Research

HR careers – desk research
A study by the Henley Centre for HR Excellence

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Over the last five years we have looked in depth at the changing models, both organisational and individual, that underpin HR excellence. In this latest research project we are looking at how individuals and organisations can build the right capabilities to succeed in the new world of HR. What is the psychological contract, what are the responsibilities of the individual and how far should the organisation go in supporting HR career development?

This is a study of studies, 25 studies in the UK and North America to be precise, that is the initial stage in this year's first piece of research being carried out by Henley Business School's Centre for HR Excellence. It is already being followed up with original interviews and an on line survey but we felt it would be valuable to release this first to provide an overview of existing thinking on HR careers. It covers:

• The changing nature of HR Careers: from ladders to opportunism. Whilst it is realistic to expect the individual to take greater control over their careers is there a danger that this encourages the best HR professionals to become more self reliant and liable to move organisations?

• What can companies do to support HR careers in the light of resource squeezes and new HR organisational models so they encourage their best people to develop their professional and invaluable contextual expertise in the same organisation?

• Hiring – is there too great a reliance on external hiring when the external talent pool appears to be getting smaller?

• The use of competency models – there are numerous models but what is important is to be clear what a good one looks like in the context of the organisation's future.

• Training and Development – this is one area where there continues to be evidence of a greater focus on multiple ways of developing individual competence often beyond the classroom.

• Career management – HR appears to be an example of cobbler’s children with lots of process but less action as opportunities for job rotation and experiential development are limited by downsizing in the function.

• Critical success factors – within the context of HR career development we finally look at the need for senior engagement, formal processes based on a clear view of future needs and partnership with the individual.

• What do HR careers look like? More and more they involve movement between functions, sectors, companies and geographies to provide a wider perspective.

• What do individuals need to consider when thinking about their career? What is critical is developing more commercial experience, as simply being good at HR won’t be good enough to survive and prosper in HR.

• Case studies of best practice.

Our overall conclusion, which we will explore further through the interviews and survey, is that there needs to be a greater focus on matching HR capability with the needs of the future within the specific context of the organisation. We feel it is not enough to rely on serendipity and the external talent market (when contextual and political
understanding is so critical) to fill the gap between current capability and future needs. There needs to be a more mindful, longer term commitment to understanding the current state of HR talent, the gap between this and future needs and a long term flexible plan that identifies those with real potential and provides them with varied experiences and formal learning to close the gap. We are not advocating a formalised career pathing approach cast in stone, but one that is pragmatic and flexible, that engages in a dialogue with the individual, but is putting the long term capability needs of the HR function in sharper focus.
The changing nature of HR careers

Careers in chaos: The order and predictability associated with the traditional career is no longer the norm.[14] There is increasing evidence that HR careers are changing from a formal towards a more market-driven focus. Indeed the concept of what a career looks like has changed not only in HR but more generally from a traditional, predictable ladder, where individuals followed a career path within one function and where career moves were primarily vertical, to something more chaotic based on unpredictable opportunities, networking and personal reputation building. Our traditional understanding of the career as a series of upward moves, with increasing income status and security within a functional area and often within a single organisation, is being challenged. New ways of thinking about careers suggest that lateral and horizontal movement has become more commonplace and a wider variety of alternatives exist in place of traditional routes.[1]

There is a real mismatch here between the way that talent thinks about careers, and the fact that many HR functions are still stuck in the upward career ladder/multi-year at one company model. The challenge is for individuals to understand how to navigate in this environment and for organisations to understand the impact this will have on individual loyalty and how to retain and develop their high potential talent.[14]

Implications for individuals: Today’s careers are more flexible and mobile, with goals defined by individuals. This suggests that employees need to be less reliant on employers to ‘manage’ careers and more interested in acquiring marketable skills to add to a portfolio which will facilitate greater mobility between functions and organisations[1]. For the individual it’s about establishing their current value to the organisation and taking responsibility, recognising that their continued employment is down to their own efforts and achievements. This puts added responsibility on them to continue to learn new skills, take on developmental projects and further develop their core identities so this becomes a virtuous cycle where people continue to add value to themselves and are seen as adding value to their employer. Sitting back and waiting for your turn probably won’t be enough. In this context rapid job change will be common, with more temporary work, more portfolio work and more self-employment. Lateral, cross-functional moves, job changes and temporary moves are examples of such alternative career movement[14].

Implications for organisations: One report highlights the conundrum of HR executives worried about the shortage of talent coming into the function, yet graduates and those new to this new career reality perceiving a lack of opportunity to develop the high levels of experience and expertise necessary to perform more senior strategic and specialist roles. ‘We have to think more about how we provide the progressive development roles and experiences for those at all levels in the function, rather than just assuming we can buy in the talent from outside into senior roles, in what is already a very tight labour market, with growing demand’[10]. Many organisations are struggling with the challenge of keeping talented, more junior, HR professionals engaged when there are limited opportunities for job transfer, redeployment, or promotion. While people may stay with their current employer due to
the lack of opportunities outside the company, when the economy turns around and jobs open up, this talent will leave if they have not been able to grow and stay engaged during the downturn. This is especially of concern with those who have been educated in the field of HR, are highly motivated, and looking for a well-defined career path. Some of the most talented of this population have great networking skills and the capacity to make everyone feel like he or she is their only client. They exhibit good judgment, are calm and thoughtful, and respond quickly. They are the ones at greatest risk as they are the most valuable and the most mobile.

And yet the majority of organisations appear to be taking a laissez-faire attitude. A recent study of some 500 HR practitioners found that only a third of employing organisations provided a planned career structure, while both small and large organisations alike reported that they kept only a low proportion of HR managers for most of their careers. In the main, career development was not seen as an employer responsibility, but rather as an activity to be shared between companies and individuals.

