

Over the Top or On the Money

**The popular perception of trainers isn't particularly popular
with the greater training community.**

DID YOU CATCH the cover story in the August issue of *Fast Company* titled "Why We Hate HR?" No? Well, then you missed the most influential article in the human capital industry this past year.

I'm guessing there's a good chance you read it, because it's been emailed, linked to, debated, and ridiculed consistently throughout our industry since it was published.

Was it crass? Yes, it was a bit over the top. Was it unfairly stereotypical? No doubt.

But was it accurate? (Sssshhh, don't say this too loudly, but yes, most people I've talked with thought it was right on the money.)

On the off chance that you didn't see the article (www.fastcompany.com/magazine/97/open_hr.html) written by Keith H. Hammonds, *Fast Company's* deputy editor, let me share some of the juicier pieces with you:

After close to 20 years of hopeful rhetoric about becoming "strategic partners" with a "seat at the table" where the business decisions that matter are made, most human-resources professionals aren't nearly there. They have no seat, and the table is locked inside a conference room to which they have no key. HR people are, for most practical purposes, neither strategic nor leaders.

HR is the corporate function with the greatest potential—the key driver, in theory, of business performance—and also the one that most consistently under-delivers.

HR people aren't the sharpest tacks in the box. We'll be blunt: If you are an ambitious young thing newly graduated from a top college or B-school with your eye on a rewarding career in business, your first instinct is not to join the human-resources dance. (At the University of Michigan's Ross School of Business, which arguably boasts

the nation's top faculty for organizational issues, just 1.2 percent of 2004 grads did so.) Says a management professor at one leading school: "The best and the brightest don't go into HR."

Everybody's talking

Just Google the article title and you'll get hundreds of hits. Links to blogs, rebuttal articles, letters to the editor, and newly minted presentations scream across your screen in under a second. Read through the various blogs and you'll find lots of supporters...and just as many detractors. There's seemingly no middle ground of opinion. On *Fast Company's* website you can write comments directly in response to the article. A total of 67 people had done that when I last checked, and I read through each one of them. In a word, most were: predictable.

"This is probably one of the most poorly written and unprofessional articles I have seen in a long time," writes Michelle from Michigan, who describes her occupation as training and OD. "The points could have been made in a more productive way with examples of things HR can do to become a better business partner without the attitude. The tone was demeaning—I honestly don't think I have ever seen such a negative article in my career—if you are going to challenge something then provide some positive ideas on what HR can do to become more aligned with the businesses."

"When will we in HR get it???", writes Daniel Biggs, a "chief xperience officer" located in Glenwood Springs, Colorado. "We as a profession have such a low self-esteem. I can just picture poor whimpering HR directors saying 'please value me, I'm important, look at this three-color FTE per AOB report I ran today.'"

Have a topic that you'd like to see covered in "The Enterprise"? Email Kevin Oakes at koakes@sumtotalsystems.com.

"I despise the whining I hear from other HR professionals complaining that they are under-valued or not appreciated by their CEO or even worse, they blame their woes on their department directors," Biggs writes. "If you are not appreciated or valued, it is not the fault of your CEO or other leaders; look only as far as your mirror, and if you have to run reports to prop up your esteem, then I feel sorry for you. Your CEO should not have to look at a report to know that without you, his business would not be as successful. It should be absolutely obvious that every day, in every interaction with leaders or employees, he or she sees your influence for good in the organization, especially those things not captured on reports."

Barbara, with an occupation of IT from Australia, wrote "People may seem shocked, offended, scared, and affronted by this article—but isn't this all part of the denial strategy? I suspect it is even worse than the article suggests and explains the distrust among employees for this corporate function."

At a recent ASTD chapter meeting that I keynoted, I asked the audience if they had read the article. The reaction was primarily laughter and affirmation. I read some of the same passages above, and there were a lot of smiles and head nodding. Then I suggested you could substitute the words "training and development" for "HR" and the article would carry the same weight.

Maybe it was my imagination, but the room seemed to get a little quieter. And it's because what Hammonds said about HR is the exact same thing many privately say about the training profession.

