HOW HR MEASURES SUPPORT RISK MANAGEMENT: THE DEUTSCHE BANK EXAMPLE

Heinz Fischer and Klaus D. Mittorp

Are there concrete examples of how the "soft" HR factors can be made tangible and, what's more, meaningful to the business? In this article we give an answer to this frequently asked question. We show how Deutsche Bank's HR function consistently developed the range of employee surveying instruments to become pivotal to the Group's success. This is part of a wider effort in recent years to achieve a change of direction for the HR function, making it a strategic partner to the business. © 2002 Wiley Periodicals, Inc.

Until a few years ago, like many other large employers, Deutsche Bank had a practice of using employee surveys as an additional ad-hoc tool to support organizational change projects particularly in smaller and medium-sized units that wanted to assess how the satisfaction of their employees was affected. Today, just a few years later, Deutsche Bank has implemented a global and structured modular surveying concept as part of its Risk Management Strategy and is one of few institutions in the world to report a "Commitment Index" in its annual report to shareholders.

Human Resource's pledge to consistently develop the range of employee surveying instruments to become pivotal to the Group's success is a tangible example of how, in recent years, Deutsche Bank has managed to achieve a change of direction for its HR function, becoming a strategic partner to the business. The broader process of transforming the HR function has already been described in detail by M. Svoboda and S. Schröder (2001). Here we revisit the background of this particular undertaking in an overall context.

A Decade of Change

It was in the late 1980s that Deutsche Bank, strong in its position as the leading bank in Germany and a major force in European banking, began embarking on what would be the decade of its greatest expansion and change in its over 130-year-long history (described in detail by Gall, Feldman, James, Holtfrerich, & Büschgen, 1995). It was at that time that the Bank initiated its expan-

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sion into the more volatile but profitable area of investment banking with the acquisition of the London-based merchant bank, Morgan Grenfell & Co., and shifted its organization from a traditional regional structure to a customer segment/product-tilted matrix. In subsequent years, further expansion and reorganization followed, culminating most prominently with the acquisition of New York-based Bankers Trust in 1998.

The speed and extent of Deutsche Bank's transformation during this decade exceeded any previous experience. The magnitude of change can easily be seen by looking at a few key figures from its annual accounts: During the decade between 1980 and 1990, total assets increased by the factor 2.3. During the subsequent decade to 2000, the factor doubled to 4.6. During the same decade, net income increased by a factor of 6.8.

The structural change is highlighted by the revenue mix of the organization (Figure 1): Only in 1995, net interest income, the "traditional" source of banking income accounted for more than half of Deutsche Bank's total revenues. For the year 2000, the share was down to less than a quarter. Conversely, the share of commission income and trading profit had risen significantly, clearly showing the areas of growth.

In line with this development, the structure of the workforce also changed dramatically within a relatively short period of time. At the beginning of the nineties, Deutsche Bank staff working outside Germany accounted for less than 20% of the total workforce. Today one out of two Deutsche Bank employees does not work in Germany.

Measuring Employee Satisfaction

From the very start, HR in Deutsche Bank was also facing new challenges and, in particular, change management capabilities were required. Initially, however, HR still responded from a fairly traditional perspective. Until well into the early 1990s, HR management in Deutsche Bank did not utilize employee surveys as a tool in this context. The reason for this may certainly have been that, domestically, following German reunification in 1990, operational issues relating to the build-up of a branch network in the eastern part of the country were the main concern. Likewise, on the international front, there was limited appetite for such a tool as Morgan Grenfell was being managed at "arms length" prior to 1994. At that time, under the brand name of DMG, Deutsche Bank aggressively expanded its investment banking activities with the stated ob-

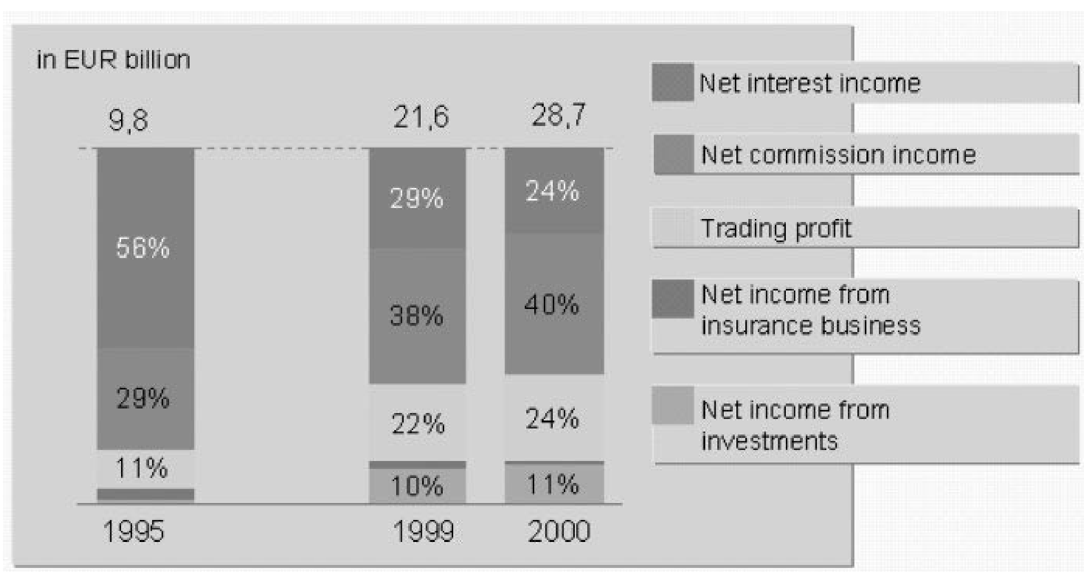

Figure 1. Revenue mix of Deutsche Bank Group.

jective of becoming the "European Investment house of choice" (Pohl & Burk, 1998).

