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In order for the HR function to maximize its impact on the organization, HR-related issues and HR executives need to be “at the table.” The question is whether HR has “made it” yet: Is HR at the table, or under it? If it’s under the table, is it holding up the table, or hiding?

By Theresa M. Welbourne, Ph.D.

In order for the HR function to maximize its impact on the organization, HR-related issues and HR executives need to be "at the table." This phrase means that HR is involved in devising strategy in addition to implementing strategy. This subject is one that has been discussed for many years, in textbooks, news articles, HR publications and elsewhere. The question that arises today is whether HR has "made it" yet, and I ask this question in a somewhat different way: Is HR at the table, or under it? If it’s under the table, is it holding up the table or hiding?

This question comes to the forefront of my thinking due to a research study that I recently completed. As part of an ongoing research study of global leaders, with about 4,000 having participated to date, I have been tracking leadership confidence, engagement, and studying other topics related to leadership in general and human resources management. The study involves sending very short "pulse" surveys to the sample of leaders every other month. About 10 percent of the leadership sample responds to each survey, and my analysis shows that the data are representative of our overall population.

The sample consists of approximately 50 percent C-level executives (CEO, CIO, CFO, etc.). About 80 percent of the sample are VPs and above. The respondents are from *Fortune* 1,000 firms, smaller businesses and women-owned firms, and they range in size, revenue, industry, etc. Although the sample is global, it is predominantly based in the United States.

A recent Leadership Pulse study, as the project is called, examined the items that "derail" execution of 2005 business strategies. Based on several reviews of the literature on strategy and prior Leadership Pulse study results, I identified 15 potential "derailers." Those 15 items range from those that are external, such as budget and customers, to many that are internal to the firm, such as culture, the president of the company or the HR function. Below is a table that includes the means (or averages) for each item in addition to the percent of the sample who agreed that the particular item was a derailer. The survey used a 1 to 5 response scale. One means the item did not get in the way of strategy at all. Five means the item very much got in the way of executing strategy.

Factor	Mean (Standard Deviation)	Percent agreeing factor is derailer of strategy
Budget/funding	2.96 (1.17)	29 percent
Our past/habits	2.93 (1.23)	35 percent
Economic climate	2.93 (1.13)	29 percent
Company culture	2.61 (1.19)	23 percent
The way we work together	2.51 (1.21)	20 percent
Our customers	2.36 (1.04)	14 percent
Senior management team	2.33 (1.21)	18 percent
Lack of confidence	2.27 (1.06)	13 percent
Technology	2.27 (1.0)	11 percent
Our employees	2.26 (.88)	7 percent
Middle management	2.21 (1.01)	9 percent
Our policies	2.16 (1.03)	11 percent
Our CEO/president	1.94 (1.23)	13 percent
Human resource management in our company	1.88 (.96)	7 percent
Our reputation	1.84 (.98)	7 percent

Notice that human resource management is at the bottom of the list in terms of derailers. One would think that this is good news for HR as a field. The HR function is not getting in the way of executing strategy. I have presented this data to a number of senior and junior HR executives, and rather than receiving positive feedback, the results tend to initiate rather interesting—and not

very positive—discussions.

It was not the low score for human resource management that generated the enthusiasm in the subject, but it was the fact that the past, habits, culture and the way people work together were all rated fairly high as derailers, while human resource management was rated low. The HR audiences that I have been speaking with seem to think this is a "disconnect" for HR. The question these HR executives asked was, "Are we not seen as being in charge of culture and the way people work together?"

In order to understand the data better, I ran a more detailed analysis of the data. First, I conducted a factor analysis, which produces a grouping of the variables into overall scales. The general rule of factor analysis is that you keep an item in an overall scale, or factor, if the factor weight is 0.60 or above. This means that a given item, such as human resource management or culture, for example, "belongs" to factor or scale and not to the others.

When I ran the factor analysis for these questions, the result was a three-factor solution. I labeled them as external factors, leadership and process. The question for HR is where human resource management falls in this scheme.

The results show that human resource management should really be left out of the factors because in no case did human resource management "load" at the more than 0.60 level.

The resulting factors with the items that belong to each are below:

Leadership	Senior management team, our company's culture, way we work together, CEO or president, our past/habits, our policies
External Factors	Our customers, economic climate for our industry/business, our company's reputation
Process Variables	Technology, our employees, middle management

At the table or not?

Maybe HR is indeed at the table, having high impact on the

business. Or, it may be that with all the outsourcing and downsizing, HR is fading out of sight. Thus the question: Is HR *under* the table?

