



The future of Human Resource : The Next CEO?

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KEYWORDS

Introduction

The art and science of human capital has continued to expand at a rapid pace over the past several years. Planning for organizational strategy, growth, and change, while ensuring that top-performing employees are acquired and remain engaged, are just a few of the myriad ways HR is essential to long-term business success. Because HR professionals focus a great deal of energy on the critical mission of developing talent within a company, they are left with very little time to quantify the benefits of those efforts financially. This deficit can pose significant challenges to HR professionals when proposing their annual agendas and resource requirements to the Board of director's and other senior executives at the top levels of organisation (also referred to as the C-suite). Both parties care about the organization's employees and future—why then does there seem that there is a language barrier?

This article is an effort to provide insight into this disconnect as well as on the absence of HR at the *table* (table here symbolises strategic decision making meetings and discussions). The focus is to identify factors which prevent HR people from holding the top post in companies (C-suite). Part of the issue stems from the difference in organizational perspectives between HR and the C-suite. Even when they do align, one focuses primarily on the talent landscape of the company, whereas the other's scope is comprehensive in relation to the organizational goals. This difference in objectives makes it difficult for the C-suite to understand the unique needs and challenges the HR function faces on a daily basis. In order to improve communications between the two, HR must be able to translate how the work that they do ties in with the enterprise wide company strategy.

This paper begins with a presenting a role HR in a company which is often not well understood or appreciated by people in other functional area (Finance, marketing, operations.) Afterwards, an overview of CEO role in organisation and linkage of how HR fits the bill or not. In the conclusion, an effort is made to understand what HR needs to be there.

HR Role

It is a known fact that many people in organisations are not very clear about the activities and difficulty of tasks which are performed by the HR department. HR people have also got used to fact of people laughing at their backs (What do they do anyway?). The first thing is to clear the air and answer the most important question: WHAT IS THE ROLE OF HR DEPT/DIRECTOR/VP.

A Human Resources generalist, manager, or director plays a wide variety of roles in organizations. Depending on the size of the organization, these HR jobs may have overlapping responsibilities. In larger organizations, the HR generalist, manager, and director have clearly defined, separated roles in HR management.

These roles bring progressively more authority and responsibility in the hands of the manager, then the director, and ultimately, the Vice President who may lead several departments including administration.

HR directors, and occasionally HR managers, may head up several different departments that are each led by functional or specialized HR staff such as the training manager, the compensation manager, or the recruiting manager.

Human Resources staff members are advocates for both the company and the people who work in the company. Consequently, a good HR professional performs a constant balancing act to meet both needs successfully.

The Changing Human Resources Role

The role of the HR professional is changing to fit the needs of today's modern, fast changing organizations. In the past, because the original HR personnel functions were often provided by accounting, the HR role was focused on administrative tasks such as paying employees, administering benefits, and keeping track of sick and personal days off.

But, a more comprehensive approach to the management of people in the organization was needed. Programs and processes that systematically hired employees, retained employees, and dealt with all aspects of talent management evolved in the best organizations.

Then, the role evolved again. Still responsible for the administrative tasks and the programs and processes related to people, the best HR professionals are now leading the charge.

They are developing systems and processes within the organization that address the strategic needs of the business. So, what was once the task of hiring employees is now the process of team-based hiring of the best possible talented employees who are recruited via methods that range from employee referrals to social media sourcing.

New HR Role

The role of the HR manager must parallel the needs of this developing, changing organization. Successful organizations are becoming more adaptable, resilient, quick to change direction, and customer-centered. They recognize that organizations will vie for talent in coming years.

This recognition brings about the need for employee oriented workplaces and programs that meet the needs of employees for meaningful work, growth, challenge, communication, and effective leadership.

Within this environment, the HR professional, who is respected by line managers and consequently, whose talents are utilized by managers, is responsible for new roles. In *Human Resource Champions*, Dave Ulrich, one of the more popular speakers and writers in the HR field, and a professor at the University of Michigan, recommends three additional roles for the HR manager.

- a strategic partner,
- an employee sponsor or advocate and
- a change mentor.

