



# Bringing HR to the C-Suite

How Human Resources Can Create Value and Drive Performance

Carol Anderson

# HR is running out of time.

We have to begin making traction on pressing business issues like talent and performance, or someone else will. For far too long, HR has been pigeon-holed in the “administrative” role we’ve tried hard to shed. Leaders complain and moan about too much “HR work” and can’t see the value of having a business leader focused on “all things people.” HR has been trying to get the proverbial seat at the table for eons, and it doesn’t seem that there has been much. There’s a credibility gap between HR and the “C” suite that gets wider every day. The C-Suite still doesn’t see or value the role HR can and should play, because we are still mired in the morass of compliance and administration.

I have spent my career as one of those HR professionals who have to cajole arrogant operational leaders into doing “HR work.” I’ve fought the resistance, and I’ve learned a lot along the way. I’ve learned that this can’t be “HR work”—it’s leadership, plain and simple. I’ve also learned that we [HR] lean on the “compliance card” too much, instead of making sure that our systems and processes actually drive business performance. I’ve learned that we tend to overwhelm our operational leaders with bureaucratic process, rather than help them draw the link between behavior and results.

Why are we running out of time now? Because there is no doubt that, in our global economy, business depends upon the performance of the workforce. If HR cannot make the change from being a cost center drain to a driver of business performance, someone else will. In fact, performance improvement methodologies like Six Sigma, LEAN, change management, and process improvement are all focused on maximizing the effectiveness of the workforce. But because they are so often hosted outside HR, their messaging duplicates, or worse, conflicts with and overwhelms, messaging provided by human resource programs.

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No one today has the time to waste doing work that does not drive performance. So we have to figure out how to shift the paradigm of human resources toward creating value and driving performance. We have to make programs like performance and talent management actually improve performance and identify talent.

Talent has been a significant business issue for years, but based upon current research, HR is not helping to solve the problem... a failure, among other issues, which impacts the overall view of HR's performance and importance. In Deloitte's 2015 Global Human Capital Trends report, HR practitioners graded themselves a C- (1.65 on a five-point scale) on overall HR performance, with no improvement from a 2014 score. What's worse is that operational leaders gave HR a D+ (1.32 on a five-point scale). The Deloitte study also indicates that 40% of CHROs are now coming from operational leadership, not within HR, which should be seen as a huge red warning flag for the HR community.

So far in 2015, Forbes thinks "Human Resources Is Dead," Harvard Business Review wants to "Blow Up HR," Fortune says "Goodbye to HR," and McKinsey wants to "Get Beyond the Bureaucracy in HR." So, what's the problem and why are all these people saying these bad things about HR.

The lessons I have learned have led me to an epiphany: HR cannot force or mandate operational leaders to do work. The very best that will achieve is compliance, and possibly very grudging compliance, which could do more harm than good. We must develop programs that actually work, don't waste time, and drive business results. To do that requires that HR shift from thinking as a cost center to thinking as a business owner.

So, the question is, how does HR make this shift? I have long looked to HR books and consultants for answers; they told me what I need to do (e.g., “learn the business”, “build relationships,”) but not how to do it. As an HR leader, I have had success in bringing together diverse parts of HR to collectively look at our work as a whole, focusing on adding value, and really listening to our customers. In thinking through why that worked, I realized it was a good start to answering the “how do I do it” question.

HR professionals are tired of fighting battles and putting out fires; they want to be valued business leaders and partners, and want their work to contribute to the organization’s bottom line. HR cannot afford to stand around bemoaning the fact that operational leaders are not leading effectively. By engaging operational leaders in owning and being accountable for the people part of the business, they can influence a change in behavior and help operational leaders realize their leadership responsibilities.

But HR cannot do this alone. We need bold and active support from C-Suite partners. Frankly, if operational leaders were leading effectively there probably wouldn’t be a need for all of the regulations and rules that choke most organizations today, ergo the HR programs. After all, HR programs are merely a framework showing the way to effective leadership. If those programs are not doing that, it is the C-Suite who must demand something different, measure the effective-

ness and work in collaboration with HR to develop and deploy programs that make a business impact. This appears to be just what has happened at Accenture and Deloitte. It wasn't a vendor with a cool new technology that proposed the change, but it was organically built and operationally led within the organization to work within the organization.

In thinking about the CEOs who give HR a D+ for their work, I have to ask why they tolerate such performance. Are CEO's not responsible for the overall functions of their organizations? Why then are they not demanding more from HR. Perhaps they are not sure where to start?

For HR, the place to start is getting back to the business of the organization. Operational leaders are going to listen when HR says that they can help drive revenue, reduce expenses, or gain market share. Otherwise, it's just all HR fluff. But by starting with "I can help you improve performance," an HR practitioner is grabbing their attention. That opens the door to talking about behaviors that need to change in order to improve performance (in reality, it's all about behavior), how best to implement change, and what outcome is expected. That leads to dialogue about what is or isn't happening and why, and whether or not that is okay with the operational leaders, because they are the ones who must make the change.