Not surprisingly, initial interest in the utilization of employee surveys emerged as part of the change process as major innovations started to get under way. Deutsche Bank Bauspar AG, a subsidiary specialized in individual building finance and, at that time, renowned in the marketplace for its innovative approach, took something of a pilot approach. With the support of Corporate HR, they started measuring the opinion and satisfaction of employees and implementing a change program built on the results.

Based on the highly successful application in this relatively small environment, the entire domestic network of Deutsche Bank AG was to follow in 1995 with the first major comprehensive employee survey. As the Bank stated in its Annual Report to Shareholders for 1995, this survey "revealed a multi-tier profile of strengths and weaknesses." The report went on to say that in all fields where criticism had emerged, change processes had been initiated.

In fact, the results of the survey showed areas of expectations and dissatisfactions relating to hierarchical structures, communication, and pay and were used in a number of major HR initiatives such as the introduction of new grading and compensation systems throughout the Bank's domestic organization. They also found their way to support the "Customer Focus Initiative" which the Bank launched in Germany at that time.

In 1996 the HR function began transforming itself toward a model reflecting the key, deliverable-oriented HR roles (Ulrich, 1997). As HR professionals started taking on their new roles, encouraged by the usefulness of the instrument, during subsequent years, they found it helpful to support business managers by conducting similar surveys on a regional basis in subsidiaries undergoing organizational change, for example, in India, Italy, Luxembourg, and Spain.

It is therefore probably fair to say that by 1998, Deutsche Bank had rapidly built up a well-functioning but fairly "traditional" tool to regionally measure employee satisfaction for a large share of its effective population. In doing so the firm was well in line with international practice. In fact, that same year, U.S.-based research concluded that in terms of employee measures, survey measures of satisfaction are used most frequently (Gubman, 1998).

Building a New Identity

In many respects, the turning point toward today's levels came in 1998 when, as part of its strategy of expansion, Deutsche Bank acquired New York-based Bankers Trust. This acquisition did not only have wide-ranging repercussions from a business perspective, it also changed the agenda as far as Human Resource Management was concerned.

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An internal study conducted by Deutsche Bank's HR quality function concluded that this was not only a highly successful acquisition that delivered both financial and strategic advantage, but that it also achieved or accelerated a number of HR outcomes which otherwise would not have been achieved as quickly or at all. These include the globalization of the Bank, a broader and more attractive employer proposition, a stronger sense of purpose, and a clearer set of values throughout the Bank and in the market.

It was clear to HR and senior management that the global functioning of such a complex and culturally diverse organization would only be possible if a renewed corporate identity were found. This would have to be based on shared values that everyone within the new Deutsche Bank global family would strive to live up to and could only work if these values built the fabric of the organization. In this context, Deutsche Bank was well aware of the risk that such identity is drafted, published, and lauded in executive speeches but does not affect organizational practices or individual behaviors (Ulrich, 1997).

In fact, one of the first vital steps was to make sure that this was not merely "an HR initiative." It was important to make sure that there was visible and tangible senior management involvement. The way chosen to achieve this was by making the identity issue part of the "Spokesman's Challenge," Deutsche Bank's innovative Senior Management Development Program sponsored by the Bank's then CEO, Rolf-E. Breuer, and executed in cooperation with Duke University.

The background of the program and this particular challenge have been described in detail (Möhrle & Maffucci, 2000).

Another important factor was the cultural assessment that HR carried out at the time of the acquisition of Bankers Trust. Deutsche Bank was well aware of the significance of corporate culture in mergers and acquisitions and that many such projects had failed in the past due to insufficient attention to cultural issues (Fischer & Steffens-Duch, 2000). This cultural assessment was widely recognized as a valuable process both for the data it generated and the positive feelings it generated within Bankers Trust demonstrating that there was interest in its culture. The output of the assessment process was used to assist the integration process in the business and helped the development of Deutsche Bank values in the Identity Program.

It was also clear to senior management, however, that only if Deutsche Bank's new identity were translated via the brand into the market place, would the organization be perceived as powerful and aligned. Hence, the Corporate HR and Corporate Communication Divisions teamed up to ensure that brand attributes and core values were inextricably linked (Figure 2). The result was first visible to a global public through the "Leading to Results" image campaign launched in 1999.

From Assessing Satisfaction to an Integrated Approach

The final step in this development process was now for HR to build a measurement instrument to monitor progress. However, this was easier said than done. In fact, HR (very much in line with what Becker, Huselid, and Ulrich (2001) argue regarding strategic employee focus) was convinced that it would not be sufficient to move from measuring employee expectations and satisfaction toward assessing their attitudes regarding the new Deutsche Bank corporate identity. In the mind of senior HR people, this was *the* opportunity to create an integrated measurement system that systematically covered the people issues that matter—the "big picture"—and also provided useful data for managing some of the main risks related to people. In doing so, it was also clear to those responsible that in approaching this for HR in terms of techniques, a great deal could be learned from what the organization had already done in the area of measuring customer satisfaction. The issues relating to customer retention after all are not so different from those emerging in employee retention.