This symbiotic relationship between a talented individual and an organisation can be seen as an ‘exchange of mutual value’. The individual gets the piece of their career/life jigsaw from the organisation, and the organisation (if it is smart enough) extracts sufficient value from the individual whilst they are there to more than pay back hire costs. The paradox currently is that if we assume that the year one costs of a new senior hire are around £150,000, with years two and three totalling about £150,000 each, an organisation has to extract at least £450,000 of value from a new hire in the first two to three years in order to break even – yet the career approach works more on a five to ten year plan.

Implications for HR careers: It appears that the traditional route into a professional HR role, through vertical promotion in one organisation, is being replaced with a more difficult, fragmented career progression, as employing organisations increasingly require the HR function to demonstrate that it ‘adds value’ and look to possible new models to deliver this. Interestingly there has also been a change in whether people view HR as a career. In a recent survey 47% of those questioned didn’t set out for a career in HR – they effectively ‘fell into’ the profession whilst 36% came from an admin background. ‘Most of the HR professionals questioned were senior and started out in HR when things were very different. Young professionals and graduates now view HR as a career in its own right.’

It is a paradox that whilst fewer organisations are formally supporting HR career development so more people are viewing HR as a potential professional career path.

All of these trends have resulted in some clear developments in HR careers towards greater mobility and flexibility, as found in recent surveys:

Job movement:

Many careers are being built on greater mobility:

Between jobs: It is particularly striking that in one HR study, where 65 per cent of the participants were aged between 20 and 30, on average respondents had already held four jobs since leaving full-time education.
whilst 18 per cent had held six or more jobs. Only a minority (18 per cent) had stayed with one organisation.

**Between functions:** In the same study there was clear evidence of cross-functional moves with 60 per cent having worked in at least one other functional area besides HR (14).

**Between industries:** Even more striking was that in another study in the US nearly nine out of 10 HR professionals changed industries when they made a career move. Of these about one in six moved into consulting and professional services firms.

**Into self-employment:** A similar share of the HR respondents chose self-employment with about half, according to the study, opting to set up their own consulting practices when changing jobs.

**Into part time roles:** A growing number of HR job-switchers are taking part time jobs, confirming a trend toward more interest in balancing career and personal life factors. (3)

Will we be faced with an ever greater challenge in keeping our good people as they recognise the need to keep moving to build their experience but find fewer opportunities to do so if they stay put? In the same survey HR professionals were realizing that ‘broader experience can really strengthen their career portfolio, HR people are in a particularly good position to resell their competencies to different industries or different parts of an organisation’ (9). While some 30 per cent reported that their primary reason for job moves had been vertical promotion, for over a third the main reason had been to gain more experience or further skills. (14)

One person noted, ‘I started my career at a wonderful company and worked there a number of years. While I learned a lot and moved up quite rapidly, I reached a point at which new opportunities weren’t available. Not wanting to leave the company, I stayed on, hoping that a management spot would open. I finally realized that staying around was hurting my career so, while difficult, I decided to move on. I’ve had amazing opportunities since then, and done things I never would’ve done if I stayed there. I realize now that I didn’t advance in my career as quickly as I should have because I stayed where it was comfortable for too long. I now have a commitment to myself that the minute opportunities for growth disappear, I will begin to look for new ones.’ (3)

A final question for organisations is whist you might be clear on this new psychological contract have you explained it to your HR professionals and what are the unintended consequences of it?

**How do companies support HR careers?**

Faced with greater mobility what can organisations do to build HR capability, beyond fishing in an ever smaller pool? We’ve already noted that in the face of increased job insecurity and narrowing promotion opportunities, employment relations may now take the form of a personal, transactional contract in which the individual seeks personal development for individual employability. This raises interesting issues for the nature of the career, promotion, training and development opportunities provided by the current employing organisations they had

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chosen. In addition new organisational structures have big implications for how organisations support HR careers.

**The implications of new organisational models:** Many large HR functions have moved to a ‘three legged’ design with strategic partners, centres of excellence and a shared service centre replacing a more traditional, hierarchical model. Such functional design changes have implications for career paths, since vertical movement up the ‘old’ departmental pyramid will be more difficult. There have also been some well-publicised examples of outsourcing call centres/shared service centres becoming a significant barrier to career progression, indeed almost 40% of respondents to a CIPD survey felt that outsourcing had impacted negatively on their careers. (14)

Paradoxically, the creation of higher level, more strategic and demonstrably value adding roles in the function has increased the challenges in developing staff to fill them. One report argues that shared services and outsourcing have led to dispersed HR units, dealing with their client base in a more remote and transactional way. ‘Fragmented careers are arising as a result of the separation of service centres, centres of expertise and business partner roles. We need to think through how the different parts of the function work together effectively and how we enable staff to develop a broad enough perspective of all that the function does. New models of HR are helping to clarify the role and demonstrate the contribution of the function. But we need to ask whether we are clear where the HR business partners, senior managers and highly specialised technical experts of the future are coming from.’ Organisations have sometimes changed structures before fully considering the implications for the skills development and career paths of their staff. As such, HR people are making more ‘zigzag’ moves to gain a mix of operational experience and real know-how in specialist areas. (10)

**The implications of leaner HR functions:** Many HR teams have been under great pressure because the recession has generated ‘a back-to-basics feel where retrenchment or even survival has dictated many agendas’ (14). This fixation with short term cost control and matching up to the latest ratio analysis has reduced the slack that created developmental roles. There is a real danger of sacrificing long term capability building on the altar of lean thinking.

We cannot turn the clock back but we must be mindful of the risks and the research identified a number of areas where the best companies were working within this new commercial and career reality to build capability.

