

HR's Own Glass Ceiling And Other Big Challenges

And what we can do about them!

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The need for increased commitment to the performance, expectations and hopes of our workforce, and the need for greater expertise in their leadership and management have never been greater. There is no silver bullet that will enable us to meet these challenges. However, in this article I will put the case for some steps to take us forward. It is the case for why we should expect to see more managers, leaders and Board members who have their career origins or a career stage in HR.

Progress on this front does face two major hurdles. The great majority of current CEOs and Board members are male, with functional backgrounds and experience in almost everything but people related expertise: finance, accounting, marketing, the law, engineering and operations. In addition, precious few have guided their careers through HR as part of their preparation for corporate leadership.

To be equitable, the HR community also deserves close scrutiny. The above challenges expose serious inadequacies in the prevailing roles and contributions of senior HR managers and indeed the HR occupational group. I fear many HR managers have hit a glass ceiling of their own making. At the very time that the opportunities for HR leaders to step up have never been greater, most are poorly qualified to rise to these challenges.

To present and explore these ideas I will pose three related questions:

Why might we expect to see more leaders with strong HR experience in CEO roles and indeed in our Board Rooms?

What are the major barriers to what could be real progress?

And what steps can we take to assure these outcomes?

My purpose is to evoke debate and change in a status quo which is fast losing its status.

Why might we expect to see more leaders with strong HR experience in CEO roles and indeed in our Board Rooms?

There are at least three reasons to consider.

First, analysts, shareholders and governments are seeking not only higher organizational performance, but also organizational sustainability. Other drivers of a change toward sustainability include forces as diverse as global warming - which is creating a shift in the balance between economic development and the human condition; and the increasing pressures to maintain the “good times” by avoiding a boom/bust approach to the

economy. This in turn has heightened the search for more evidence-based solutions that will enable us to meet these challenges. Fortuitously, this search has coincided with the emergence of robust research findings that have established and informed the causal link between people practices and organizational performance and sustained success.

A second consideration also relates to organizational performance and growth. It is the need to develop an employee value proposition that attracts and retains scarce talent, and that deals with inter-generational and gender differences and an ageing workforce.

Implicit in this challenge is the need to move beyond extrinsic benefits to the development of work experiences that complement and enrich the lives of organizational members.

This requires the development of a value proposition that recognizes our people in their own right, *over and above* any expected benefits for the organization and its performance. For it is the recognition of this reciprocity, the mutuality of destinies, that lies at the centre of sustainability.

A third development is the structural shift toward more people-intensive industries. This shift is exemplified by knowledge worker and service organisations in which people are a primary source of high performance, differentiation and competitive advantage.

In summary, my starting premise is that these three developments will create the demand for CEOs and Board members to be informed consumers and implementers of research findings on the links between people practices and organizational outcomes.

The good news is that there is some light at the end of this tunnel. Each of us can identify several high profile CEOs who exhibit a special commitment to their people and have delivered the results that demonstrate the value of this approach. But these exemplars remain the exception and hardly represent a major trend. On the HR front the potential talent pool has never been wider. There is evidence that the representation of HR managers on Executive Committees and serving as direct reports to CEOs has never been higher; their direct interaction with CEOs and Boards has never been greater; and never have so many been tertiary qualified with cross industry experience.

The convergence of these trends has created preconditions for increasing the promotion of HR managers into roles as CEOs and ultimately to Board positions where they could bring their expertise to bear to the advantage of the organization, its members and our wider society. This brings us to my second question.

If the case just presented is even half compelling, **why isn't the promotion of HR managers to broader and more senior roles an emergent trend?** And the related question is: **why don't potential CEOs and Board members seek out HR related expertise and experience?**

Perhaps the explanation that is most difficult for the occupational group to accept is that most of our senior HR managers are just not up to the challenge; they don't qualify for or

merit close consideration. This unmet opportunity for ascendancy could contribute to the decline of our occupational group.

Over the past two decades considerable attention has been directed at the under representation of women in CEO roles and in our Board Rooms. What intrigues me is that we don't seem to ask ourselves the same question about HR managers.

CEOs are not born. They are people who aspire to take responsibility for the performance and destiny of the whole organization, are identified and developed by senior managers and boards and so climb the corporate ladder. HR managers are not precluded from this career tournament; they are just not entering or winning in significant numbers in terms of the increasing opportunities available.

It is still my experience that a majority of senior HR managers have difficulty articulating their organisation's business model and strategy. Neither can they confidently identify the performance drivers or even provide insights into their organization's balance sheet, industry structure and dynamics. Many find it difficult to adopt a cross functional perspective or to talk holistically about their organization. Furthermore, many HR managers lack appropriate assertiveness which reflects in anthropological terms a "camp follower" rather than a "hunter" orientation.

