

No Easy Path to HRM Performance Measurement Systems: Exploring the Introduction of the U.S. Human Capital Assessment and Accountability Framework and the Flemish Management Code

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This article discusses comparative research on the introduction of a performance measurement system for HR management in two different governmental settings. One case concerns the Human Capital Assessment and Accountability Framework used in the federal level of government of the United States, and the other examines the introduction of a management code at the state level in Flanders, Belgium. To compare both cases, the policy cycle is used as an analytical tool. The research finds differences in agenda setting and organizational capacity and leadership that reflect distinct approaches to strategic human resources management.

In contemporary public administration, one can see clearly an increased focus on measuring performance in government and public organizations.¹ Performance measurement is an important issue in nearly every public management reform,

and in the literature, great attention is paid to every aspect of performance measurement.² Behn identified the eight reasons managers might have for introducing performance management systems as evaluation, control, budgeting, motivation, promotion, celebration, learning and improvement.³ But external stakeholders such as unions and legislative bodies can also benefit from the introduction of such systems and may therefore promote their introduction.⁴

Performance measurement is not making progress in fields that are obviously suited to measure performance, such as finance, goods production, or service delivery.⁵ Even in what are traditionally considered as hard-to-measure areas of public management such as human resources management (HRM), performance measurement is gaining ground.⁶

Nevertheless, there is little knowledge about the practice of measuring the performance of HRM in government, especially on a governmentwide basis. Because interest in this field has only developed recently, very little is known about its empirical nature and underlying dynamics. Most of the knowledge, as far as there is any available, comes from the private sector and is often applied in the public sector without further consideration. However, an excellent way to learn more about the specific public administration dynamics is a comparative case study.⁷ By applying a comparative methodology, this article tries to fill the vacuum by describing two cases studies of the introduction of a performance measurement system for HRM on a governmentwide scale.

A Comparison of Two Cases

This article presents a comparison of the introduction of a performance measurement system for HRM in the U.S. federal government and the state of Flanders in Belgium. The aim is to describe both cases within a similar framework. Although the cases seem to be very different in scope—there were 1.8 million civil servants in the United States versus 35,000 civil servants in Flanders when the respective measurement systems were introduced—there are various reasons why the cases can be compared. First, both cases are examples of decentralization, where power was shifted from the central administration to agencies. In this respect, they are both exemplary of the New Public Management trend.⁸ Second, both cases are also actively developing and using HRM indicators, which is the focus of our research. In the United States, measurement of HRM is applied within the framework of the President's Management Agenda (PMA). This is a management reform aimed at achieving strategic HRM as one of its principal objectives, and using indicators is a central feature of the PMA's framework. In Flanders, measurement of HRM is taking place within the framework of *Beter Bestuurlijk Beleid* (BBB), which is a general government reform aimed at improving general government performance and increasing political accountability.

The Framework of Analysis: The Policy Cycle

Being one of the most comprehensive research strategies, case studies can be applied in an exploratory, descriptive, or explanatory way.⁹ In this article, the emphasis of the case studies will be mainly exploratory. Because of the relative lack of theory building, an exploratory approach will yield the most interesting results. Therefore, no hypothesis testing is involved. In more general terms, the research question can be stated as follows:

- What are the dynamics in the conception, development, and implementation of performance measurement systems for HRM in government?
- What are the differences and similarities in both cases?

Although no explanatory approach was adopted, a framework of analysis, or protocol, can be useful for structuring the case study.¹⁰ This framework should be formulated by means of abstract concepts that permit a thorough comparison without leaving out possibly important aspects.

Examples of such frameworks are textbook concepts such as the management control cycle or the policy cycle.¹¹ On the face of it, one would say that because of the focus on public management, the management control cycle is more apt as an analytical tool. However, compared to the management control cycle, the policy cycle has some advantages. First, contrary to the management control cycle, agenda setting is an element of the policy cycle, so choosing the framework of the policy cycle enabled us to assess the impact or lack of impact of a broader set of actors. Second, the policy cycle is more receptive to dynamics from the environment, whereas the management control cycle is more applicable in a static context. Because our cases are incorporated in larger management reforms where environmental characteristics play an important part, this openness was an advantage.¹²