What can HR do to shift themselves from being seen simply as an expense... a cost center?

In the long run, HR must begin thinking like a business, ask good business questions, think collectively rather than in sub-disciplines, and follow a disciplined process to focus on the needs of their customers. In my book, *Repurposing HR*, I lay out such a process.

But first, HR must recognize that they cannot force operational leaders to do “HR work.” They can build metrics and track compliance, but that’s what they’ll get—compliance. Leadership requires far more than compliance. It requires a deep understanding of human behavior, team dynamics, and an ability to connect. Putting a program in place and saying, “Do it,” just doesn’t work.

What works is having a real business problem to solve, whether it be increasing revenue, margin or market share, or decreasing expense. Then it means identifying the human behavior that is causing the problem—and in organizations the root cause generally leads back to behavior. Once the problem is identified and agreed to by leadership, HR can present various alternatives to solve the problem, detailing specifically the role of leadership in the proposed solution.

The leadership role cannot be glossed over, as behavior change is hard work and must be championed by leaders. If there is a sound determination of root cause, and a clear path to behavior change, owned by and accountable to the executive team, the business problem is on the way to being solved.

# Dismantle the Silos

To get to this point of facilitating the identification of business problems and necessary behavior change, HR must work together as a team.

Overall, HR is complicated, and there is added complexity in compensation, employee relations, talent acquisition and learning/development. Each discipline has its own “best practices.” Time and time again, I have watched (and been part of) HR teams that completely overwhelmed an organization by introducing several disparate and separate programs, each requiring a lot of work on the part of leaders, at different times, and causing confusion among employees.

A friend recently joined a new organization and was describing all of the HR programs that their leaders had responsibility for: semi-annual performance reviews, action planning for the results of the employee survey, talent and succession management, salary reviews, stay interviews... each with a different set of criteria for them to discuss with employees.

The real issue is that leaders need to have meaningful conversations with their employees. By prescribing all of these pieces and parts at different times, disconnected from each other, the leaders only see “more HR work.”

The old adage, “if everything is important, nothing is important” is instructive, especially at a time when everyone is craving simplicity. HR programs are simple message points to help leaders execute effectively. If they don’t do that, they aren’t working.

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## Focus On the Customer

HR has to ask the question, “What do you need to solve your business problems,” instead of coming at it as a mandate—we must [name that program] or we will put the organization at legal risk.

Once we ask that question, we have to follow up to ensure that whatever solution we propose does, in fact, improve the organization’s performance, much as an external vendor would solicit feedback from their customer. Does the program provide measurable results, and if not, why not? Is the program easy to use, and if not, how can we improve it?

Any program in any organization should have one purpose—to improve performance. Performance management? Well that’s a no brainer, but what about HR policies? Their purpose is to set forth behavioral standards so that performance can be maximized. What about the hiring process? It serves to help the organization source, select, and onboard the right talent... so that performance is maintained or improved.

Can employees and leaders find the information they need? If not, we may have inadvertently created a time waster, and most organizations today cannot afford to waste time.

When operational leaders resist “HR programs,” HR needs to take that as a sign that either the operational leader has not yet made the link between what she is asked to do and improving performance, or the program does not do what it is purported to do. Either way, HR is not delivering service to their customers.

Making this shift is not for the faint of heart, or for the HR practitioner that believes their role is administrative, or worse, social worker. Making this shift means HR must ask their operational business leaders about the value they add (or not) to the business, and must listen and take action. There is only one way to be certain if customers see value in products and services: ask them.

# Asking “Good” Business Questions

In 2001, three McKinsey consultants launched the “war for talent,” empirically linking top talent to organizational performance, and predicting a vigorous scramble to recruit and retain “A” players. It was about that time that my organization launched our own version of Talent Management.

As I look back on our launch of this crucial program, I see that we started with the wrong premise. We started with something our operational leaders could not relate to—the diminishing talent pool. We didn’t ask the right questions or understand their need and they were far too busy running their operations, and hey, talent was all around us.

Our program ended up being effective, retaining 90% of our identified top talent even as the credit and mortgage crisis of 2008 loomed large, but not before we took a step back and identified what the customer needed and how to make it work within the context of their business operations.

What if we had started with good business questions? Could we have engaged a committed leadership more quickly rather than fight their resistance to a program they didn't completely understand? The answer is "yes."

The good business question is, "How are our [revenues, margins, market share, expenses] compared to our potential?" Are there behavioral considerations at the workforce or leadership level that are prohibiting us from achieving that potential? Ah, now we have a good business reason, one that operational leaders will be far more interested in solving.

By starting with the business issue, HR opens the door to linking what needs to happen back to the business results. Anything less results in dubious compliance.