The starting point for the development was, therefore, to remind all involved that it was necessary to take a "top-down" rather

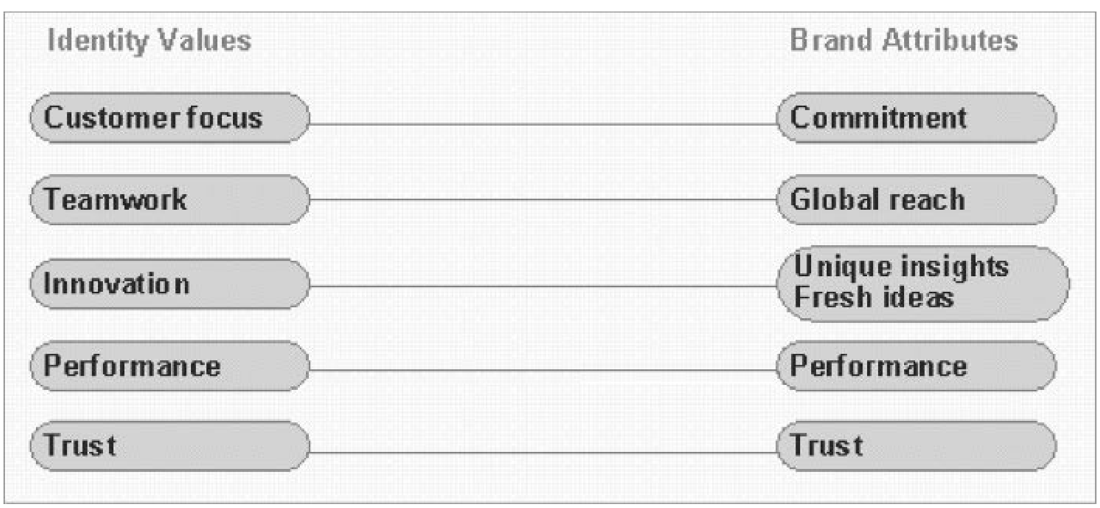

Figure 2. Deutsche Bank corporate identity values and brand attributes.

than "bottom-up" approach and create measures that were meaningful rather than easily available. This led HR to begin with the underlying "story." This was easily derived from a statement by Rolf-E. Breuer, then Spokesman of the Board of Managing Directors of Deutsche Bank:

> Our success is based on the exceptionally good work of our staff.... The quality and motivation of our employees are deciding factors in facing ever-keener competition. We are proud of this, our most important asset, and will continue our efforts to remain an employer of choice world-wide.

Tangibly, this meant that over time, given the people dependence of the banking industry, to create value and achieve the Bank's strategic objectives in terms of people, processes, markets, and financials, Deutsche Bank needs to be an attractive place integrating a competent and committed workforce who display a strong intent to stay.

Developing Concrete Measures

To develop concrete measures to support the "story," as a second step three areas were identified which, in the Bank's analysis, contributed on the people side:

1. The status as "employer of choice"
2. The corporate identity
3. The employee commitment

For each of these areas, the main measurable components were then defined. The status as employer of choice, for example, was determined by the employer image, the "way we work together" or culture, and the job situation. The corporate identity was determined by the employer-of-choice status plus, on the one hand, employees' attitudes toward the five corporate values and, on the other, how they perceived that these values were "lived" by the organization. Finally, commitment was determined by the corporate identity plus the degree of willingness to perform beyond usually expected level (engagement), the strong urge to remain part of the organization (retention), and the emotional involvement with the organization (identification). On this basis, a set of indices was developed. The main one is the Commitment Index with sub-indices for Engagement, Retention, Value Perception, and Value Sharing (Figure 3).

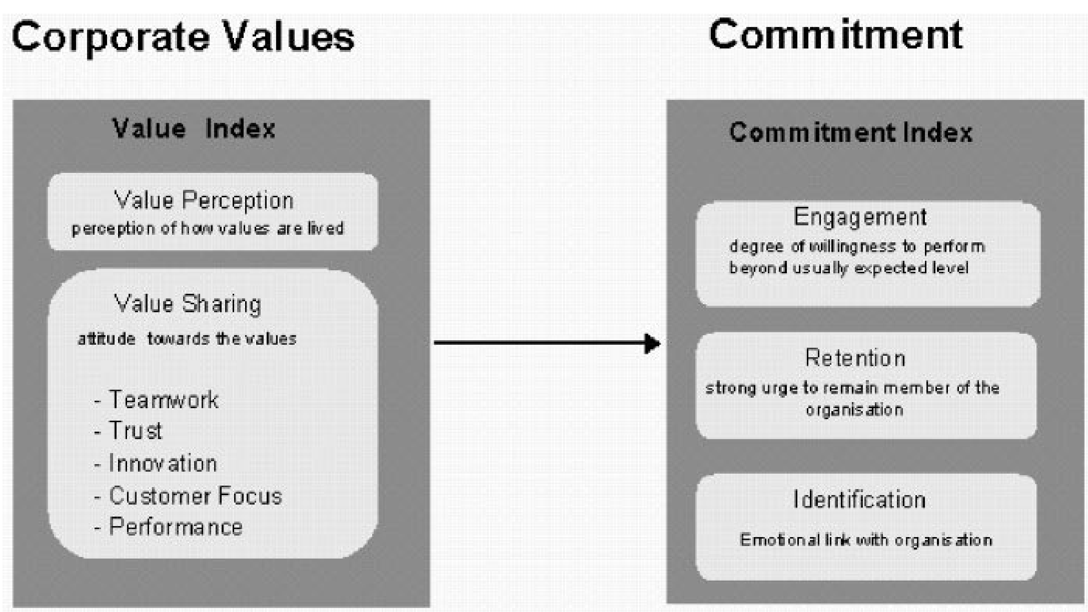

Figure 3. Measurement indices around corporate identity and commitment.

