and the private sector to try to design programmes to facilitate access to training for older workers in areas such as technology.
■ **Netherlands** Once steps have been taken to remove incentives to retire early, it is planned to focus attention on attitudes of employers to older workers. A bill has been put forward to discourage discrimination on the basis of age in recruitment, selection and education. Employers are given tax deductions for training, with specific emphasis on older workers.
■ **New Zealand** introduced changes in 1993 that would make it discriminatory to require an employee to retire by reason of age, and now that the provisions have come into effect compulsory retirement is generally no longer possible.
■ **Spain** has introduced a package of employment reforms targeted at older people, including continuous training during the working life. It also provides assistance for people over 45 who have finished receiving their unemployment benefit, have dependants and whose income is below a specified level. Support is provided for up to 10 months.
■ **Sweden**'s employment rate in the 55-64 age groups is relatively high compared to other OECD countries. In times of economic downturn when enterprises are forced to reduce staff, the 'last-in first-out' law has been beneficial because older employees have often been employed longer and thus are permitted to stay on. On the other hand, it may reduce their mobility and active employment measures are used to prevent this.
■ **Switzerland** Parliament has set up a sub-commission to examine what measures to take in favour of unemployed older workers. Possibilities include temporary employment, encouragement to take up self-employment, pilot projects, etc. The Swiss Pro Senectute Foundation, subsidised by the AVS, also proposes activities and projects for unemployed older workers.
■ **UK** introduced a non-statutory Code of Practice for Age Diversity in Employment in June 1999. The Prime Minister commissioned a project on 'Active ageing', to improve the quality of life of older people by helping them to remain active. It includes identifying ways of increasing employment opportunities by examining the incentives for businesses to employ and retain people aged over 50.
■ **USA** Mandatory retirement based on age has been abolished. It appears, however, that some companies have adjusted their pension benefit formulas to provide incentives to encourage early retirement. For example, some companies provide for 'early out' by offering to pay all employees in a certain class (based on both age and years of service) an additional sum of money as a bonus for retiring.

A global approach to em

Technology has revolutionised communications, not only in terms of the increasing sophistication of available media but also in the expectations of those on the receiving end, and in the degree of difficulty of maintaining any central control over who communicates what with whom. Deborah Jones, Cummins' director of internal communications, describes that company's recent attempts to get to grips with such challenges

In today's terms, Cummins would be called 'old economy'. Founded in 1919 as Cummins Engine Company, Cummins Inc is now a $6.6 billion company with a diversified product line, including engines, power generators and alternators, filtration systems, hi-tech electronic power controls and sophisticated web-based customer services. It has manufacturing concerns on four continents and sales and service facilities on six.

A workforce of 30,000 provides at least that number of opportunities to communicate internally on a daily basis. Many – maybe most – of the messages about the company, its competitive position and its philosophy reach our employees by word of mouth. Therein lies the challenge for any company that needs to convey consistent corporate messages and brand identities across oceans, cultures and across many levels of education and experience.

This challenge is complicated at Cummins by a historical lack of well-established internal channels. It was only in 1999, in our 80th year of operation, that we began to craft a corporate-wide communications strategy and create a central corporate communications function with a single reporting structure.*

The need was urgent, but two pressures in particular stand out – joint ventures, mergers and acquisitions and employee satisfaction.

First, we moved corporate marketing and communications out of the business unit where it resided and into Cummins Business Services, a shared services organisation for the whole company. We also formed external and internal communications advisory councils made up of corporate leaders from a cross section of Cummins businesses, functions and locations.

With that foundation laid, the company could start to address its communications challenges in an organised fashion.

JVs, M&As

As one seeks ways to diversify into new products and markets by creating, merging with or acquiring another company, the reshaped corporation has to arrive at a brand strategy. It is also necessary to blend the two employee populations into a cohesive workforce. Cummins, which has had several such reshapings in the past few years, is addressing the issue with an external communications strategy that has internal implications.

One part of the external strategy is to strengthen communications with distributors, who are our link to our customers. In autumn 1999 we unveiled our own television network (CTN). The initial launch linked 31 US and Canadian distributors to our corporate product groups via satellite with regular broadcasts of news, plus sales and service initiatives. The point is to reinforce brand identity at sales and service outlets by providing support through CTN for our marketing strategies.

In addition, however, with planned expansion of satellite reception sites to office, research and manufacturing locations, the corporate communications division will be able to use CTN for live and pre-taped programmes for employees.

The first such broadcast is likely to be the chairman's quarterly business report, which is currently videotaped, duplicated and distributed to all Cummins' facilities by mail. The process is slow which undermines the freshness of the message. Satellite distribution will make the report timelier and thus more relevant to employees.