When the question is asked, what does the HR manager, generalist or director do, as it can be seen, the answer is a lot. The role bears responsibility for all of the processes and systems related to people in an organization. The role must support the work of managers who supervise and lead the work of these people.

Who is a CEO and his responsibilities?

The job title, CEO (Chief Executive Officer, refers to the head of an organization as in the person who presides over or is in charge of an organization.

The Chief Executive Officer (CEO) is the highest ranking executive manager in a corporation or organization. The CEO has specific responsibilities depending on the needs of his or her organization. The job description of a CEO varies by organization.

Whether the top person is president and CEO, or just CEO, he or she is the top person in command in an organization and has specific responsibilities depending on the needs of his or her organization.

Because the role of the CEO bears significant responsibility, accountability, and authority within an organization, the CEO has these additional responsibilities.

Emerging face of leadership

Before globalisation, people and business were treated as two separate entities in Inc. This was because it had a closed economy characterised by product monopoly. But globalisation brought an inextricable synergy between the two. This was mainly because more and more business decisions required people consensus for implementation. Since then human resource departments became the key interface between the business and people side of the organisation. It was the responsibility of the HR department to initiate dialogues between business and people while rolling out policies.

Incidentally, two of India's biggest business groups, Tata and Godrej, were the forerunners of this trend. They were among the pioneers of India Inc who understood that the human resource department was a key profit facilitating unit. Essentially manufacturing companies, both Tata and Godrej, always had a pronounced emphasis on HR like the service led companies. It is not difficult to understand why HR directors or heads can easily fit into the role of chief executive officers.

Almost everything that a chief executive officer does is based on two things – identification of the right people for the right roles and facilitating people in their roles – both of which are key HR functions.

Jack Welch, CEO of General Electric, had very rightly said "90% of a CEO's work is nothing but HR"

HAMPERING FACTORS :What is holding them back?

Here an attempt is made to identify the hampering factors which make transition from HR to CEO role difficult.

1. They have to fight the perception of being weak in finance and lacking the hard-nosed execution-focus that is the hallmark of a successful CEO.
2. HR professionals are never put on a mat as hard as a line person. "They haven't been pulled up on a month-on-month basis to account for hard deliveries and numbers like the sales guy or the production guy is.
3. HR practitioners have client interface experience; they don't have the essential business development experience. They are likely to be novices at investor management, capital structures and raising capital for the company
4. In HR, nine out of 10 things are under control because the area

of influence is within the company. But, business is driven by many factors that are not under the control. HR rarely works under intense performance pressure from quarter-to-quarter. HR gives a 70 degree view of the business whereas when he/she is a CEO, needs to have a 360 degree view

5. Many times it is said that HR people work in silos, concerned only about one aspect of business (though the most important); PEOPLE. To reach the level of CEO they have to broaden their perspective and take an strategic view of all decisions.

6. CEO understand numbers, stock markets understand numbers hence the need for HR to present all data in number format is essential. But it might be difficult to present all the talent and resources their capabilities etc in numbers.

HELPING FACTORS

Is there a formula to become a successful CEO? The answer to this question is complex but not difficult to identify; High Performance.

1. HR professionals have some unique strength that can be leveraged in the current business scenario.
2. HR gives one an overall view of the organisation because one is not bound by one's function/role.
3. HR is that the ability to understand the people side of the business, in terms of supply and demand, development, career, motivation and aspiration is a great strength.
4. HR professionals have high emotional intelligence and people connect that they can use not only to align people inside the company but also to align with external stakeholders.
5. In highly competitive business environment people hold the key to success or failure of any organisation. HR with their deep knowledge and experience of handling people can surge ahead with force to occupy the most coveted seat at the table

Conclusion: The transition to C-suite from an HR role is not always an easy task, but if one can remember to talk money, talk simple, talk facts, and talk with a plan, the C-suite becomes a more receptive audience. HR professionals who make the cut are those who have high credibility in their company, because they don't work in the silo of HR, but collaborate with the business and think strategically while performing their core role. HR professionals who are successful in business are the ones who have grown with the firms they have worked in, have seen the firms evolve and have been part of that evolution in their own right. They have been truly business partners from an HR perspective.

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