**Hiring**

Many companies rely on the market to build capability. Recently a number of high profile US companies such as Carlson, Cigna, Gap, Hewlett-Packard, McDonald’s and Monsanto, to name just a few, hired externally to fill their top HR position. Another study revealed that 10 of the US’s top 40 corporate employers have replaced their top HR executive with an external hire. We are seeing a similar trend in the UK.

Relying on search firms to fill top HR spots may not be the best course of action. One global executive search firm says the demand for chief HR officers exceeds the supply. ‘In the past 24 months, we’ve seen a 39 percent increase in searches for executive human resource positions. Executive HR positions are some of the hardest to fill because the pool of qualified talent is so small.’ (24).
Equally whilst there needs to be a balance between internal and external hires one study into senior HR recruitment noted that HR are often ‘the cobbler’s children’. Most business-savvy HR leaders are keenly aware that every new hire must noticeably upgrade the team, yet when given the opportunity to attract, assess and select HR talent for their own teams, it is easy to race to the finish line without fully leveraging the skills and tools that offer greater precision. It’s ‘ready, fire, aim’ rather than strategise, plan and then execute. HR can be guilty of spending less time on its own efforts than when driving the hiring process for the rest of the business. One example of this is when organisations earn a reputation (among candidates and search firms) for drawn-out searches that reveal lack of clarity about the job profile for which they were looking. Too often, interviews stretch from a first round of candidates to a second round and sometimes further. It’s critical to the team and to the business that a thorough and rigorous hiring process is employed inside of the HR team itself. It is time for HR to lead by example.

Assessment of talent is an art, not a science. Yet HR professionals tend to prescribe more structured methods for other executive positions than for themselves. Given that HR is an influencer role, it is important that all those in the position of assessing the candidates also look for company and job fit. Chemistry between the candidate’s orientation toward both the profession (technical skills) and the business (credible activist) are key factors in predicting who will assimilate well in the organisation. How flexible and entrepreneurial is the company? Is the candidate oriented toward autonomy or process? As in any dating relationship, the match needs to work from both sides.

As a final note, throughout the process, remember that hiring for one’s own team provides an opportunity to review one’s own work process for thoroughness and ease of use. Additionally, HR can be an example for the rest of the organisation in terms of leveraging tools for the benefit of a hiring process. If an HR leader is sidestepping his or her own processes (use of assessments, structured interviews, etc.), it is a good indication that peers are doing the same thing. (14)

There needs to be a balance in hiring and developing HR executives internally but a lack of planning and a shortage of HR talent within a firm diminishes the continued effective performance of the HR function. This can serve as a severe threat to an organisation’s ability to execute its business strategy. (24)

Competency frameworks
There has been considerable attention paid to the roles of human resource professionals as business partners and leaders of business change. For many individuals, these new roles require the development of capabilities in such areas as formulating business and human resource strategies, leading change, and redesigning HR processes to support strategy implementation. Many companies are either adapting or developing competency models for their human resource professionals to match their career management processes with the future needs of the function and organisation. The process of identifying and defining requirements has been found to be a beneficial element of the process of developing talent, because it engages people in thinking about the demands of their
changing roles – what will be expected of them. It is therefore surprising when context is so key that most companies in a recent study applied a model developed by other companies, by a vendor for overall leadership development or by a consultant.

Training and development

A further element of the new ‘psychological contract’ is the scope for training and development. In one report 84% of respondents reported that their employing organisation provided opportunities for continuous learning but just over half stated that there was an expectation that individuals would research their own providers or make their own arrangements for development, with varying degrees of support from their employer. (14). HR functions have often taken the initiative in developing and introducing development planning and career development processes for managers and for employees in other company functions. Yet they have often been slow to adopt such processes for their own staff. (16). In another study both male and female respondents cited lack of development opportunities as negative influences, with this the single greatest career barrier for men and the second most important for women. (1)

Good organisations provide access to tuition assistance programmes for university degrees and professional qualifications as well as external professional seminars. Increasingly, companies encourage attendance on general business and skill development programmes designed for the line, as the information and learning they obtain this way is relevant for them and helps them to gain a better understanding of the business. Companies are also developing specific programs for human resource leaders, tailored to specific needs. Examples include:

- External workshops or conferences
- General education/training programmes within the company
- Specific projects/team assignments
- Certification programmes
- University degree programmes
- Company HR conferences
- Self-study initiatives
- Workshops targeted to specialty areas
- Programmes providing basic business knowledge

Other development approaches identified included:

- Pairing an HR professional with someone from another part of the business in order to develop human capital measures that would be used in driving the achievement of strategic objectives.
- Providing rotations to learn about other parts of the business – for this to work there needs to be clear outcomes; something in it for the releasing manager and something for the receiving manager.
- Providing mentors to help train the individual to perform assignments in another area.
- Moving to an apprenticeship model where managers are responsible for their direct reports’ learning.

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On-line or in-person sessions where managers explain their business area (gives managers public speaking experience and employees an opportunity to learn about the business) (27).

Career management
As they do for other functions, organisations need to plan for their future talent needs in HR and focus on developing professionals internally. A review of companies (see cases) that have successfully developed HR talent identified key elements, including creating a formal programme, garnering executive support, ensuring accountability, identifying the right competencies and growing through stretch assignments. The result is a deeper bench at or near the top HR positions, that ensures the internal talent pool of a firm is growing (24). There are many examples of companies conducting formal, succession planning across the human resource function:

- ‘A third of our staffing actions result from succession discussions.’
- ‘Succession for all human resource positions is discussed twice a year at HR Council meetings.’
- ‘We review our senior talent and positions through HR committees.’
- ‘We use teams including line executives to screen candidates for key human resource assignments.’