Each of these dimensions was again broken down into single drivers that, in turn, formed the basis for statements in the survey questionnaires to which respondents were asked to express differing degrees of agreement or disagreement.

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Analyzing Causes and Effects

However, even after breaking down the "story" to use the results for concrete action (in particular, in the area of HR risk management), it was still necessary to identify the cause-effect mechanisms and also take into account that the impact of a single "lever" is likely to change over time and/or differ based on cultural influences (Economist Intelligence Unit, 2001). In other words, a system of measurement was needed that was as precise and predictive as possible and allowed for multiple-item complexity.

Supported by an international consulting firm specialized in the measurement of customer satisfaction and employee attitudes, Deutsche Bank applied its current proprietary statistical measurement model accordingly. It is based on the multi-variant second-generation analysis method PLS (Partial Least Squares) specifically refined by C. Fornell (1994) at the University of Michigan for the use in the areas of customer and employee satisfaction.

The main advantages of this method are:

- It is based on the concept of "dimensions" with related levers. Measurement of dimensions offers more reliable results than measurement of single levers when it comes to predicting the effect of improvements on commitment.
- It determines the influence of dimensions on commitment with statistical methods rather than with a ranking provided by respondents themselves. The experience with such direct ranking, in fact, shows that the indications given by respondents often have little relevance for explaining effective employee behavior.
- It eliminates difficulties arising from "uneven" distribution, multicollinearity, and other potentially problematic features of employee satisfaction data.

The methodology utilized for Deutsche Bank has been approved by the American Association for Quality Control and is also recommended by the EFQM.

When building the measurement system it was also clear that, while looking for a statistically sound and systematic approach, it would be necessary to differentiate in terms of depth and frequency of actual measurements. For example, the perception of how the five corporate values are lived may change relatively rapidly as could, at least in the case of high profile events or developments, the image as an employer. On the other hand, by their very nature, individual attitudes to values will not. Equally, in some areas, action derived from survey results will bear fruit relatively quickly. In others, such as the quality of leadership, it could take years rather than months. Measuring too frequently in those areas would not only be meaningless in terms of content but could also undermine the credibility of the instrument itself.

The result was a multi-tier survey model (Figure 4) ranging from quarterly high level "health checks" covering a representative sample of staff with approximately 20 items to comprehensive full employee surveys carried out at least every three years with approximately 100 items.

Focusing on Risk

A further dimension to the "story" is risk management. By its very nature (more perhaps than many others), the banking business is acquainted with the assumption and, more importantly, the management of risk. Banking, as traditional lending or investment banking, primarily entails four types of risk: credit, market, liquidity, and operational. And while credit, market, and liquidity risk-management have been developed to high levels of sophistication long ago, the management of operational risk has been at the focus of attention only in more recent years.

For some time, Deutsche Bank had developed risk management into a "core com-

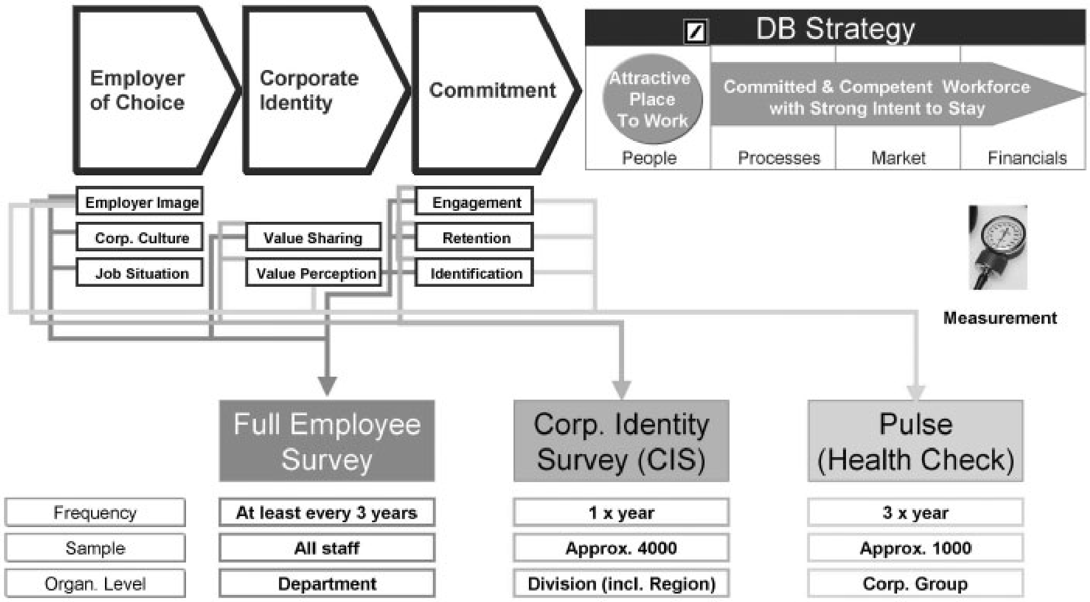

Figure 4. The employee surveying model.

petency," maximizing shareholder returns within its risk profile and positioning itself strongly in the face of increased global competition. Recent trends in international banking supervision have placed increased pressure on banks to provide capital reserves not only for credit, market, and liquidity risk but also for operational risks. As a consequence, operational risk management was therefore incorporated into Deutsche Bank's risk policy and defined as follows:

> Operational risk is the potential for incurring losses through unmanageable events, business disruption, inadequately defined controls or control/system failure in relation to staff, customer relationships, technology, assets, other third parties/regulators as well as project and other risks.

