



## LEAD, FOLLOW, OR GET OUT OF THE WAY—HR AT THE CROSSROADS

### *The Role of HR in Generating Strategic Commitment*

Can HR actually help? Based on history, no! Our experience shows that if you go to most companies and gauge internal functions and lines of business (human resources' customers) in an informal honest conversation about their perceptions of the HR department, they will often describe HR in unfavorable terms, as “difficult to deal with, a necessary evil, inflexible, complex, academic, out of touch, focused on its own agenda, political, weak and ineffective, not customer-oriented, irrelevant,” or as a department that “doesn't understand our business, and is helpful mainly (or only) on technical or compliance-related items.”

Other than that, they're great! It shouldn't be a shock that the overall reputation of human resources in most companies is a low one. HR is often considered old-fashioned, bureaucratic, and cumbersome to deal with. (Name three Fortune 500 firms that have promoted an HR executive to CEO in the past ten years. You can't.)

## To Be or Not to Be: Can Your Human Resources People Actually Help?

We have also asked many HR managers how *they* feel about and view their own function, and in many cases they see things the same way, even though we hear desires within the HR community of being “strategic partners” and “having a seat at the table.” For the most part, HR managers’ own self-image, self-esteem, and expectations are not very high. And in most situations, despite their declarations and intentions to the contrary, HR managers are resigned to the possibility that this may be as good as it gets.

For some HR departments, this is as good as it gets. Other HR managers, however, are frustrated because they want a more robust, high impact, and valuable role in their organization. They want to make a bigger difference, and they feel stuck because they don’t know how to change their predicament, or else they feel their stakeholders and customers won’t allow and trust them to play a more important role.

At the lower levels of the HR team, these frustrations are often heightened. The frustration is often directed toward the HR leaders, whom lower-level managers blame for not having the courage, foresight, and commitment to elevate themselves and their function to a higher, more influential, and meaningful role.

It’s a bromide that every HR executive wants to be in the innermost circle of top management. Yet few of them are. They may have a title—executive vice president, senior vice president, or director—that puts them on par with their counterparts in strategy, finance, marketing, sales, R & D, manufacturing, and distribution.

### **StratComment**

*HR is no longer a transactional function, since these aspects have been largely outsourced for good economic reasons. That leaves open the possibility of HR performing a transformational function, which requires credibility, talent, and courage—qualities not historically the strong suit of HR professionals.*

But that title alone doesn't actually make the HR leader the strategic partner of the CEO and other executive team members. In fact, we have seen instances where the HR leader was not invited by the CEO to participate in important strategic meetings and conversations that the CEO was holding with key business and functional leaders (peers of the HR leader). No mystery here. This is consistent with the historical paradigm described above.

Even when opportunities exist that could be ideal for HR to step up and provide leadership, such as when organizations suffer from a toxic political environment that undermines and prevents strategic commitment, in many cases HR leaders don't. They opine about, and often complain about, the issues, which only contributes to the problem. At times HR may help by bringing in external professionals, but mostly it continues to be viewed as the benefits administrator and watchdog over hiring, promotion, compensation, and other people practices, and it is infrequently a significant player in shaping the overall company strategy.

HR for the most part is trapped in a vicious circle that keeps reinforcing itself. It wants to elevate its status and value but is challenged first and foremost by its own historical model. Simply said, it is hard for HR professionals, starting with the senior ones, to change their own mind-set and self-image in order to become more courageous and influential. The more HR wants to operate outside this predicament (to become transformational), the more customers are skeptical because they only expect more of the same and view HR as incapable of providing more.

This predicament makes it ever harder for HR to metamorphose.

### **HR as Chief Commitment Officer: The Best of All Possible Worlds?**

So, can HR really step up and transform itself to become a key driver of change and improvement in the organization? Can HR ever be

perceived by the CEO and all key stakeholders and customers as one of the most important and influential drivers of the success of the organization? The answer is an emphatic Yes!

HR is not powerless to transform attitude problems that have emanated from even the highest levels of the organization. Toxic environments and a lack of strategic commitment are not the *fault of HR*, however they can become the *responsibility of HR* to transform and fix. HR is far better positioned than any other function to help the CEO and top executives gel, and then get the rest of the company on board with their direction.

Furthermore, if HR executives assume this responsibility, they can elevate their impact—and that of the HR function—to an entirely new level. It's a level beyond the one played by most HR executives today.

We realize this might sound implausible. An HR executive reversing many years of deep organizational dysfunctionality and dissent? The HR head getting all members of the executive team to devote themselves to one another and the CEO, and vice versa? It is hard to fathom. But we have seen HR executives who are playing such a role in their organizations. They (increasingly) see themselves as “chief commitment officers” because they are the key players behind the scenes helping the CEO gain internal commitment to the company's strategic direction and initiatives.

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*Ironically, employees often least committed and included historically in organizational change and improvement can become the chief commitment sources in the future. HR can transform its reputation by getting these people on board.*

Any HR leader can play this role, no matter how toxic the corporate culture, if the leader musters the courage and conviction to do so and learns the rules, steps, and boundaries of the game. In fact, we propose HR leaders *must* do so. This is their imperative of the day. It won't be easy or painless, and it won't happen overnight, but it is the only way they will be able to elevate them-

selves and their organization to a new level of impact, value, and reputation.

“HR executives today need to play a much more important role at the top of their companies, more than hiring and securing the right skills,” says Monica Woods (name fictionalized) from one of the world’s largest networking companies. “Hiring the best talent to fuel our growth is definitely critical; however, as an HR leader, I cannot only focus on getting talent in the door. Perhaps my most important job is to ensure that senior management creates an environment that helps our people achieve exceptional performance.”

This isn’t strictly a modern phenomenon. HR executives Art Strohmer and Steve Darien, now retired, led Merck as it was named America’s Most Admired Company five consecutive times. Marilyn Martiny, now retired, worked in knowledge management at Hewlett-Packard and absolutely was a catalyst for line managers to transform the organization. The problem is that it is so easy to choose these exceptions from the vast HR community.