Another visible response to the need for stronger product and employee identification with Cummins came in April 2000. After months of research, design and development, we unveiled a completely restyled website: www.cummins.com gave prominence to the overarching corporate logo and linked the logo to the sub-brands that already had name recognition in the market. It updated a four-year-old site with new web management technology that serves as a template for all the major groups represented
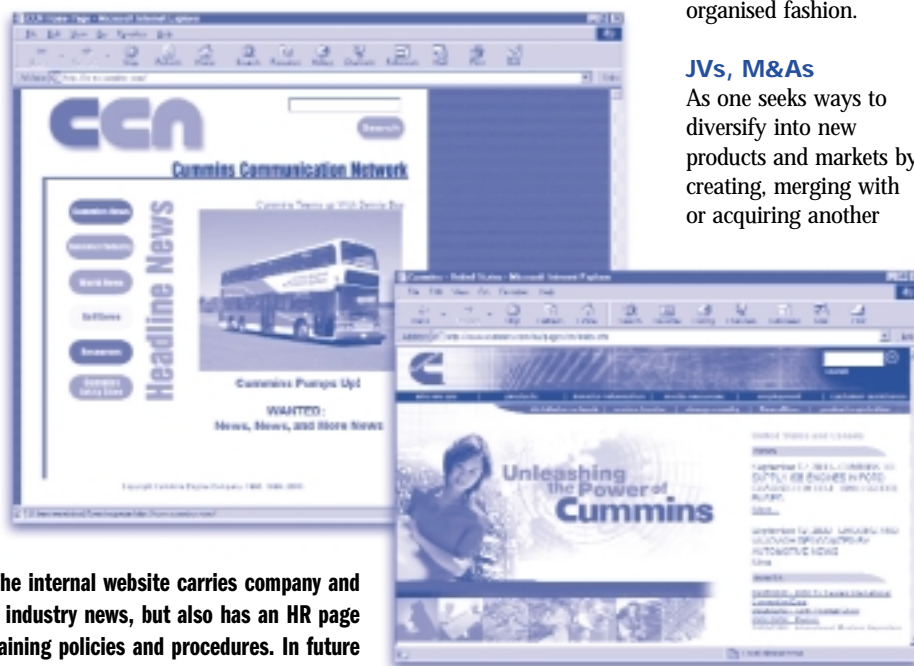
The internal website carries company and industry news, but also has an HR page containing policies and procedures. In future local managers will be able to update their own pages within the CCN template

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Corporate communications at Cummins reports up through the Vice President, Cummins Business Services, who reports directly to the Chief Executive. It does not reside in human resources, but the relationship with HR is highly collaborative.

A recent survey of member companies noted the following reporting structure for internal communications: 60% to VP or senior staff in corporate communications or public relations; 20% to HR; 15% to marketing or external; and 5% to other categories. Source: 'Best practices in corporate communications: internal communications', Public Affairs Group, Inc., Washington, DC, 1999; p.7.

ployee communications

on the site. In this way brand identity and the basic graphic look are maintained, while saving local site managers time and money because the base development is already done for them.

The importance of a strong presence cannot be underestimated when you consider that many of Cummins' products reach consumers as an option within larger products such as trucks and heavy machinery. We do not do large-scale mass market advertising. Clearly, the corporation wants customers to specify Cummins as their power supplier of choice.

Employee satisfaction

At the same time, the company wants employees to stay with Cummins as an employer of choice. While it is hard to quantify the part communications play in direct retention of employees, it is not hard to determine how employees feel about what we do to keep them informed.

In 1994 a worldwide employee survey showed that employees rated corporate communication 'fair' – at best. Immediate supervisors as a category fared better. Not long afterwards, it became apparent during a thorough performance assessment done by an outside agency that many employees could not articulate the company mission statement, although they knew the one that had been adopted within their own areas.

Information technology reinforced independent communications efforts by permitting enterprising areas to create their own Intranet sites. Seemingly overnight, sites popped up–each with its own style, content and management.

In autumn 1999 corporate internal communications also turned to technology. It went 'live' with Cummins Communications Network (CCN), an internal website that now serves all employees with access to the Internet. Daily company news plus customer, industry and world news make CCN a magnet. Human resources was among the first functions to post and manage its own page, using CCN as a portal. The HR page is available globally with its own news, benefits information, policies and procedures, and employee performance management guidelines.

CCN's 'hit rate' is aided by the fact that, as they are installed, new Internet browsers have the Intranet site as a default opening screen. Latest measures show an average of 13,000 -14,000 daily users, despite only half Cummins' 30,000 employees being PC-based.

Only half of Cummins' employees are PC-based; the rest depend on more traditional means of communications, albeit informed by the company's internal website

After less than a year of operation Deb Miller, Director, Corporate Marketing and Communication, regards this as a gratifying user rate.

"The idea," she told *WorldLink*, "is to use CCN as a direct line of communication to our employees with web access, but also to use it to deliver messages to the gates, so to speak, of manufacturing locations. There, local communications groups assume responsibility for sharing the messages through other appropriate media, such as newsletters, bulletin board postings, staff and team meetings."