Combined with formal job posting:

- ‘We have global posting for all management positions’.
- ‘We periodically circulate lists of positions to be filled.’
- ‘We post all HR vacancies in our weekly newsletter.’
- ‘We post vacancies biweekly on our intranet.’

But whilst HR often does proper succession planning for other departments, studies and anecdotal evidence suggest HR executives are not succeeding in developing their staffs to take on top-level HR positions. Traditionally, human resource leaders developed their capabilities through a series of diverse and increasingly challenging assignments, often in different areas of the business but many organisations report that movement is more difficult, as they do not have the ‘slack’ that used to allow developmental moves (24).

Indeed mobility from line or other functions into Human Resources occurred rarely.

- ‘It happens infrequently, on a local basis.’
- ‘It is hard to induce people to take HR assignments.’
- One company said there is ‘less than in the past’ and added, ‘it all depends on our having appropriate openings.’
- Another company reported, ‘There has been a recent push for this.’

Mobility from HR to line assignments or assignments in other staff functions is also rare. Some say they encourage it, but it doesn’t happen very often –

- ‘We say we do, but we don’t.’ (24)

In terms of responsibility for career development in one study 52% felt that they, as individuals, had primary responsibility for career planning, while 14% felt they shared responsibility with their employer, and 34%
felt that the organisation should take most of the responsibility. Here, a clear difference did emerge with regard to the size of the employing organisation. In those organisations with over 1,000 employees, the majority of respondents felt that primary responsibility fell to the individual, while in the smaller organisations, there was a fairly even split between those who felt responsibility was taken by the employer and those attributing this to the individual. The challenge is how much support people receive for their careers. 'HR professionals in smaller companies tend to work in small teams, and when there is a need for progression, there might be a lack of options. Within the bigger corporate firms, there are more diverse roles and therefore more opportunities for career advancement.' There was also a public/private sector split, with two thirds of the respondents in the public sector claiming that primary responsibility lay with the individual, compared with just 40% of those in the other sectors.

As for the provision of formal career paths no clear cut picture emerged, with 55% reporting that their current employing organisation had clear career paths. Of these, 52% described the career paths as ‘mixed’ combining horizontal and vertical moves and it might therefore be expected that some form of job rotation might be used to facilitate such movement, but this form of development was used by only one in four organisations. It might be anticipated that provision of career paths would vary according to the size of the employing organisation but remarkably similar patterns appeared, with larger organisations no more likely to have clear career paths or to use job rotation

Problems with career pathing

One study looked very specifically at the shortcomings of formal career pathing. Numerous organisations are working to define a career path for employees to see how they can advance; however, there tend to be more failures than successes with these career paths, meaning employees get no value or real result out of them. Some of the failures include:

- Organisations do not provide opportunities for employees to get the skills/knowledge needed to move to the next level.
- The career paths are linear and one-directional. This ultimately forces the employee to stay on the career path they initially chose, rather than being able to cross over into different areas if they decide that career path is not for them.
- Opportunities rarely become available to demonstrate a career path exists.
- Usually there are no defined plans on how the employee gets to the next level (e.g., need to learn financials, learn HR, etc.); it is generally impromptu based on what the employee’s manager feels is needed to get to that path.
- Examples of those employees who have moved up are not diverse in nature and typically represent corporate employees; thus, representing to field employees that unless you are a corporate employee, there is no defined way for you to move up.
- Mentors are not required and usually not encouraged to guide a process of employee development and provide ‘real’ feedback.
• A defined talent review process has not been established within the organisation so no one knows what the talent looks like across the board or how people are progressing in relation to succession planning.

• Expectations of timeframes to progress careers are not defined.

• Managers are not invested in developing their employees, nor held accountable to develop their employees.

• Poor performers are developed, whereas good performers are ignored because they get the job done.

Organisations need to truly understand that it shouldn’t take a defined career path to develop employees. Everyone in the organisation should be working together to develop each other, but even more, managers must be held responsible to develop their employees. When it comes down to it, individuals are ultimately the only people that will take charge of their development and career growth; although, organisations that take a vested interest in developing their employees are those organisations that are pushing their industries to the next level. They are creating and sustaining competitive advantages to be top leaders. (18)

‘When it comes down to it, individuals are ultimately the only people that will take charge of their development and career growth’
Critical success factors

In looking through the research there are some common themes that good companies have when balancing the new career reality with the need to build HR capability.

Executive support

The chances of career management programmes succeeding are greater if supported by senior management. In one study 88% of organisations report that their activities are 'effective' when it receives the commitment of senior management compared with a success rate of 17% among those organisations who report that senior management is uncommitted. Executive support is essential because executives make the final decisions about how competence and performance will be assessed for present positions, as well as how to measure potential.

Formal process

Without establishing a formal process to build the pipeline for future HR talent, organisations could end up relying exclusively on traditional development methods, such as on-the-job training and classroom training, which may not provide maximum value in preparing future HR leaders.

Anticipating future needs

Having a formal process and holding executives accountable will do an organisation little good if future HR leaders are groomed with skills that will be outdated by the time they reach the top. Although it is difficult to say precisely what those skill sets need to be, companies that do this well start with the business's needs.

Partnership

Most respondents believe that career management will take on a partnership model, with individuals taking ownership for their career development and organisations supporting them by offering training, guidance and information. For this to happen though, more emphasis needs to be placed on training line managers.

What do HR people look like?

