

Is this HR's own glass ceiling ?

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The pressures for organisational performance and sustainable success have never been greater

Over the past two decades considerable attention has been directed at the disproportionate participation of women in CEO roles and in our Board Rooms. What intrigues me is that we don't seem to ask our selves the same question about another group of organisational members: HR managers. CEOs are not born. Either they are identified and developed by senior managers and boards, or they are people who aspire to take responsibility for the performance and destiny of the whole organization and 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. No doubt we can all identify exceptions to the current situation, but they remain exceptions, not a major trend.

In this article I will pose three related questions and provide some tentative answers as to why we should expect to see more managers and leaders who have their career origins or a career stage in HR. My purpose is to evoke debate and change in a status quo which is losing some of its status.

Why we might 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, given the prevailing concern for higher organisational performance and sustainability and given the readily available, persuasive and robust evidence that demonstrates the causal link between well understood people practices and organizational outcomes, we should expect to see people with proven competence in this area in leadership roles where they can engage and leverage their people for organisational benefit. This argument is compounded by the related pressures to offer employee value propositions to our people in their own right – over and above the instrumental reasons why managers would pay attention to these issues solely for organizational benefit. For such reciprocal benefits are one of the pre requisites for organisational sustainability.

A second development is the structural shift toward more people intensive industries. These are exemplified by knowledge worker and service industries in which people are a primary source of high performance, differentiation and competitive advantage. This shift has an implicit requirement for both CEOs and Boards to be informed consumers of research findings on the links between people practices and organizational outcomes and how to implement them successfully. Currently, the dominant backgrounds of Australian and

New Zealand CEOs are finance, marketing operations and production, functional disciplines which have not been renowned for their inclusion of relevant education in people issues at undergraduate level. This vulnerability is accentuated by the lack of attraction for many future CEOs to guide their career through the HR function as part of their preparation for corporate leadership.

A third explanation is that the potential talent pool has never been wider (but can we say deeper ?). There is evidence that the representation of HR managers on Executive Committees and serving as direct reports to CEOs has never been higher. In turn, their exposure to CEOs and Boards has never been more obvious. In addition, more HR managers are tertiary qualified and have had cross industry experience.

In summary, the convergence of these three developments 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 organisation, 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?** Let's consider at least three possible explanations and begin with what I think is the strongest.

Perhaps the explanation that is most difficult for the occupational group to accept is that their senior managers are just not up to the challenge, they don't qualify or deserve close consideration. 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 organisation (was it not a decade ago that the AHRI called in an administrator, testimony to our lack of commercial nous?). Furthermore, many HR managers lack appropriate assertiveness which reflects a "camp follower" rather than a "hunter" orientation.

A second explanation is that HR has attracted and developed managers whose career orientation reflects the occupation's past emphasis on service and support rather than on the sharp end of the organisation. Professor Ed Schein's research has identified career orientations, cluster of values that influence our career aspirations and values that can be lived through our work. He distinguishes between those with orientations toward *functional expertise* and those who have a *generalist or integrative* orientation. Could it be that HR managers are another part of the issue in that they have only a weak aspiration for broader and more senior roles? Their occupational self efficacy could 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 the more comprehensive competencies that are required of CEOs and Board members?

A third consideration relates to the expectations held of HR managers by CEOs and Boards. By comparison women experienced similar barriers in the quest for liberation: 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. This illustrates how there can often be a lag between changes and new insights and our subsequent response. Global warming, the water shortage and corporate social responsibility are exemplars of this phenomenon. Thus moving forward requires us to acknowledge the importance of expectations held by others of our occupational group and its potential.

In summary, the potential for adding more value to organisational 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. However the pressures on 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? 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. The risk is twofold. Either we don't sell this opportunity for its potential value; or we don't support the individual with effective HR specialists who are able and willing to contribute to the manager's development at the strategic level. We also need to constantly remember that senior and local managers have far more influence over the engagement and experiences of organisational members than HR managers. It's the Pareto Principle that requires us to focus where we can enhance leverage.

A second step could be to enhance the expectations that we 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 earlier. Undergraduate programs in HR need to reflect the complexities of organisational and industry dynamics; psychology or sociology by themselves can develop narrow mindsets. And early work

experience outside an HR department can lay strong foundations for subsequent career development and broader perspectives.

The occupational group also needs to take a cold shower and think about its 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. Up for serious review must be our occupational self efficacy: who we think we are and what we think we can do as an occupational group.

Finally, we could actively seek to attract better talent. Whilst finance and marketing have often relied on remuneration to attract the best and brightest, the nature of human behavior is on our side! Expertise in the people / performance space offers higher order objectives, the opportunities to not only improve organizational performance but also to improve the work and fulfillment of our people. And we do know conclusively that such higher order objectives can be their own and ultimate reward.

In conclusion, if our objective is to achieve organisational performance and sustainability together with quality work experiences and benefits for organisational 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 is not the strongest leverage point. Furthermore it could reek of occupational self interest. But it is potentially an effective development that deserves consideration.

So is there a glass ceiling and who made it? I think that one does exist and sadly, it's primarily 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 these ideas and move forward. But ultimately, as my colleague Dexter Dunphy observed: ***change must begin with me!***