Perhaps HR is down there, holding everything up. Perhaps it is a support function that people may not see but that still remains active when it comes to strategy. That is the notion of HR holding up the table. Another possibility is that HR is hiding.

This is a possibility that, frankly, my current research study cannot answer. I can follow up on this question in future surveys, but for now, what can be learned from these data that can help us find HR, or at least suggest where HR should be seated?

First, the company's past and habits are the No. 1 strategy derailer. So a key question for HR, no matter where it is in relation to the table, is how to help their organizations minimize the possibility of their past habits and policies getting in the way of strategic execution.

Alignment vs. Realignment

In the survey, we asked leaders to comment on what's getting in the way of their ability to execute strategy. We heard what we might expect from this dialogue: much discussion about aligning strategy with HR and making sure all employees are aligned to the new strategy.

But even when companies make the magic alignment act happen, leaders tell us that something still gets in the way. That something seems to be a key aspect for HR to understand. Perhaps the secret to execution of strategy is not alignment but something tangential to this subject. That is realignment.

We work very hard in HR to make sure we get our employees aligned. We change compensation, we alter selection, and we work on new slogans and educational efforts. But we do this a lot, and in many cases, employees have become immune to this activity. They have leaned to lay low and focus on some core behavior that will get them by until the next wave of strategic stuff hits them. It's an inevitable part of business that once you get your organization aligned you will need to change it because the business environment is moving faster every day.

Companies that win will master the ability to realign. The skill

set that they will teach leaders will focus on agility, not alignment; leaders and employees need to understand the language of ambiguity.

The difficult part of alignment is that when you work hard at alignment and then change your mind in any way, shape or form, employees become disengaged and disillusioned with management. They don't trust that management knows what it is talking about.

In the June 2005 Leadership Pulse study, I asked respondents a question as a follow-up to the strategic execution results. I asked respondents to explain what exactly it is about their habits or past that is getting in the way of executing strategy. Below are some of the comments:

- "The inability to adjust fast enough at the moment."
- "Failure to prioritize the key strategic initiatives and placing adequate resources and time to complete well."
- "Perhaps we're a little slow to change our model to meet the market opportunities as competitively as we could."
- "Fear of growth."
- "We have a habit of having too many priorities. The workload is large and we never have enough staff."
- "Allowing the busy routine of daily business to get in the way of planning and implementing change."
- "Slowness in executing strategy."
- "Lack of effective prioritization mechanisms for significant strategic decisions."

All these questions suggest another opportunity for HR leaders.

Challenging the alignment goal

The only way for HR to accomplish anything is to come out from under the furniture. And a good place to emerge is to address the needs of an organization where the past and old habits are deterring execution of strategy and so are slowing growth and business improvement. HR can be an active partner with the management team in making change happen.

One assumption to challenge is that alignment is the ultimate process for growth. Instead, consider these paths:

- From alignment to realignment.
- From big plans to setting priorities.

- From learning to execute to learning to be agile.

You want to introduce the language of realignment as part of the basic business strategy because new opportunities should be explored on a regular basis. If the leadership team and workforce are ready to realign when new opportunities arise, your organization can move forward with tremendous momentum. This is because your new habits are the habits of change or the habits of movement and growth. Change, in a realignment culture, does not threaten the status quo, because change is part of what the organization values.

HR can play an incredibly important part in making this type of change because HR has at its disposal the key ingredient to agility, realignment, opportunities and priority-setting: the employee population. HR can be at the table with insights about the business obtained from employees because HR is the conduit to the employees.

HR can, through various initiatives that reach out to employees, obtain employee insights and ideas about the business. HR can be at the table because HR will have information about the business that no one else in the organization has at present. Employees are the stealth ingredient to creating a realignment culture. If you ask employees for information, and you use their input to realign, they are now part of the change, which means they are much more willing to move forward with the leadership team.

Come out, come out

Our experience is that moving from under the table to sitting at it is a function of HR's willingness to take risks. If HR is willing to go beyond the traditional role of HR as keeper of employee satisfaction and administration of HR, then HR can have an impact on culture, habits and management.

But this means that HR might step on the toes of many deeply entrenched habits and beliefs in your organization. One such organizational belief may be that HR belongs under the table, where it has always been.

If you emerge, people are going to notice. There will be an initial rejugling to gain balance. HR has to be willing to let the shaking moments happen, and even risk a small crash. As the team sees you, they'll interact with you. And it may not always be pleasant.

The move, then, is a big one--and not without risk and discomfort. But it will help your organization move toward the future in a bold, new way.

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