In a recent study the average HRD at a major US company:

• Is a 53-year-old man

Whilst the proportion of women at the top rose from 27% in 1999 to 42% in 2009 men still dominate senior positions. The CIPD has 77,985 female and 36,475 male members. While women do outnumber men by more than four to one in ‘Graduate’ membership the level at which ‘qualified’ practitioners enter the profession, and indeed outnumber men at almost all levels of membership, at ‘Fellow’ and ‘Companion’ the levels of membership most commonly attained by senior managers, executives and directors, there are more than twice as many male as female Fellows, and more than four times as many male as female Companion members of the Chartered Institute. The membership profile presented by the professional body portrays a profession in which men are overrepresented at the top (compared to the overall numbers of men employed in HR).
Although women clearly aspire to an HR career and prepare for such a career by acquiring a professional qualification assumed to enhance career progression, nonetheless the progression of women in the profession continues to lag behind that of men. (1)

• Has 15 years with his current employer.

The percentage of top leaders who are ‘lifers’ – having spent their entire career with their current company – dropped sharply over the decade, from 38% in 1999 to 28% in 2009. (9)

• Has spent half his work life in human resources.

In addition, one-fifth have had overseas assignments, one-third came to the top HR job from a different functional area, almost always with the same company, and a third were hired into the top job from another company. Although the average years of work experience for HR leaders is roughly unchanged, the amount of that experience in human resources rose. The most common experience outside the HR function, and one that registered a large increase since 1999, is international and overseas assignments. Almost half the HR heads in 2009 had either overseas or international business experience, a 300% increase from 1999. This was more common among the 60 Fortune 100 companies that made the list in both 1999 and 2009 – the oldest and largest of the companies. (8)

While the face of corporate human resources departments is changing as more women and more executives with international expertise ascend to the top HR positions, predictions that HR leaders would increasingly come to their jobs with broad and diverse front-line management experience have failed to come true. Indeed, HR leaders are even more likely to rise up from their own ranks than a decade earlier,

'It’s puzzling and a little surprising, everyone says that HR executives need broader experience as well as more business experience, but it looks like it is still a ‘siloed’ career. Compared to a decade ago, they are even more likely to have begun their career in HR and spent most of their time there.’ Researchers examined the top HR positions in the 100 largest U.S. companies, measured by revenue, in 1999 and again in 2009. They found that only 20% in 2009 came to the job from outside HR in contrast to 30% in 1999: research indicates that HR leaders reflect greater emphasis on traditional experience in human resources itself. A ‘more sanguine conclusion is that perhaps HR leaders do not need experience outside of HR to play an important role in business decisions because understanding of such decisions is now so much more widespread,’ the authors write. ‘Even a decade ago, the idea that one should consider operational decisions [that are] based on return on investment was novel: Now it is commonplace. For better or worse, the top HR role appears to have become more of an internal affair.’ (8)

A recent study asked HR professionals what had changed in HR since they had begun their careers. 65% said it was now more strategic and 61% more commercially focused. When asked what set them apart from the competition 44% believed it was because they showed strong understanding of the business issues that their prospective company faced. ‘HR professionals must be able to demonstrate their understanding of the business and where they added value in their previous role, being able to offer examples of where they have achieved tangible commercial results provides potential employers with a clear indication of their strengths and how they might benefit
‘The need to be more commercial is constantly referred to in the research and yet organisations are focusing on putting people through often superficial skills development rather than bringing in proven commercial operators’

What was surprising is that whilst there is common agreement within the function on the need ‘the idea that corporations now want individuals in the top HR role to have broader business exposure does not appear to be borne out’ in the data. In fact, the number of HR jobs held by these top HR executives during their careers is unchanged from 1999 to 2009, while the proportion of time in their careers spent in HR has risen. This seems to us to be a major issue. Whilst there is a need to professionalise the function the need to be more commercial is constantly referred to in the research and yet organisations are focusing on putting people through often superficial skills development rather than bringing in proven commercial operators. Perhaps we should be reframing the question from ‘why doesn’t bringing in non HR people work?’ to ‘how can we ensure that bringing in non HR people works?’

Indeed whilst those within the function like to see themselves as being more strategic their internal customers don’t always recognise this. In a survey 87% of respondents either agree or strongly agree that business leaders don’t see HR as strategic. Only 4% thought HR professionals are strategic on the whole and that most of the business community recognized it. 49% said HR professionals are strategic but fail to get the recognition for it whilst the other half simply don’t think HR professionals are as strategic as they think they are. A majority (73%) also agreed the word ‘strategic’ is overused in HR, and 53% believe the overuse of the word is costing the HR profession its credibility. One correspondent said ‘It’s so overused that it has become meaningless. It has permeated everything written or said about HR. I don’t hear lawyers or accountants or engineers talking about being strategic. They just settle down and do their job’. Another said ‘if HR can’t get the transactional stuff right, like paying people on time, they’re not going to be able to build their credibility with the management team.’

While the location of respondents, in terms of management function, had not changed substantially, with generalist HR management being that most often cited, the numbers involved in the low paid area of administration declined dramatically and those in organisation development/strategy had gone from nothing to over 1% of the sample. A small number of men (9%) and women (6%) had been employed outside the HR function before their studies and all had now moved into management positions within HR. More men (19%) than women (9%) now worked in organisation development and strategy. On the other hand, women were more likely to be employed in the training function than were men, at 16% compared to 10%. [1]

‘Learning the business beyond the confines of HR is critical for long term career success in HR’

Where do individuals need to focus for career success?