One can have two criticisms of the adoption of the policy cycle in this research. First, there is a lot of skepticism about this stepwise conception of policy. Not all policies reach every stage in the analytical framework, and some stages are very difficult to separate in the day-to-day experience of policy making. Nevertheless, as an analytical tool, it still has its merits.¹³ Its analytical advantage is enhanced by conceptualizing this cycle as a general problem solving scheme, as Howlett and Ramesh do.¹⁴ They conceptualize the policy cycle as a general scheme for analyzing problems. Second, it is not common practice to apply policy analysis tools to management research. But within public administration, historical ties between policy analysis and public management research exist.¹⁵ Strengthening these ties can emphasize the common themes and identities of both separately developed branches of public administration. Especially in the context of administrative reforms, bridging these evolutionary gaps can provide useful insights.¹⁶

Howlett and Ramesh describe the policy cycle as a five-stage continuous process: agenda setting, policy formulation, decision making, policy implementation, and evaluation.¹⁷ These stages correspond with the stages in a typical problem solving

cycle. In this respect, the policy cycle is a tool that enabled us to analyze different problem solving strategies in a politico-administrative environment. It has to be borne in mind that, apart from the continuous character of the cycle, it is also important to consider the reciprocity between the different steps. One can conceive some sort of feedback loop between the different stages, reiterating specific stages before entering further stages.¹⁸

Agenda setting is the process in which problems gain or lose public or elite attention.¹⁹ Politics is a powerful player in the agenda setting process. Highly visible participants such as elected officials or heavyweight politicians are in an especially powerful position to make or break issues for various reasons. But the mass media can also be important in this regard.²⁰ Contrary to the other stages, little expertise is needed in this stage, which enlarges the pool of potential agenda-setters.²¹ Kingdon has argued that issues gain agenda status when they are defined as problems, by violating important values (e.g., socioeconomic standards), or by being compared to other relevant units.²² Sociodemographic and economic pressures, political ideologies, or chance events such as scandals or disasters can play important roles in this respect.²³

In the second stage, which is formulating policy alternatives, more expertise is required. This requirement enables different players such as career civil servants, think tanks, academics and consultants to enter the field, while other, nonspecialist players have to leave.²⁴ These subgroups, which are often conceptualized as policy networks or policy communities, can also formulate competing policies.²⁵ The experts narrow the policy alternatives down to the alternatives that are feasible within the policy process and within the context of policy communities.

The third analytical stage is decision making. The question of who eventually decides is ultimately linked to power and conflict. Birkland distinguished between two faces of power: coercive and blocking.²⁶ Democratic government has many formal and informal ways to channel conflicts and the use of power.²⁷ There are parliamentary and executive structures (with or without delegation), party systems, and interests groups.²⁸ The basis of the decision can be rational synoptic, incremental, or even irrational—a so-called “garbage can” theory. Pollitt and Bouckaert have warned against overestimating rationality whenever studying management reforms.²⁹

Although the fourth stage of implementation may very well be the most important one, it has long been neglected. But when it was discovered that implementation by street-level bureaucrats was not an automated process, public administration started to develop a body of strategic management research that was adapted to its specific characteristics.³⁰ This should serve as an aid in linking organizational outcomes to goals and, thus, achieving results. The literature on strategic management in the public sector has pointed out important aspects, such as the environment, organizational capacity and culture, and leadership roles.³¹

Evaluation is the fifth and final stage in the policy cycle. As government is not by nature a self-evaluating organization, this might very well be the most difficult stage.³² Lack of comparability, lack of definite criteria, and lack of political neutrality on the part of the evaluators can constitute major problems in making evaluations.³³ Pollitt has identified both internal actors (e.g., government agencies, officials) and external actors

(e.g., consultants, academics, think tanks, intergovernmental organizations) in the evaluation process of management reforms.³⁴ Evaluation by different actors obviously means different consequences and different ways of influencing the policy cycle.