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# Thinking Collectively

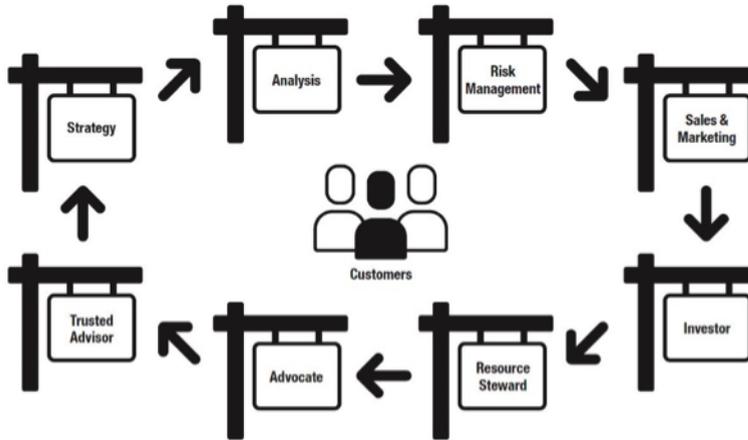
Once the good business questions are asked, it requires a collective mindset on the part of HR. No longer can we afford to let Compensation & Benefits, Employee Relations, Learning & Development, Recruiting and other sub-disciplines go forth and develop programs in isolation. That causes fragmentation, confusion and mixed messages... a classic example of “siloiing”

Remembering that HR programs are simply message points helping leaders and the workforce do their best work, HR has to make sure those points are linked closely together, align to the business objectives, and do not frustrate the heck out of customers.

By thinking collectively, HR can bring all of the different lenses of the sub-disciplines together, prepare a strategic and holistic proposal for solving the business problems, and market it to the C-Suite in the same way an external vendor might market their products. Collectively, HR looks carefully at the business need, and gains consensus from their customer—in essence, a needs assessment. Then they created proposed solutions that will address the business need, and educate their customers on what is required on their part to ensure that the solution solves the problem. Then they evaluate the effectiveness and, with their customers, tweak the process for continuous improvement.

# A Disciplined Process

Thinking collectively rather than in silos is unusual. HR is overrun with compliance and administrative work, and spends a lot of time fighting the resistance of their operational leaders. To break through the noise, it is helpful to follow a process.



The RoadMap and Stopovers presented in *Repurposing HR* provide that disciplined process. Together all areas of HR work through a series of “good” business questions, focused on eight StopOvers. HR can start anywhere on the map, and some of the StopOvers may not be necessary depending on the issue. They may return to StopOvers after they have moved along the RoadMap.

They may start with Strategy, focusing on both the organization's strategy and HR's strategy to accelerate the business. They look at "what is" and "what should be," and collectively figure out how to close the gap.

Analysis is a dive into business intelligence, either quantitative or qualitative, to understand "what is." They identify the Risks that exist and look at opportunities to minimize or eliminate them.

Moving on, HR hones their Sales and Marketing skills to establish and measure their value proposition, and educate their customers, and take a hard look at their responsibilities as a Steward of the organization's resources. They also play a role as an Investor, helping the organization balance capacity and capability of the workforce, in order to maintain culture and stability.

Here is the interesting StopOver—Advocate. Yes, HR is an advocate for the workforce, but more importantly, HR is an advocate for the organization. If the organization is not successful, it really doesn't matter how much they care about the workforce.

Finally, through good business questions and collective thinking, HR achieves the role to which they aspire—Trusted Advisor. Being a trusted advisor means critically reflecting on their role, their value proposition and their customers' engagement in their products and services. This means they have to ask the hard question of their customers—"How are we doing?"

# Just Imagine

Many have recently suggested that HR should be split, dismantled or done away with. I don't agree. A C-Suite cannot afford not to have that 30,000 foot view of the workforce and leadership that comes with being responsible for "all things people." Linking the people to business outcomes requires a holistic view of the culture, the engagement and the commitment—a role to which HR must step up. I believe that HR can do this, with the help of the C-Suite.

Can you envision an organization where the C-Suite and HR work together to have leaders that are skilled and effective, a workforce that is committed to doing high quality work and an organization that has confidence that the work accomplished by the workforce actually aligns to the business strategy?

**Do you have the courage to have a real, heart-to-heart conversation about your workforce, their productivity, and how you can propel their performance? That's a huge first step toward fixing the "people part of the business."** 🗣️

# Info



**BUY THE BOOK** | Get more details or buy a copy of [Repurposing HR](#).

**ABOUT THE AUTHORS** | Carol E. M. Anderson, SHRM-SCP, CCP, is the owner and principal of Anderson Performance Partners, LLC. She has been in the HR field since 1975, starting her Marine Corps career as a Personnel Officer. Prior to her current consulting business, she was the Chief Learning Officer of Orlando Health; Senior Vice President of Talent, Learning, and Compensation for LandAmerica Financial Group; Regional Practice Leader, HR Consulting for Marsh USA; and Senior Vice President, HR for Crestar/SunTrust Bank.

She is a regular contributor to [TLNT.com](#).

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