In this context, the potential operational risks related to employees were identified as related to the areas of motivation, adaptability, qualification, and resignation. It was also established that within these risk categories, losing key people, defined as the top performers within a group or division, was the most serious and costly risk exposure. In fact, internal research indicated that the cost of losing a key individual, including disruption and replacement cost, could run well in excess of 1.5 times the individual's annual pay. This is also confirmed by external research, which would seem to indicate a cost range between 0.5 and 2 times annual pay.

Such figures also highlight the underlying cost issues. On average, the annual cost of running the measurement system (comparatively low because all surveys are conducted electronically) is easily recovered if, based on the corrective action, less than 50 key people worldwide are prevented from leaving the organization. This is quite an achievable goal as it equals about 0.5 to 0.6 percent of exiting employees during one year.

Hence, the Bank needed a measurement system that captured risk-relevant warning signals as early as possible to allow continuous monitoring of the relevant parameters and enable corrective action. This, in turn, would reduce the operational risk as described (Figure 5).

The challenge therefore was to link these requirements with those already formulated in connection with the survey development discussed above.

To achieve this link, the Bank conducted a preliminary study within the Global Corporates & Institutions (GCI) Division in Germany, aimed at evaluating the risk involved

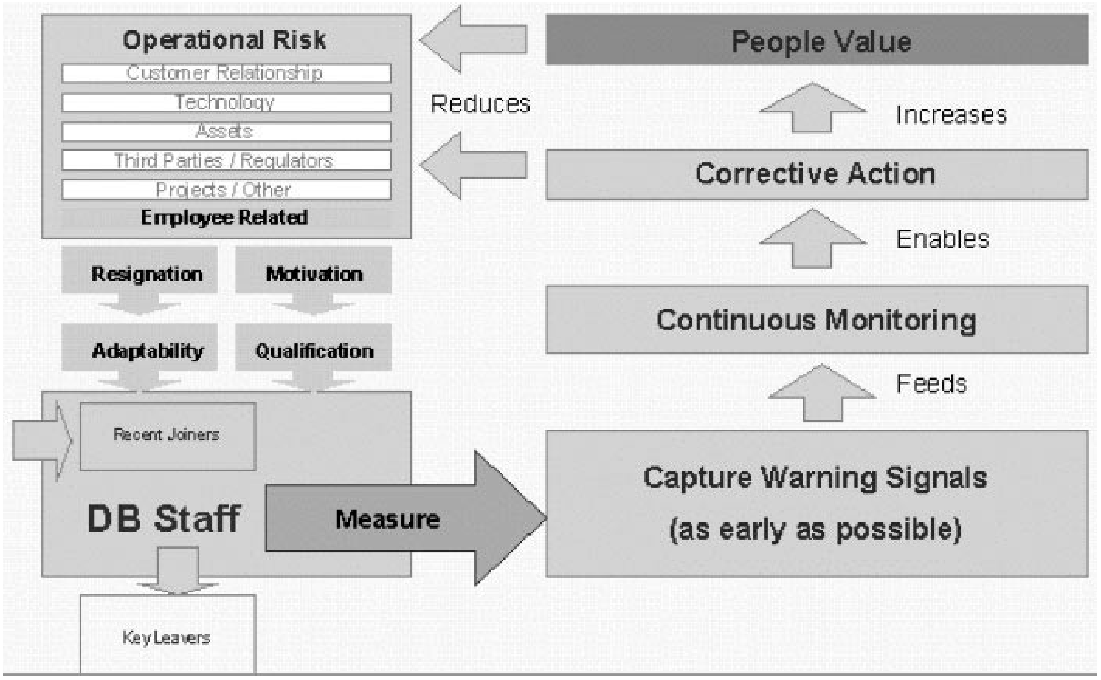

Figure 5. Managing operational risk.

with losing key people in this important division, which was made up of five businesses primarily focusing on investment banking. The study showed that commitment and its two components "engagement" and "retention" were key elements in terms of HR risk management. The underlying drivers for these elements were then refined based on the findings. The study and the risk-related aspects of development of Deutsche Bank's survey system have also been contemplated in a case study for the IMD, Geneva (2001).

The Quality Dimension

The developments described were carried out at a time when Deutsche Bank's HR had also undergone a drive toward quality. Extensive internal analysis conducted in this context led to the conclusion that "quality" was not just about "conformance to standards" as traditional thinking suggested, but, additionally, needed to embrace the dimensions of "economic value" and "practical utility" for both customer and provider (also internal) to the equation.

It had also emerged that in the case of Deutsche Bank's HR quality outcomes, which eventually lead to customer satisfaction and positive performance, were very much dependent on exactly the same HR drivers as described. Apparently, transparency and consistency played an additional role in the quality context, but a closer review revealed that they were nothing more than attributes of two of the corporate values, hence forming an integral part of the corporate identity.

Based on this analysis, Deutsche Bank's HR was convinced that, as Mitchell (1996) suggests, quality and vision should not be regarded as something separate from management and leadership practice. The achievement of quality outcomes in this sense required an integrated approach (Figure 6), with little value in pursuing single elements.

Consequently, the indices and other results derived from the integrated survey approach not only covered the dimensions already mentioned but also the quality-relevant elements, therefore making it possible to derive related targeted quality improvement initiatives (Table I).