Data Collection

The data for both cases we studied were gathered in multiple ways.³⁵ In the first stage, a preliminary examination of each case was made based on documentary research. Policy documents of both cases were analyzed, and descriptions of both cases were drawn up. In the second stage, this information was supplemented by interviewing key actors. In both cases, the researchers did semistructured interviews (23 overall; five Flanders and 18 in the United States) of top HR civil servants of home departments and HR managers working in decentralized executive agencies. In the United States, the Department of Labor, the Department of Agriculture, the Agency for International Development, and NASA were studied. Also, key actors in central agencies, such as the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), and the Government Accountability Office (GAO), and American public administration scholars were interviewed. In Flanders, top civil servants in the Central Management Department, the Department of Infrastructure and Environment, and the Child Welfare Agency were interviewed for the study. These interviews not only served as illustrative models in the Flanders case, they enabled comparisons to be made with the American experiences, and they allowed us to corroborate the information we gathered in the first stage of our research. By interviewing key persons, we also aimed to unravel the latent processes behind the reform.

Table 1: Standards of Success of the Human Capital Assessment and Accountability Framework

- Strategic Alignment: Agency human capital strategy is aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.
 - Workforce Planning and Deployment: Agency is citizen-cantered, delayed and mission-focused, and leverages e-Government and competitive sourcing.
 - Leadership and Knowledge Management: Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement in performance.
 - Results-Oriented Performance Culture: Agency has a diverse, results-oriented, high performance workforce, and has a performance management system that effectively differentiates between high and low performance, and links individual/team/unit performance to organizational goals and desired results.
 - Talent: Agency has closed most mission-critical skills, knowledge, and competency gaps/deficiencies, and has made meaningful progress toward closing all.
 - Accountability: Agency human capital decisions are guided by a data-driven results-oriented planning and accountability system.
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Description of the U.S. Case: Human Capital Assessment and Accountability Framework

In the decentralized environment of the federal government of the United States, the Human Capital Assessment and Accountability Framework (HCAF) was designed to serve as a common anchor point for federal personnel policy. It is part of the larger management reform, the PMA. The PMA has the five strategic objectives of improving financial management, improving e-government, integrating budgets and performance, outsourcing government activities, and introducing strategic HRM (human capital).

HCAF itself consists of six standards of success, each of which is made up of one or more critical success factors (see Table 1). For every success factor, there is a series of suggested performance indicators that can be used to score agencies and departments on how they are succeeding in achieving different aspects of HRM. The indicators are both quantitative and qualitative. Organizations can adapt the performance indicators and other parts of the HCAF to their own needs. The standards of success can even be altered if an organization can sufficiently argue its case for having done so. If the argument is rejected, however, the organization will receive a bad score.

To show that it is working to meet HCAF standards, an organization must draw up a Human Capital Plan and an Accountability Plan. These plans stipulate what has to be done in the area of human capital, and who has to do it. In order to coordinate implementation of these plans, most departments and agencies appoint a chief human capital officer (CHCO) to enhance HRM strategy. These CHCOs also have a seat in the governmentwide Chief Human Capital Officers Council, which is chaired by the director of the OPM and by the deputy director of management of the OMB, who is the prime person in charge of management within the Executive Office of the President.

The scoring of the organizations is done by OPM desk officers who are assigned responsibility for organizations taking part in the PMA. The desk officers score organizations on status (i.e., progress toward a set of long-term goals) and progress in implementing a set of short-term goals. The eventual score is a red, yellow, or green dot. This scoring is done in a very interactive process with the HR executive of each organization involved. Because of the use of suggested performance indicators rather than fixed indicators, it is a very open process that can be responsive to the characteristics of the organization.

Apart from scoring their organizations, the desk officers also provide information on how their organizations can improve human capital management. This enables the desk officers to get to know the organizations they are responsible for very well. This results in a quasi-permanent interaction between the organizations and their respective desk officer and his or her team. Once every three months, there is a formal evaluation, and the scores are published in the national press.

No formal sanctions are tied to a bad score. However, because most of the executive positions in U.S. federal organizations are reserved for political appointees,

there can be significant consequences of getting bad grades for individual executives. The president can hire and fire political appointees at will. President George W. Bush is very committed to human capital, so there is a real risk of job loss involved. Because of the involvement of the OMB in the development of the scorecard, an extra incentive is given to executives of the departments and agencies to meet HCAF standards. The OMB has a huge impact on budget decisions, so agencies are willing to comply more readily than if the OPM was in charge of PMA scoring. The same can be said about the impact of the GAO on the congressional budget process.