Perhaps HR has attracted and developed managers whose career orientation reflects the occupation's past emphasis on service and support rather than on the people, client/

customer, performance focus found at the sharp end of the organization. Professor Ed Schein's research has identified career orientations, clusters of values that influence our career aspirations that can be lived through our work. He distinguishes between those with orientations toward *functional expertise* and those who have a *generalist or an integrative* orientation. Could it be that many HR managers have only a weak aspiration for broader and more senior roles? Their occupational self efficacy may constrain what they think they can contribute and the role that they can play. In turn this may partly explain their lack of interest in developing the more comprehensive competencies that are required of CEOs and Board members.

A more contentious explanation relates to diversity within the occupational group. Do we have too many women in transactional/ operational roles and too few at the strategic level? Is the issue sponsorship rather than capability or aspirations?

The expectations held of HR managers by CEOs and Boards is also worthy of consideration. Could it be that these groups perceive HR to be of peripheral value? *By comparison, women experienced similar barriers in their quest for participation; for until men held different expectations of women collectively and then changed their own behavior, it was not always possible for women to take on the roles to which they aspired.*

If senior managers and Boards perceive that the HR function is neither central nor strategic, why then would aspirants to corporate roles plan a career stage in HR, seek developmental programs in people related issues or develop and sponsor people occupying HRD roles with the capability and aspirations to move to line management?

Moving forward requires us to acknowledge the importance of expectations held by others of our occupational group, its contributions and its potential.

In summary, the potential for adding more value to organizational performance through the contributions of our people has never been greater and the opportunities for HR managers to step up to higher levels of responsibility and contribution have never been wider. The barriers are real and not insignificant. But the status quo is basically unstable. The pressures on corporate leaders to deliver both performance and sustainability will inevitably lead to the search for better insights and people able to implement these insights. This brings us to my third question.

What can be done to change the status quo?

Gandhi offers some sound counsel as to where to begin: "Be the change you want to see!". Thus HR managers need to enhance their generalist perspective, increase their understanding of their organisation's business model and environment, contribute to non HR agendas and articulate the HR value add with more impact. Developing a strategic partnership, demonstrating the links between HR practices and organizational and member outcomes, and greater accountability can begin to influence people's perceptions of HR.

A second step could be to enhance the expectations that senior managers have of HR managers and the HR function. HR has much more to offer than it has delivered over the past decade. Our challenge is not what to do; there is ample evidence on what are high performance work practices. The primary barrier is the will to act and hold ourselves and others to account for implementation.

A third initiative is to broaden the preparation and career paths of HR managers at an earlier stage. Undergraduate programs in HR need to reflect the complexities of organizational and industry dynamics; psychology or sociology by themselves can develop narrow mindsets. Early work experience outside an HR department can lay strong foundations for subsequent career development and the development of a stronger business perspective

A related consideration is the quest to attract better talent. Whilst finance and marketing have often relied on remuneration, status and influence to attract the best and brightest, HR has often been trapped in a vicious cycle of mediocrity delivering mediocrity.

Changing sources of high performance, organizational agendas and priorities will always attract and offer challenges for the best minds available. Added to this are the rewards for reaching the higher order objectives of working with people. These can create unlimited intrinsic rewards for contributing to the wellbeing of the workforce and wider community. Mercifully, Generation X and Y are more attuned to these considerations.

Our occupational group also needs to take a cold shower and think about our own evolution. For while we have seen organisations benefit from integrating traditional functional silos, we have yet to see any serious effort to create hybrid vigor from cross occupational group integration. Our occupational self efficacy is also up for serious review: who we think we are and what we think we can do as an occupational group. *But where are the forums where these questions are posed?*

Finally, one piece of low hanging fruit has to be the development of potential CEOs whatever their functional background or signature strengths. It is encouraging to see an increasing trend to move non HR managers through HR roles as part of their broadening experience. But there is a twofold risk. Either we don't sell this opportunity for its potential value; or we don't provide the individual with an effective HR induction program and supporting specialists who are able and willing to contribute to the manager's development at the strategic level. We also need to constantly remind ourselves that senior and local managers have far more influence over the engagement and experiences of organizational members than HR managers.

In conclusion, if our objective is to achieve organizational performance and sustainability, together with quality work experiences and benefits for organizational members, then there are numerous initiatives that will contribute to these outcomes. Providing better career opportunities for the HR occupational group should not be at the top of the list of these initiatives for it could reek of occupational self interest. But it is potentially an effective development that deserves consideration.

So is there a glass ceiling in HR and who made it? I think that one does exist and sadly, it's often of our own making. I have argued that it deserves to be shattered and there are chinks that offer great opportunities to breakthrough. So let's widen the debate, challenge some of the prevailing ideas and move forward to create a sustainable and strategic contribution by HR wherever we are.