While CCN is written predominantly in English, the chief executive's message page– called CEO Mailbox–is translated into the eight other languages spoken by the majority of our employees: French, Spanish, German, Portuguese, Hindi, Chinese, Japanese and Korean. The messages are translated by employees at our international locations and sent electronically to corporate headquarters so they can be posted in all nine languages simultaneously.

The success of the new external site is now driving a redesign of the internal site. To account for multiple languages, locations and cultures, internal communications is revamping CCN to capitalise on the strength of those local communications groups who will be trained to use flexible, user-friendly web tools. CCN's corporate editor is the final clearinghouse for postings. "In that way," says Miller, "we can support communications at the local level with our lean internal staff of three." CCN also hosts all those sites that spring up independently.

Over time, active sites will be redesigned to be consistent with the company's graphic and brand standards. Local managers will retain the flexibility to update their own pages within the CCN template just as happens on the external website.

Measuring effectiveness

It is too early to tell if these early steps have had an impact on overall employee perceptions of corporate communications. The internal group will be measuring customer satisfaction through detailed analysis of monthly Intranet usage. It has already begun surveying customers to get the baseline information needed to measure improvement.

In fact, the whole of Cummins Business Services is adopting a variable pay model that includes customer and employee satisfaction as a factor – for us in internal communications, employees are our customers.

The company can cite the roll-out of a new vision and mission as evidence that Cummins is creating a stronger sense of purpose – and a consistent one – among its employees. A key step in the process of the drafting of the new vision was employee input through focus groups, site visits and, something not possible until late last year, an electronic message board. 'Common Ground', as it was called, received more than 1,000 messages and tens of thousands of hits during the open comment phase.

The resulting vision is 'Making people's lives better by unleashing the Power of Cummins.' Communication is central to that power. ○

Deborah Jones is based in Columbus, Indiana, USA

THE WORLDLINK HR CALENDAR

April 2–4, 2001
Chicago, USA
SHRM International Conference and Exposition
Contact: Brian Glade, SHRM
Tel: +1 703 535 6033
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Email: intldiv@shrm.org

April 3–5, 2001
London, England
CIPD Human Resource Development Conference and Exhibition
Tel: +44 20 8263 3434
Fax: +44 20 8263 3223
Email: training.hotline@cipd.co.uk

April 28 – May 2, 2001
Porte Alegro, Brazil
IFTDO 30th World Conference and Exhibition
Contact: Paulo Pizarro
Fax: +55 51 266 9475
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May, 2001
Guadalajara, Mexico
COMARI National Compensation Conference
Tel: +52 8 315 2604
Fax: +52 8 315 2650
Email: hectorpalacios@infosel.net.mx

May 20–23, 2001
Melbourne, Australia
AHRI National Convention
Tel: +613 9690 1777
Fax +613 9696 4532
Email: rob.thomason@da.deakin.edu.au

June 18–19, 2001
Mexico City, Mexico
AMEDIRH Annual Congress
Contact: Carlos Paredes
Tel: +52-5140-2220
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Email: cparedes@ameri.com.mx

June 20–23, 2001
Santo Domingo, Dominican Republic
ADOARH 5th Annual Congress
Theme: 'People, the basis of the new economy'
Tel: +809 227 5655
Fax: +809 227 5574
E-mail: adoarh@mail.intec.edu.do

June 24–27, 2001
San Francisco, USA
SHRM 53rd Annual Conference
Tel: +1 703 548 3440
Fax: +1 703 535 6490
Email: custsvc@shrm.org

June 26–29, 2001
Geneva, Switzerland
EAPM 20th Congress and Exhibition
Theme: 'The global art: engaging people's full potential'
Contact: Dieter Wyrsch
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July 25, 2001
Tokyo, Japan
JSHRM 2nd Annual Conference
Tel: +81 3 3409 1162
Fax: +81 3 3409 1165
Email: info@jshrm.org

October, 2001
Baguio City, Philippines
PMAP 38th National Conference
Contact: Gerardo Plana
Tel: +632 726 1581
Fax: +632 726 1530
Email: pmap@pmap.org.ph

October 17–21, 2001
Lima, Peru
FIDAP Congress
Tel: +511 265 6700
Fax: +511 472 5827
Email: adiezcanseco@grupocyber.com.pe

October 24-26, 2001
Harrogate, England
CIPD National Conference and Exhibition
Tel: +44 20 8263 3434
Fax: +44 20 8263 3223
Email: training.hotline@cipd.co.uk

May 27–29, 2002
Mexico City, Mexico
WFPMA 9th World Congress on Human Resource Management
Tel: +52 5661 9939
Fax: +52 5663 1965
Email: octavio@afansc.com.mx

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