**Business understanding**: Learning the business beyond the confines of HR is critical for long term career success in HR. ‘Business knowledge outside of HR should hold a higher level of importance’ for HR professionals interested in moving up the leadership ladder. HR professionals, ‘seem to value intangibles [like] reputation, ambition and leadership above experience in the area in which they would like to work, [yet] each of these intangibles is harder to quantify and
Successful HR people believe that their role is to help the organisation sustain growth by translating a ‘business strategy’ into a definitive human resources plan. This means that they participate in the business planning process and help anticipate, create and respond to customer and competitive forces in the marketplace. According to an interviewee, HR executives must find a way to use people for competitive advantage. This requires an in-depth knowledge of the strengths and weaknesses of the organisation in the marketplace, as well as an overall understanding of the business. As one HRD said, ‘If you are not numerate and don’t like numbers, please don’t aspire to get to the top. Justify investments rather than trying to justify your existence.’

Another said ‘Approach things from a business perspective - be a business enabler, think as a business player and not as an HR practitioner’. Finally another quote: ‘You have to show that you can think strategically. HR has to be able to see the bigger picture and not get tied down in minor details. HR people who firmly connect their activities to the business agenda are more likely to be taken seriously by top management.’

‘If you are moving to a new organisation and are unfamiliar with its products and services, immerse yourself in its commercial activities and corporate strategy. Knowledge is power, so get to know the innermost workings of the business. Establish contact with heads of other departments, such as finance, operations, marketing and IT, to become fully conversant with departmental and company-wide objectives and goals. As well as raising your profile, this will present a firm foundation for planning and decision - making, and the insight you get from this will give you an edge.’ A recent winner of a major HR award, recommended that HR directors question who they should work with. ‘Your primary team should be the company’s executive committee. Your secondary team should be the HR function.’

‘Learn the business and be able to add value in applying a sound HR strategy to achieve what the business needs. Look at the wider picture rather than just concentrating on a narrow HR perspective. Try to obtain as much knowledge and experience as you can within both HR and the organisation. You need to understand the impact that HR has on the organisation and people. Get sound practical experience as a line manager, coupled with professional qualifications and knowledge; work in an organisation that suits your style with an appropriate culture; listen to the business and find the right levers to deliver HR.’

These HR professionals, say the researchers, have developed ‘a new relationship to data-gathering and analysis’. They are delivering ‘unique organisation insight’ based on intelligence about people and organisational culture, in a way similar to that by which the marketing function has become a ‘consumer insight-driven function’. ‘If you want to be taken seriously by senior management, then you must play at their level’.

In thinking about development HR people need to think how to obtain this commercial acumen and one option is moving beyond professional HR qualifications to a broader business qualification such as an MBA. One HR development consultant insists that ‘Anyone with a desire to move into an HR management position, or move outside, should pursue an MBA’. Pursuing an MBA can help build the skill set needed to function in HR’s new strategic role and they’re slowly attracting HR professionals who want to upgrade their competencies and expand their career options by developing skills in financial processes, basic economics, forecasting, marketing, statistical analysis, organisational design and development, and strategic planning.
to address external factors (such as mergers and acquisitions, globalisation and downsizings). So first and foremost, pursue your MBA for long-term development and professional credentials. If you want to be a strategic player, you’ll have to understand budgets, strategic planning, economic forecasts and change management. Indeed, an MBA isn’t just for CEOs, it’s increasingly valuable for HR leaders. (20)

**Broad experience:** The same survey noted that moving between organisations was seen as an important way to progress a career in HR, whereas staying in one organisation was perceived as a career barrier. Only a small majority said that they identified most strongly with their profession, as opposed to their industry or employer, perhaps an indication that they were willing to move to another functional area in the future (14). Getting experience in different departments would transform HR professionals into businessmen and women. One HRD said this meant getting to the top because of personal acumen and not for being in HR. ‘Broader experience means when you reach board level you will be comfortable contributing,’ he said (16). Another study recommends that a new HR graduate should ‘Achieve a balance of operational HR experience combined with specialist projects and gain professional experience in areas outside HR. Think carefully about why you want to join the profession and the level you want to operate at. Have clear aims in mind to enable you to reach targets. Entry through the ‘ranks’ will give anyone a grounding in basic HR administration and procedures. Obtain at least three years’ operational experience rather than seeking an HR role straight from university or college’ (2). Another stated ‘To prove your strategic awareness and value may mean getting involved in significant projects either inside or outside your organisation, such as taking a leadership role in an important piece of work. If you want your CV to impress potential recruiters, you will need that proven track record of achievement’(20).

The CIPD recently showed that workers should focus on gaining as wide experience as possible to fast track their careers. Their survey of 732 HR practitioners showed that a substantial majority believe that experience and performance, particularly if this is gained in different countries, different business units and at different organisations, will become even more important than qualifications over time. 60% of respondents agreed that ‘increasingly employees will have to change organisations to move up the career ladder’ and that ‘moving to work in a different country or business unit will become a key way to progress your career.’ 71% of organisations say that employers increasingly value experience and performance over qualifications for career advancement. 59% of organisations say that moving to work in a different country or business unit will become a key way to progress your career (4). One female executive felt that ‘diverse experience provides for a refreshing, innovative and more objective perspective on the problems of one’s company’ and another woman states that ‘breadth of experience protects HR executives from succumbing to fads-shortcuts that reduce mental workload and distract an organisation from diagnosing the real problem and customizing solutions.’ (7) One CFO said. ‘At the top level, someone who has not been a business person themselves won’t be able to handle it’. (18) An HR consultant said, ‘This means the most challenging issues you face will be those where the outcome of your decisions will be the most uncertain. But the development that comes from a promotion should stem from moving out of your comfort zone and into your stretch zone. As someone once said to me, you don’t know how to do anything until you’ve done it. When you’ve done it, it becomes your new comfort zone.’ (6)
Leadership: Successful HR leaders are willing to accept leadership roles beyond their job description. They build resilience and respect by successfully assuming a leadership role while implementing a strategic initiative, providing the reinforcement necessary to pursue even greater participation in the company’s business management. A chemical company executive spearheaded the effort to enhance the effectiveness of an HR function that had already achieved the highest ratio of employees to HR staff in its industry. At the same time, that person played an important role on a due diligence team, analyzing a company acquisition. The spate of process redesign efforts focusing on human resources functions has increasingly put the spotlight on senior HR executives as agents of business change. Operating managers now recognise that the true value of the senior HR executive lies in his/her ability to effectively lead the campaign for workforce competitiveness.

