

HR - 'QUIT BUT STAYED'

As we approach the end of 2009, one of the big questions for HR leaders will be: 'has a prisoner mentality developed within my company?' The International HRD Forum's 2009 Australian Response to the GFC Survey found that in most businesses, engagement and morale levels were down. Voluntary departures were also down. Employees have developed a prisoner mentality and have quit their companies mentally, but have physically stayed.

The reality is that just like employees, some HR practitioners have 'quit but stayed'. In this month's Instep, we look at some of the drivers of discontent which will influence many HR practitioners to look elsewhere when the market picks up.

As everyone knows by now, in many companies, HR has been asked to be on the front line and implement the 'hard decisions' taken by executives (who are sometimes a long way from the action). Pragmatically and with a sense of purpose, the vast majority of HR professionals have managed restructuring and transformational change programs as part of their job, in short time frames and with a strong cost focus. The question is, how much have they been thanked for this effort? If HR professionals are rocky after a stormy period supporting the business, what will throw them out of the boat completely?

Authentic and respected leadership

Undoubtedly the single most important motivator for HR professionals to decide to join or leave a company is the respect and style of the HR leader managing the function. The pressure is really on HR leaders at the moment to deliver the business requirements, as well as ensure that the HR team is led in a way that results in the function being respected.

The fact is that HR professionals want to join teams that are led by respected HR leaders. If HR professionals perceive that their leaders aren't representing them well to the top team, acting with the utmost integrity or fighting the 'good fight' about an agenda that includes a balanced approach to change, then turnover in the HR team is bound to increase in the future.

The words from a small sample of senior professionals described this view: "The person I report to must be of high integrity"; "I need to report to someone who I have a relationship of trust with"; "I want to be able to bounce ideas and concepts with my

manager"; and "I want to report to someone who I respect as a HR professional." These views are repeated time and again by HR professionals. The attitude is "I can go out and do the tough stuff but I have to be led by someone who I believe in, someone who supports myself and the function."

Procurement

As has been seen often in tough times in the past, decisions are made to drive change through cost. A cost orientation takes over with procurement rising to prominence. 'Cost, cost, cost' is the mantra – not exactly empowering for HR professionals who normally make sound decisions weighing both cost and quality.

Line managers with no HR capability

As an apparent vote of no confidence in the HR discipline, at times of stress, companies sometimes vote with their feet and appoint a line manager to HR. As reported in Shortlist recently, "General Motors in the US has appointed an engineering executive with no human resources experience as its new head of HR, as part of a major shake-up of the company's corporate culture following its bankruptcy in June. The company has also removed the HR seat from its eight-person executive committee."

The outgoing HR leader who was with the company for over 30 years has been replaced by a manufacturing engineer. The MD of a US industry consultancy believed the appointment reflected General Motor's desire to bring engineering principles of efficiency and continual improvement into the HR function. The view from this person was, "It's a positive sign they want to make deep changes in HR and don't want to draw from the HR community."

Words cannot describe the horror that this story represents for HR professionals.

Models and ratios

In line with the current economic cycle there is pressure on HR models. Stripping out costs (i.e. head count) is being driven through many companies, particularly global businesses. The story of an Asia Pac HRD losing their whole team to have them go into a shared services model and becoming a sole trader is an extreme but recent example. Many ratios are being blown out. Let's face it, having one HR professional for hundreds and hundreds of people is no fun, particularly when the company has been used to a higher touch HR model. HR becomes a reactionary 'triage service' for the wounded – not a very motivating scenario for HR professionals.

The International HRD Forum's 2009 Survey identified engagement in Australia and the risk of a 'quit but stayed' mentality as being high. The same applies to HR teams. HR leaders need to have this on their radar or potentially they will experience some pretty significant turnover in the HR function.

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