Description of the Flemish Case: The Management Code

The Management Code is an instrument to enhance management control in HRM. The central state government imposed it on a governmentwide basis. This enhanced management control became necessary when the governmental structure changed from a matrix organization to a decentralized agency model within BBB. This reform was initiated to increase efficiency and accountability when a new coalition came to power in 1999. Because of the changes to the organizational structures decentralization generated, the call for alternative mechanisms in controlling central HRM grew louder.

Table 2: Principles of the Management Code

- The strategic and operational choice of the policy domain and the organization are translated to the choices in the field of human resources management (HRM), within the framework of general government policy. These choices are clearly communicated.
 - Structure, tasks, processes, functions and competencies are related to the organizations mission.
 - The budget for HRM remains within the boundaries of what was agreed.
 - Employees are committed to what happens and changes in the organization.
 - (A) All employees get sufficient chances for promotion and for development towards other positions. (B) All employees that devote themselves to enhance their employability, will get sufficient chances to a meaningful employment during their career.
 - The internal and external recruitment and selection is bound by integrity, transparency and professionalism and is based on a careful consideration of individual competences and a defined profile, in line with the prevailing diversity policy of the Flemish government.
 - Employees perform according to agreed expectations and can develop within their positions.
 - The four value-competencies of the Flemish government (continued improvement, customer-orientation, cooperation and reliability) are displayed in the day-to-day performance of the employees.
 - Employees get a fair and externally competitive wage.
 - Leadership is according to quality standards at all levels.
 - Employees are able to achieve a work-family balance in their life.
 - There is a positive climate within the organization with sufficient room for diversity and with no tolerance for boundary-breaking behavior.
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The Management Code was conceptualized as being an instrument for central management control of HRM in a decentralized environment. It was finally issued by the Central Management Department and approved by the state government in 2003. It consists of 12 principles of good HRM (see Table 2). These principles pertain only to aspects of management in agencies, and they are not legally binding. That is, the Management Code is not a set of statutes concerning employees.

For each of the principles in the Management Code, there are recommendations, agreements, and metrics. The recommendations are critical success factors for specific principles. The agreements concern common formats and definitions of concepts. The metrics are mainly quantitative indicators and are applicable to every organization. They will be incorporated in the management agreements that are made between the politically accountable minister and the agency.

In the new Flemish state government structure, staff in support of the minister will calculate the scores. But as long as these staffs are not at full strength, they will be supported by the central personnel agency. The scores are based on information that has to be provided by agencies and departments. This is where resistance is expected and has already been encountered.

It is not yet clear what the sanctions are for getting bad scores. But as score targets are incorporated in the management agreements, there might be financial repercussions when agreed-upon scores are not achieved. However, there seems little inclination at present to apply financial sanctions. More likely, sanctions will involve a reduction of management autonomy or closer and stricter monitoring. Sanctions might also affect the continuation of an executive's mandate.

A major problem in analyzing the introduction of the Management Code was that it was not fully implemented when we conducted our case study. Some very important issues, like the frequency of the evaluation, have not been decided yet. Also full transition to the BBB system is suspended each time a legislative cycle comes to an end and elections must be held. Government reform is a very sensitive topic in electoral times, especially when one of those reforms is trying to take away the acquired rights of the employees.

Applying the Policy Cycle Framework to the Cases

Agenda Setting

HCAF

Different players put human capital on the U.S. agenda for a variety of reasons. First, there was the poor image government had as an employer, which made the impact of the labor shortages around 2000 more severe. The Volcker Commission had pointed this out prior to passage of the 1993 Government Performance and Results Act, and then-Comptroller General of the GAO David Walker was very keen to inform Congress and other political and administrative leaders about the problem. Second, there was the continual battle between the executive branch and the legislative branch over the

bureaucracy.³⁶ A performance measurement system under the auspices of the executive branch could provide the executive with an advantage over the legislative branch. Before he came into office in 2001, President Bush had indicated a personal interest in strategic HRM during his first presidential electoral campaign.

The fact that the HCAF system could be embedded as the spearhead of the larger management reform of Bush's PMA obviously made it easier to bring the issue of strategic HRM to agenda status. The same is true for the experience that was gained from earlier attempted reforms such as the Government Performance and Results Act and the National Performance Review (NPR).