HR professionalism: HR is becoming increasingly professional. In the US in the past few decades, the Society of Human Resource Management has grown from 4,000 to 250,000 members who are building specific credentials in HR. But as we noted HR executives need to think of themselves as business leaders. ‘While the field is growing more professional the top leaders are increasingly asked to act like general business leaders’. Understanding the difference is meaningful, because professionals approach problems differently than leaders with more broad-based experience. ‘General purpose business executives are trying to figure out what makes sense for the organisation, while a professional acts like an accountant or a lawyer with a standard set of solutions to problems. ‘Let’s figure out what works for our business and makes the most sense for us,’ rather than turning to a standard tool kit and rolling out an accepted solution.’

Research has explored the impact of an HR professional qualification on career progression. While most respondents in this survey reported that the qualification had helped their career to a great extent, this was not entirely supported by objective measures of success since, some five years after graduating, there was only limited evidence of promotion to a management position.
Best practices and trends

In the desk research we came across a number of case studies in organisations that have a strong history of developing HR careers. There were some common themes:

- They are mindful about the need to develop their HR capability and have made a long-term commitment to it.
- They plan their hiring strategically to create the right mix of internal/external and HR/non HR commercial skills.
- They build on existing performance management and development programmes used across the business and link these to formal talent management processes.
- They add a ‘secret sauce’ that is HR specific.
- They make the development relevant to the context of the challenges HR is facing in the specific business.
- They use a blend of classroom and experiential learning.
- Development is the responsibility of the individual with support from the organisation.

Case: United Technologies Corporation

Hiring: Recruit ten masters degree graduates a year into the HR function, including individuals with MBA degrees as well as specialised degrees. Experienced hires are brought into the function to meet specific needs, typically within a business unit.

Talent process: Annual review of HR talent, updated quarterly at meetings of the senior HR leaders

Development: Development focuses on planned rotation and targeted job assignments. High-talent individuals have typically moved across two or three businesses. International assignments are also emphasised. There are some moves to and from line positions. Learning focuses on personal development planning and plan completion is recognised with a grant of 200 shares of stock. Specific company-sponsored workshops address functional knowledge updates, internal consulting skills, and current human resource topics. All human resource leaders and candidates for leadership positions attend a weeklong programme, the Human Resource Business School in Connecticut, Europe and Asia, to equip them for their changing roles. (24)

Case: Prudential Insurance

Hiring: Most, if not all, HR positions are posted internally. Planned movement in conjunction with succession planning facilitates mobility into and out of HR where it will help development. Prudential actively recruits HR talent from the outside to infuse fresh ideas or to fill specialized positions where the skills don’t exist internally.

Development: Development plans are created for all Prudential associates as part of the annual performance management process. Associates and their supervisors create plans jointly. For Human Resources staff there is an additional development tool – the ‘Personal Development Roadmap’, that encourages HR associates to focus on both professional and personal
development, and includes components on:
- Creating a personal vision/mission/purpose statement
- Identifying important personal and professional roles
- Identifying what the business needs
- Inventorying needed competencies
- Creating an action plan

There is a Human Resources Curriculum Director who is responsible for a 'curriculum map', which guides users to specific training to meet their needs. The map is organised by HR practice area with cross-references to specific skills. Training is categorised as fundamental, intermediate or advanced, and includes internal and external programmes as well as alternate experiential learning. The focus is a week long Strategic HR Leadership Programme.

**Competencies:** 9 core leadership competencies, which are applied to everyone in a management position. For HR, situational/technical competencies have been developed by practice area (e.g. staffing, compensation, generalist, etc.), and have been validated by each practice area's staff through discussion around the strategies, objectives and activities of the unit, and the knowledge, skills and attributes needed for success. This validation process continues, so that these competencies will remain up to date. (24)

**Case: IBM**

**Development:** Focus is on on-the-job experiences that help build the skills and competencies needed as a business partner plus internal and external educational programmes (e.g., project management). HR professionals use a five-part model to assess themselves and plan their careers. The model and its accompanying tools are on IBM's internal HR Web site:
- Key Experiences – categorised as 'must have, highly recommended and additional'.
- Need as Generalist/Specialist – an indication of whether the key experience is an important development step in pursuing either a specialist or generalist HR career.
- What's Learned – lists of some of the primary learnings from each key experience.
- Key Competencies Developed – the primary IBM leadership competencies each key experience develops.
- HR Job Examples – HR jobs from which one can gain the key experience.

It is left up to individuals to use additional online tools as they see fit:
- HR Developmental Experiences: Individual Self Assessment
- HR Development Experiences: Team Assessment
- IBM Leadership Competencies: Individual Self Assessment
- HR Development Planning Worksheet
- HR Developmental Experiences-Leadership Competencies Matrix
- How to Have an Effective Development Discussion

**Competencies:** The HR model is strongly related to the company's overall leadership model. Leadership is characterised by the ability to execute
with speed, simplicity and teamwork. Successful leaders demonstrate a series of related competencies:

- **Focus to Win** – Understanding the business environment moment to moment and setting strategies for breakthrough results. Competencies include: Customer insight, Breakthrough thinking, Drive to achieve
- **Mobilise to Execute** – Implementing with speed, flexibility and teamwork. Competencies include: Team leadership, Straight talk, Teamwork, Decisiveness
- **Sustain Momentum** – Obtaining lasting results that continue to grow. Competencies include: Building organisational capability, Coaching, Personal dedication
- **Passion for the Business** – Being excited about what IBM technology and services can do for the world.