As a result of this approach, the responsibility for the conduction of the entire em-

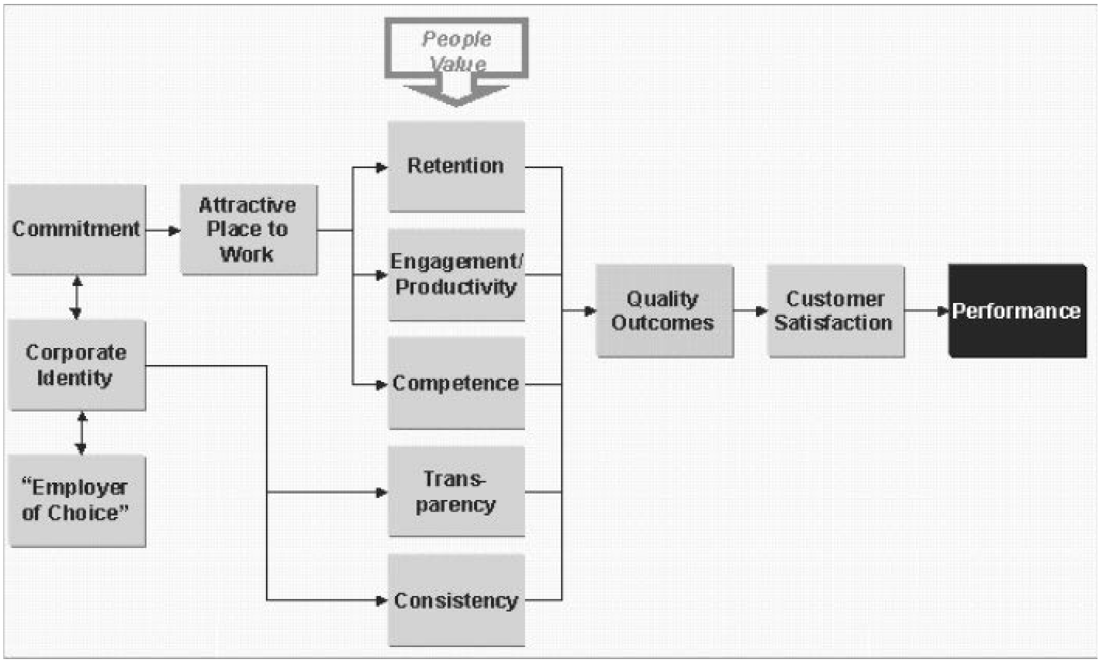

Figure 6. The underlying approach to quality in HR

ployee survey program was entrusted to the "HR Quality" function which had been newly created in 1999 with a view of making the approach to quality more systematic in Deutsche Bank's HR (Mittorp, 2000).

Adjusting to Differing Risk Profiles

As a further refinement, however, Deutsche Bank decided upon a number of additional steps. The development of instruments was

TABLE I **An Overview of the Dimensions Used in the Questionnaires**

Employer of Choice Status	Corporate Culture Job Situation Employer Image	• Co-ordination & Integration • Organizational Learning • Strategic Direction & Intention • Recognition • Responsibility & Empowerment • Professional Development • Performance • Compensation • Leadership
Corporate Identity	Value Sharing Value Perception	• Attitude toward the values Teamwork, Trust, Innovation, Customer Focus, Performance (and their attributes such as, e.g., transparency and consistency) • Perception of how these values are lived
Commitment	Retention Engagement Identification	• Willingness to stay • Attitude to Labor Market • Willingness to engage • Emotional Involvement with Organization • Early Warning Factors

initiated which would allow drawing information from two specific target groups particularly indicative in terms of HR risk management—"recent joiners", i.e., new hires after 6–12 months, and "key leavers."

Human resource advisors, based on their role as "business partners," are close to the business and are generally aware of the background of developments that lead to defections.

Recent joiners are individuals who have been obviously convinced by the Bank's employment proposition and have entered the organization with a set of very specific expectations based thereon. Capturing input from them after a given period of time and analyzing how these expectations have been met, exceeded, or disappointed, should rapidly provide access to information on the creation of any gap between the employer image and the actual identity of the organization. Nevertheless, it emerged in the Bank that there is very little more than anecdotal information available on new staff members' early development in the organization. An anonymous survey specifically designed for this target group and capturing these aspects is currently being developed to fill this gap.

Key leavers in Deutsche Bank's definition are all those individuals who have left and whom the respective business/division (unlike "normal leavers") would strongly have liked to keep. In contrast to what happens for recent joiners, the Bank has some degree of knowledge concerning these individuals. Nevertheless, when analyzing the information available for use within the HR risk management approach, a number of deficiencies emerged.

Human resource advisors, based on their role as "business partners," are close to the business and are generally aware of the background of developments that lead to defections. Most of them also conduct personal exit interviews with leavers, gaining additional insights. Furthermore, the reasons for leaving are captured in Deutsche Bank's HR information system "db people."

However, much of the information from exit interviews went into individual files making it difficult to retrieve and analyze. The set of reasons available within the HR system differed significantly by region and did not reflect HR advisors' requirements; in fact more than 50% of cases analyzed contained either "no indication" or "other reasons" with no value for a risk-oriented analysis. Also, the HR system did not recognize key leavers. Finally, there was no possibility of gleaning reasons leavers might be reluctant to share with "their" HR advisor. Such reasons could be, for example, related to the role of HR itself but also perceptions people felt might preclude a possible future return if they mentioned them.