The Management Code

The Management Code in Flanders was an element of a general management reform, BBB, that was introduced by a new governmental coalition in 1999. A central feature of this reform was the transition from a matrix organization for state government to a decentralized organization. A major change was that there would be only one minister, instead of several, who was politically accountable for each agency or department. This meant that central government HRM could no longer be enforced by a single minister for civil service management but had to be based on collegial decisions of the Council of Ministers.

This call for alternate mechanisms for controlling central HRM provided an opportunity to modernize HRM in Belgium's government itself. The HRM Division of the Central Management Department sought to introduce new HRM principles in a government that up until then had paid little attention to topics such as strategic HRM. But there were few visible actors working to elevate this issue to agenda status. Neither parliament nor the political executives—the ministers—considered it sufficiently important. The pressure came mainly from the bureaucrats, and, as a consequence, concern for strategic HRM was relatively specialized.

Policy Formulation

HCAF

There were three important actors in the formulating of this policy, and they were all situated within government. The OPM, the OMB, and the GAO each made major contributions and shared in developing the HCAF. The OPM sought a new role after having its staff almost halved in and being severely limited in authority during the NPR.³⁷ The HCAF provided the OPM with an excellent opportunity to reorient itself, and so it issued the first Human Capital Scorecard in December 2001.

The GAO also wanted to retain its strong position in the human capital area, and it was in a strong position constitutionally and had the resources to enable itself to issue its own version of a performance measurement system for HRM in 2002 that reflected its views. The OMB, which was the least experienced player of the three, was nevertheless in a very strong position because it had the major responsibility for carrying out the president's management policies. It was up to the OMB to bring the different initiatives together in one proposal that could be backed by all three actors.

The Management Code

Because of the bureaucratic agenda setting that involved very few actors, it was up to the HRM Division of the Central Management Department to formulate modernized management standards. There was no other part of the government with sufficient HRM capacity to develop the Management Code. What HRM capacity is available is so scattered that it is very difficult to get cooperation on a single project. The HRM Division did, however, receive comments from other senior managers in government, who were worried about the workload the Management Code would impose. The HRM Division did not capitalize upon this advice and, as a result, failed in broadening the platform of support for the Management Code.

Decision Making

HCAF

Because HCAF is an element of the PMA, presidential influence upon the decision making process was substantial. President Bush is reported to have intervened in the decision making process in individual agencies. But the decisions were not entirely his. In order to have resources and flexibilities to carry out the PMA reform, President Bush needed the support of Congress. Within the Senate Committee of Governmental Affairs, the Subcommittee on Oversight of Government Management proved to be very important. The first attempt to get the necessary flexibilities from Congress failed. It was only in the aftermath of September 11 that Congress stopped blocking the president's human capital initiatives.

President Bush gained bipartisan support from Congress by using the Homeland Security Act. A number of human capital initiatives, including the appointment of CHCOs and the establishment of a Chief Human Capital Officers Council, were inserted in the act. Furthermore, there was the introduction of a performance measurement system for HRM. Because of the lack of bargaining possibilities of the unions within government, the unions had little power to block HRM flexibilities. Also, the general popularity of the Homeland Security Act led to the reforms gaining the approval of Congress.

Management Code

Although the Council of Ministers of the Flanders government approved the general principles of the Management Code, the majority of the decisions were not made at the top level. The key decision makers in the introduction of the Management Code were senior managers in government and political appointees in ministerial cabinets. The delegated nature of the decision making is demonstrated by the fact that there was no parliamentary debate on the Management Code at all, although there was a general debate on BBB.

By the time of the release of the code in 2003, political resistance was significant. Nearing the end of a legislature, the coalition partners in government decided not to implement anything in the field of management reform that could possibly disturb the

preparation for the impending elections. The unions within government were objecting to the Management Code because they could not be enforced in a court of law.

Implementation

HCAF

In the implementation stage of HCAF, the OPM, with the support of the OMB, became the major influence. The OMB's lack of HR capacities made it decide to hand over implementation to OPM. By doing this, the OMB could enhance the government's strategic capacities in HR much faster than by developing HCAF itself.

To implement HCAF, a CHCO was appointed in each organization. This person became responsible for the implementation of HCAF within the organization. The CHCOs were charged with working closely with the desk officers at OPM and with CHCOs of other organizations through the Chief Human Capital Officers Council. By holding the vice chairmanship of that Council, the OMB can still control a large part of HCAF implementation without having to bother about technical issues.