In addition, HR's leadership code includes two very important operating tenets – a sense of urgency and a positive can-do attitude – that have direct application to development. 

**Case: Kraft**

**Talent process:** Advancement Planning is a deliberate, systematic effort to look at the performance and potential of the company's HR professionals. Kraft's HR executives meet annually to review the business forecast and organisation drivers and discuss the necessary staff changes within HR. They look at the accomplishments and developmental needs of their direct reports and other high-potential members of the HR team. Then they define the next jobs for some of their future leaders to help ensure that they are developing the capabilities necessary to advance to positions of higher responsibility within Kraft. The Advancement Planning process allows Kraft to track the job experiences of its HR organisation and ensures that appropriate development plans are in place. The result is a deep pool of internal HR talent and an organisational mind-set in which jobs are viewed as developmental assignments instead of just 'work to be done.'

**Case: Tribune**

**Development:** HR executives are held accountable for developing the next level of management. All HR executives at Tribune are evaluated on their ability to develop a strong HR team. Those who fail to develop future HR talent will receive poor marks on their performance review and will limit their own chances for advancement. The expectation of developing future HR leaders is part of Tribune’s corporate DNA and much of this is attributable to the high level of accountability for talent development. Evidence of talent development includes successful completion of stretch assignments and feedback from other executives regarding the skill and knowledge the HR team possesses.

**Case: Lakeview Technology**

**Talent process:** Annual planning sessions look at where the business is heading in the next few years. Recent planning sessions indicated a transition to a more decentralised work structure and the use of new software development technologies. The HRD is preparing her team
to operate in this new environment and is developing new recruiting strategies. Such an approach helps to match the organisation's currently available talent to its future talent needs and creates a strong HR bench.

**Development:** The HR director is evaluated by her CEO on how well she is developing her HR team. ‘By making it part of my review, the CEO holds me accountable for the development of my team members, and this makes it easier to dedicate time and energy to their growth.’ Development of her HR team is measured by improvement in their overall performance management ratings and by successful execution of a learning plan, which includes formal training and certificates. (17)

**Case: General Mills**

**Talent process:** When General Mills acquired Pillsbury, HR facilitated a future competency assessment, which was part of the total integration planning process. A dozen business and functional leaders, including HR, reviewed the talent within their organisations with the CEO and his team. This talent review involved analysing the new businesses and mapping them to competencies that would be required from the HR organisation. ‘The insight achieved through this process was a need to strive for broader HR talent, and we’ve put a plan in motion to address this gap by designing more cross-functional assignments as part of our process to groom future HR leaders,’ says the HR VP and CLO. (17)

**Case: GE**

**Talent process:** The HRD assesses their ability to build a talented HR team when he reviews his top HR executives. An HR executive who is achieving a high level of individual performance but ignoring his talent management responsibilities will not advance very far at GE. This accountability helps to create a culture in which GE’s HR leaders are expected to develop their HR team. Whilst top HR executives report to the HRD they also report to his or her business unit president. This ensures that the HR executives are supporting the business needs. Senior HR leaders are reviewed for performance and potential within their business units but a ‘Session C’ meeting is held exclusively to review the talent within HR. The HRD facilitates a discussion among business unit executives to review the best and brightest within the HR function, and he uses this discussion to identify future development assignments. (17)
Conclusion:
The desk research raises some interesting debates:

• Organisations need to understand their current talent management pattern, it’s consequences and where they want it to be (based on attrition and internal replacement ratios).

• If the psychological contract has changed to individual responsibility, what is the career proposition?

• Developing greater functional, organisational and commercial breadth?

• Broadening the development spectrum (suppliers, customers …)?

• Only focus on retention of top talent?

• Embracing the internal market principle?

• The importance of the development of the ‘Me plc brand’?

• Cost implications of certain development interventions such as international assignments?

• Development opportunities should be plentiful but on a pull rather than push basis?

• Feedback and coaching are key to the offer?

• Need for retention of high potential talent because of shortage in the external labour market?

• Which levers can be ‘controlled’ and which ones not?

• Emphasis on opportunities for individuals to express where they stand and engage with the organisation around their own specific needs rather than traditional programmatic development tools?

• Interventions that can expand ‘control’ i.e. where contact is maintained with alumni so when new challenges open up they can be offered the opportunity to reengage with the organisation?

• Some dynamics refer to the ‘future nature of work’, which doesn’t apply to HR careers only.

• Not all HR functions seem to practice what they preach (e.g. quality of selection, development and career management processes).

• There are plenty of competency models on the market but how to develop one that takes ‘context’ onto account?

• How do we ensure that these competency models move beyond the ‘same old same old’ to reflect not only the organisational context but also some of the key HR differentiators:

  • Commercial acumen

  • Data rationality and process understanding

  • Political savvy

  • Judgement, flexibility, pragmatism, tolerance of ambiguity

• The capability of HR functions and HR people to self-correct, engaging with the business to constantly ensure relevance?

• The importance of engagement and measuring performance (quantity and quality) against value add rather than process.

• It is on the shoulders of HR to convince the organisation of its value. Even enlightened CEOs don’t necessarily understand what good HR looks like – the art of the possible and impossible.

• It’s time to go beyond the labels such as business and commercial acumen, strategic HR, insights driven, cross-functional experience etc. These definitions drive lots of assumptions that are not necessarily based on tighter definitions and projected benefits.

‘It is on the shoulders of HR to convince the organisation of its value.’
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