Deutsche Bank has addressed these issues by initiating a number of actions. For example, an expansion of the HR system is under way. It will allow HR advisors to "earmark" key leavers, capture individual free-text, and choose from a revised and expanded set of reasons. The latter still maintain their regional characteristics, but all roll up into a global structure. More importantly, development work has begun on an anonymous survey of selected key leavers to capture the "missing angle." On this basis, a consolidation with the other employee survey data will take place to derive necessary action.

Deriving Action from Early Warning

Measurement is, of course, not an aim in itself. Great emphasis has therefore been placed in making the information relevant and useable for line managers. This is not only to ensure that concrete action is taken, but also to help management gain an increased awareness of the need to continuously manage HR-related risk in their respective areas of responsibility. Great care is taken in preparing and structuring the reports derived from the survey results. These reports are available at different organizational levels (in the case of full surveys even down to single departments), provided there are at least 20 valid responses, and, in addition to the detail, they display all relevant results in a "cockpit type" summary (Figure 7). Furthermore, reports contain an "action portfolio" (Figure 8). This portfolio is individualized for each unit based on the effective statistical analysis of causes and effects and highlights the fields of action that promise the highest impact on improving, for example, commitment levels.

By its very nature, managing risk cannot be a once-a-year event. The quarterly global "health check surveys" therefore have a par-

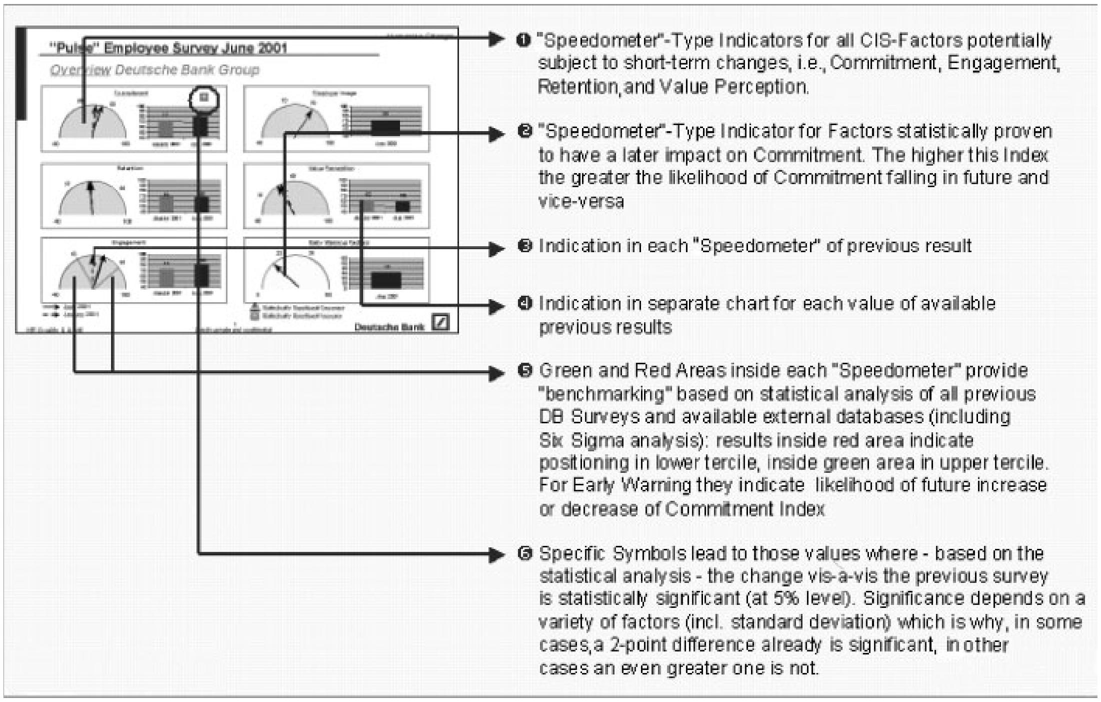

Figure 7. Structure of "cockpit type" summary.

