

The Role of the Human Resources Leader

In January 2004, Eileen Finn participated in a panel discussion presented to the **Rutgers University Executive HR Masters Program**. Here are some of the points that were discussed during that event, focusing on the role of the human resources leader.

Defining Culture

Culture is the development, improvement and refinement of the intellect, emotions, interests, manners and taste. It is a refined way of thinking, acting and talking and encompasses the ideas, customs and skills of a people or a group that are transferred, communicated or passed on to succeeding generations.

Or it can be something that sits in a petrie dish.

In a perfect world, the human resources leader would be fully aligned with the CEO in creating and implementing the vision and mission statement for an organization.

Mission Statement vs. Culture

But a recent article states that 66% of HR execs are not viewed as strategic partners by their executive teams. The HR executive must be willing to take risks, challenge leadership and exert influence at the C-suite level.

We're not in a perfect world and have just experienced one of the worst periods in modern economic history – so why isn't this alignment more consistent and enduring? Here are the theories I've developed after working with my clients and hearing from HR executives themselves:

- With the market conditions and the "bottom-line orientation at any cost mentality" that has pervaded business recently, there is a focus on cost and expense containment.
- Dating back to the late 1990s and into early 2000, M&A activity has created many cultures and sub-cultures within the same company – in other words, an amalgamated culture.
- Reorganizations and downsizing are continuing.
- CEO's and HR leaders are not always rewarded for the "culture they build."
- Outsourcing and offshore activities continue to grow.

Here's one example. A *Fortune 50* company – which had presented a very consistent message/mission for over 50 years – brought in a new CEO and a new HR head. The culture described to me was one of collaboration, centered on the development of management skills and a style based on team orientation and consistent behavior. Performance and behavior were the key factors against which performance was

judged. But the perception of the current culture is very different now. The company, under tremendous pressure, has a mentality (at least as seen by the employees) of performance at any cost.

Here's another. A major pharmaceutical company came to my attention at a recent conference, where the speaker was the corporation's Chief Learning Officer. I was fascinated by the mission statement, which was just four words and described how the company prioritized its role both externally and – most importantly – to their employees:

Customers
Employees
Community
Investors

The first company is in transition, creating a new culture based on market demands. There will most probably be forced and normal attrition.

The second company is experiencing double-digit profits year after year, with consistently low turnover over many years.

Companies can have mission statements that are posted on every wall – but the culture developed and sustained by the mission statement needs to be created by demonstrated behavior.

Creating a Value Contract

As future HR leaders, part of your responsibility will be to work closely with your CEO and the leadership team to define and implement the value contract with employees. Now more than ever, companies need to secure their best employees, develop them, reward them and make them feel that the company is the best place to work, especially as the next generation coming up the ranks.

That generation's agenda and implied contract with employers are very different:

- Increased cultural awareness
- Diversity
- Management preferences
- Loyalty
- Technology.

Creating and sustaining this value contract with employees is not an easy process and takes years to bear fruit. I'm not a management guru but from my experience as an HR professional providing service to the HR community, I believe that the HR leader needs to be dogged, encouraging and prodding in helping the CEO develop and sustain the culture.

In order for it to work, there needs to be an alignment among:

- Vision

- Processes imbedded in the organization to make the vision a reality, the reward structure, communication vehicles, performance management and talent management, including employee development, on-boarding and talent acquisition.

Together, these create a structure that will allow the vision to happen.

Within HR, almost every function needs to be on board:

- Organizational development head
- Chief learning officer/ chief knowledge officer
- Those who manage the rewards system
- Talent managers
- Generalists.

In the recently published *Good to Great*, Jim Collins and his team profiled 11 companies – out of over the 1,400 they looked at – that had 15 years of very sustained growth following a major business transformation. (In fact, one of the 11, Piney Bowes, is our client.) Collins believes that a company needs to have disciplined people, disciplined thought, disciplined action and a shared vision with a CEO (someone who is typically low profile and has grown up within the company). There was no mention of the HR head in the book. Rather, topics like development succession and rewards were a shared proposition with the business executive.

In Summary

Recently, I heard a speech by Beth Axelrod, a former McKinsey consultant and one of the authors of “War for Talent” published in the 1990s. She prefers not to use the word “War” anymore, but rather the “Search” for talent. And her proposition is simple; unless companies create environments conducive to engaging and developing their workforces, they will continuously be “searching” for talent.

HR has to step up to the challenge in the years ahead. I believe that we are on the cusp of doing business in a very different way – one where the contract between employee and employer is being redefined, where collaborative and productive cultures allow every employee to matter.

In all of this, the HR leader has a huge role to play