Nevertheless, there remains substantial freedom for the CHCOs to tailor HCAF to their organization's needs. To assist CHCOs in implementation, sufficient organizational strategic capacities have to be available at the organizational level. CHCOs can receive assistance and advice from their organization's OPM desk officer. Each organization has its own large HR department that is at the disposal of the CHCO. The size of the organizations in the U.S. federal government enables them to direct sufficient capacities to the development of strategic HRM.

An equally important factor is the leadership demonstrated by the CHCOs and other top officials within each organization, including the chief executive officers. NASA, for example, appointed one of its executives as a human capital champion. This person is responsible for mainstreaming of human capital programs throughout the entire agency.

The HCAF's focus on teamwork and collective leadership is an important in its adoption. It is not very difficult to motivate the administrative leadership to implement HCAF. As they are politically appointed, or directly linked to a political appointee, their working conditions, and even their jobs, depend on it. The president can hire and fire political appointees at will. The very tight evaluation of HCAF—every three months—also motivates leaders to maintain the pace of implementation.

Management Code

Because of the resistance against the Management Code, very few elements have reached the implementation stage. Two important factors play a role in this respect. First, overall, there was very little organizational capacity. In both the old and the new government structures, very little strategic capacity was provided. Both at the central level and at the agency level, very little capacity has been created because political leaders want to retain, or even reinforce, political control. Also, no elaborated

accountability scheme has been conceived. Because of the collegial responsibility of government for HRM in the new structure, no accountability scheme is expected to be drawn up. This decreases the organizational capacity to implement the Management Code even further.

Second, nobody, at any level, made any effort to champion or sponsor the implementation of the Management Code. Neither the Flemish state government, the Belgian parliament, nor the administration bothered. More than this, there is an historical mistrust between the central level and the agency level of the bureaucracy. Both accuse each other of trespassing on each other's territory. Because the Management Code was developed by a small group of HR specialists who were positioned rather low in the hierarchy, not much attention could be given to collective leadership. So within the bureaucracy, very little leadership was demonstrated.

Evaluation

HCAF

The evaluation of HCAF is very strict in some aspects, but rather loose in others. At the organizational level, the evaluation by the OPM of the performance measurement system has a very tight time schedule to meet. For every aspect of HCAF, there are detailed indicators to assess whether the implementation has succeeded at the organizational level. By measuring the short-term and long-term policy elements and the link to other elements of the PMA, a comprehensive picture is drawn up of where the organization stands. But OPM desk officers have a lot of freedom in applying the indicators, and that freedom is exercised in close cooperation with the CHCOs of the organizations the desk officers have to evaluate. This results in a very subjective evaluation and, consequently, limits comparability, although it has to be said that the general HFAC standards are maintained at a very high level. But these elements are not highly valued by the Executive Office of the President, as it conceives of HCAF as an instrument to let federal government organizations think and act strategically about HRM. However, the OPM recently has taken some steps in the direction of developing a limited set of indicators to be applied to all organizations.

At the central level, there is little evaluation. The lack of self-evaluating capacities is prominent here. Although the scores of organizations have received high publicity and been published in national newspapers, a lot of what is reported is rhetorical.

The only evaluations to date are studies by the GAO and the Merit Systems Protection Board. These organizations have audit authority by statute. They both have expertise and neutrality, but they are not on such a strict timing as the OPM. Therefore, their evaluations are of a more general nature and take much longer to carry out.

Management Code

According to the plans for the Management Code, a minister and his staff in the Central Management Department are responsible for evaluation of agencies performance. But there remains doubt whether the staff has the capacity to evaluate all the agencies for

which it is responsible. To counter this problem, the central HRM Division should assist temporarily in these matters. But because of the small size of the Flanders state and Belgian federal governments, the available HR expertise threatens to be overstretched. The fact that a political minister is responsible for evaluating performance threatens the political neutrality of the evaluations. But as stated before, in the eyes of politicians, the Management Code was merely an instrument to reinforce political power over the bureaucracy.

Because of the comprehensive and governmentwide scores used in the evaluation, a certain degree of comparability should be achieved between organizations. But this one-size-fits-all approach is achieved at the expense of the strategic value of the evaluation for each agency and for policy makers, as less can be learned from the evaluations.