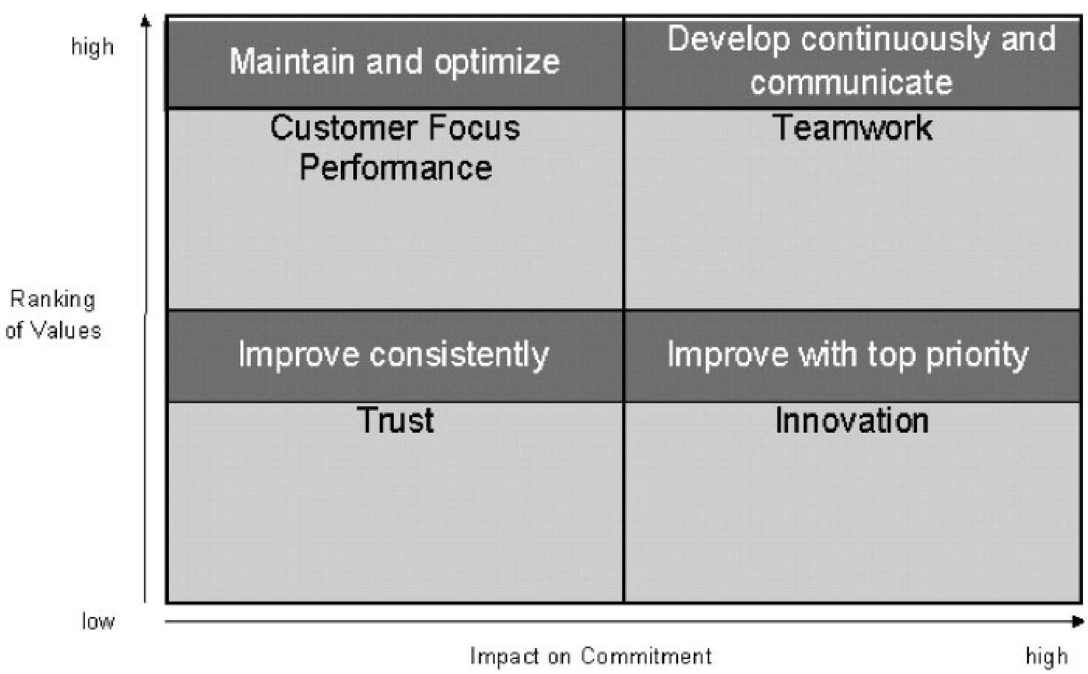

Figure 8. Example of action portfolio.

ticularly important role to play in the context of HR risk management. For this reason, in addition to giving an updated picture on the status of the key indicators, an additional feature was created: the "early warning index." This index captures those elements that, based on the statistical analysis, have been identified as particularly good predictors. It therefore indicates the likelihood of commitment levels changing over the forthcoming period of 3–6 months if no corrective action is taken. This feature, first introduced in the spring of 2001, helps increase the line manager's sense of urgency for taking action.

The action follow-up is also supported by a clear division of labor within HR.

The action follow-up is also supported by a clear division of labor within HR. The "neutral" Corporate HR Quality function carries out the research and provides an unbiased diagnosis. The results are then passed on to the ownership of the dedicated HR business partners who discuss them with line managers and also support them in taking the HR-related steps that are necessary.

Obviously, these steps differ depending on circumstances. A good example of practical use came during the latter part of 2001 when Deutsche Bank staff had to face the aftermath of the September 11th attack and the prospect of significant staff reductions in some areas. Insights from the results helped management understand reactions and were instrumental in shaping a differentiated approach by division and region.

In one division, for example, results led management to conclude that staff had not yet related possible job cuts to their individual situation. The Bank realized that once this happened, if the process was not well managed, morale may deteriorate. This was classified as being a concrete risk because, in the perception of staff, the quality of management in that area was below average. As a consequence, senior management of the division made this a priority for its own agenda.

Transparency to the Stakeholders as Part of the Concept

As Becker, Huselid, and Ulrich (2001) have repeatedly stressed, there is a growing requirement among shareholders, financial analysts, and managers for information and transparency regarding the intangible assets of an organization and an equally great frustration still about the data available in this respect. The old stereotype that the most valuable assets of a bank walk out of the door every evening finds its reflection in this consideration. Deutsche Bank, as one of the prime players in this "people business," has been particularly sensitive to this aspect for some time.

When focusing on its four "stakeholders"—shareholders, customers, staff, and society—Deutsche Bank has established that it wants to reflect progress vis-à-vis each of them by publishing in its Annual Report a series of key indicators. In its 1999 Annual Report the Bank explains the approach:

> We report to shareholders, customers, staff and society. The foundation for this presentation is a basic model which attempts to link established concepts such as social accounts and eco-audits with modern management methods such as the balanced scorecard. This is intended to provide a solid basis for value development by corporate management as well as for reporting quantified outcomes.

In 2000, the Bank publicly stressed this commitment by emphasizing that it would continue this approach of providing "information that goes beyond the traditional contents of an annual report." In practice, this has led to a consistent section in the report addressing each of the four stakeholders, disclosing, for example, customer satisfaction and loyalty indices, charitable spending or activities in the areas of microcredits or UN initiatives.

It is in line with this philosophy that Deutsche Bank (as one of very few companies worldwide) since 1999 also publishes the "Employee Commitment Index" alongside other more traditional HR indicators, such as staff structure, training expenses, and absence or attrition rates. As the 1999 Annual Report of the Bank explains, "the Employee Commitment Index gives information about employee identification with the bank as employer and about attitudes relevant for value creation."

Keep Learning: Lessons from Early Results and the Way Forward

Building this integrated approach has been an important milestone for Deutsche Bank's HR function in securing its rightful place "at the table." Of course, the value of the data gained from this measurement is still bound to increase as longer-term trends become available. Nevertheless, the question must also be asked whether the benefit has already become tangible.

Therefore Deutsche Bank's HR function also scrutinizes the action taken. To this end, a special global HR working group representing corporate functions, major businesses, and geographies regularly meets to review action and provide new impulses to the HR Business Partners. From their work it emerged that, for example, results made available have helped direct action toward regional issues which emerged in Germany, the traditional home region of the bank, showing how staff in Germany across all divisions were responding more slowly in relative terms to the Bank's new identity. Another example was the Private Banking Division, which, at the time of forming a more global organization, gained unprecedented insights into the regional differences in attitudes towards customer focus.

So, What Lies Ahead?

One of the big challenges for Deutsche Bank's HR function will be to keep the measurement system aligned with the risk situation and business requirements as scenarios and markets evolve and change. In this context HR will, as Boudreau (1995) suggests, also have to continuously learn more about how the measurement techniques can be further refined and the effects of measurements as such controlled. Finally, the greatest challenge may lie in the next level of integration: finding a meaningful way of translating and applying to HR more of the concepts applied in marketing such as data mining, and effectively creating fully integrated measurement systems across all four stakeholder groups.

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