As part of the larger BBB reform, there will be also a central audit agency created. This should make up for the lack of legislative audit capacity in Flanders. Up to this point, the parliament has only performed financial audits, not management audits. The central audit agency could play an important part in evaluating the central bureaucracy and, thus, counterbalance the highly biased political evaluations for electoral reasons.

Conclusions From the Case Studies

When comparing both cases on the different aspects of the policy cycle, several conclusions can be drawn. First, there are significant differences in implementation. HCAF's implementation has reached a more evolved stage than that of the Management Code. HCAF's faster track is due to two major factors—leadership at the political and administrative levels and a different conception of strategic HRM.

Second, HCAF has a more powerful agenda setting opportunity. Compared with the bureaucratic agenda setting of the Management Code, the agenda setting for HCAF benefited from the more visible societal pressures of labor shortages in government. This caused greater pressure on the political leadership, thus broadening the basis of the reform to the legislative branch and the executive branch. This affected the further stages of the cycle due the political leaderships' ability to mobilize decision makers and the administrative leaderships' efforts in terms of development and implementation.

Third, the government have very different organizational capacities. In the U.S. federal government, sufficient resources were devoted to develop and implement HCAF in a decentralized way. Rejecting a one-size-fits-all approach enabled organizations to implement the policy quicker, because less time was devoted to reaching consensus between the different organizations responsible for implementation. However, this forces the OPM and the OMB to devote more resources to trying to attune the different organization strategic HRM initiatives and to agree on a standardized set of metrics. For the Management Code, both the Flanders state government and the Belgian parliament tried to resolve organizational differences before implementation because of the rather centralized approach, but this caused delay in implementation.

There is clearly a different conception of strategic HRM in both cases. In the literature, two major approaches to strategic HRM are considered.³⁸ The Management Code is grounded more in the "best practice" school, whereas HCAF is grounded in the "best fit" school. The best practice school states there is only one best mix of HRM instruments. This mix should yield optimal results, the theory goes, and those results are highly performing work systems that enable the organization to do its job as well as possible.³⁹

On the other hand, there is the best fit approach. This school of strategic HRM states that it is not only necessary to have a horizontal integration, or fit, of the HRM practices. It is also crucial that there is a vertical fit, an integration of the HRM practices with the general business strategies.⁴⁰

Comments

The future of HCAF and the Management Code remain uncertain despite the investments already made. Both performance management systems are highly political initiatives that are in strict congruence with their settings' respective political cycles. A change of presidents in the United States or a change in the ruling coalition in Belgium may mark the end of HCAF and the Management Code as reform projects. But this does not mean that everything would go back to the way it was before. Several elements of each reforms are anchored in laws and will last longer than the administrations that created them or might even be the base on which new reforms will be grounded. Certainly, because of the bipartisan support of Congress and the already granted HRM flexibilities, the changes brought about by the PMA and HCAF will be hard to reverse. With HCAF, the U.S. bureaucracy might have reached a point of no return.

Although law does not regulate the Management Code in Flanders, the new organizational structure of BBB does have a legal base. Because of this structure, the need for new instruments of control and performance measurement in HRM will probably be lasting. So unless this changes, it might also prove hard to reverse certain elements.

This legal foundation of both HCAF and the Management Code will increase the storage life of the applied techniques and management initiatives. This is characteristic of international evolutions in public administration. In a changing public sector, performance measurement and strategic HRM is becoming increasingly important. Even in the intangible areas of the organization, strategy and performance are bound to play a larger part in the future. But, when compared with the private sector, the public sector is prone to unique forces that offer different opportunities and threats.⁴¹

Further Research

This descriptive article examines the introduction of performance measurement and strategic HRM within the real-world framework of the policy cycle and the theoretical

approaches of best practice versus best fit. It invites further research to answer the following questions:

- What factors and general mechanisms influence success in public HRM reforms?
- What roles do political and administrative leaders play in different types of reforms?
- What methods enhance organizational capacity to implement reforms?
- What are the key features of the best practice approach and the best fit approach, and when is each approach most applicable?

Definitive answers to these questions are not given in this article, but they may become clear through further research.

Notes

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