Business acumen

There are three primary skills gaps cited in the article, and one of the main culprits in HR's failings, according to Hammonds, should be familiar to anyone paying attention in the workplace learning field: lack of business acumen. Hammonds highlights this in his article with statements like:

The truth? Most human-resources managers aren't particularly interested in, or equipped for, doing business. And in a business, that's sort of a problem. As guardians of a company's talent, HR has to understand how

people serve corporate objectives. Instead, "business acumen is the single biggest factor that HR professionals in the United States lack today," says Anthony J. Rucci, executive vice president at Cardinal Health, a big health-care supply distributor.

Not surprisingly, Susan Meisinger, president and CEO of the Society for Human Resource Management, addressed this criticism in a rebuttal letter she wrote to the article's author:

"HR is making progress, and among the profession's greatest strengths is that it has a clear vision of where it needs to be," Meisinger claims. "In fact, every year thousands of HR professionals engage in professional development courses specifically designed to enhance business skills, HR strategy, and executive education so that they can do more of what you claim they cannot—raise 'the reputational and intellectual capital of the company.'"

But the article contends that the interest level among HR professionals just isn't there, and uses SHRM's own data to make the point:

When HR professionals were asked about the worth of various academic courses toward a "successful career in HR," 83 percent said that classes in interpersonal communications skills had "extremely high value." Employment law and business ethics followed, at 71 percent and 66 percent, respectively. Where was change management? At 35 percent. Strategic management? 32 percent. Finance? Um, that was just 2 percent.

The field of workplace learning parallels the HR field. Despite the recognition of the business acumen skills gap, the problem is still perceived to persist. A study by Accenture titled "The High Performance Learning Organization" outlines this succinctly:

In spite of the heightened expectations to manage learning as a business, the alignment of learning strategies and delivery with objectives of the business or government agency continues to challenge learning organizations and their leaders. One reason: Performance appraisals of learning executives generally do not cover this important area. Only 2 percent of learning executives in our study are measured or evaluated according to how successfully they align the learning function to strategic goals of their company or agency.

High performance learning organizations, on the other hand, are more likely to say that "the business of the company" is a critical competency for a learning executive (88 percent to 72 percent). Furthermore, they are consistently more likely to align to such strategic objectives as revenue growth, improved customer satisfaction, and improved workforce performance. Reporting structures also come into play when we look at who is better able to maintain business alignment: of the top performing learning organizations, 47 percent of heads of learning report directly to a C-level executive, compared to 38 percent of their peers.

Language issues

A second issue that keeps workplace learning professionals isolated from the business side is the dizzying array of terms and phrases invented just for our industry. HR is no different, according to Hammonds, who writes about a seminar he attended at an HR conference in Las Vegas. Sounding a lot like a session that could be at any learning conference, it is titled *From Technicians to Consultants: How to Transform Your HR Staff into Strategic Business Partners*. Hammonds describes the speaker, from Wells Fargo Home Mortgage, as: ...an enthusiastic woman with a broad smile and 20 years of experience at companies such as Johnson & Johnson and General Tire. She has degrees in consumer economics and human resources and organizational development.

And I have no idea what she's talking about. There is mention of "internal action learning" and "being more playful in my approach." PowerPoint slides outline Wells Fargo Home Mortgage's initiatives in performance management, organization, design, and horizontal-solutions teams. [She] describes leveraging internal resources and involving external resources—and she leaves her audience dazed. That evening, even the human-resources pros confide they didn't understand much of it, either.

"I've been to these Vegas-like events and am equally amazed at how incomprehensible and ridiculous some of these sessions can be," writes Matthew Getz on *Fast Company's* feedback section. Getz describes himself as an HR business partner based in Atlanta. "Take a look at the

article headlines from *Chief Learning Officer* and it only takes a 'What's Your Strategic Alignment Quotient' to make you cringe."

Business strategy

Above and beyond attaining simple business acumen or speaking the language of business, the more important skills gap that is often cited among workplace learning professionals is lack of business strategy.

Hammonds insinuates in his article that the HR world—and many would say the same about the workplace learning field—is overrun by individuals with more of an academic mindset than a business one.

Others enter the field by choice and with the best of intentions, but for the wrong reasons. They like working with people, and they want to be helpful—noble motives that thoroughly tick off some HR thinkers. "When people have come to me and said, 'I want to work with people,' I say, 'Good, go be a social worker,'" says Arnold Kanarick, who has headed human resources at the Limited and, until recently, at Bear Stearns. "HR isn't about being a do-gooder. It's about how do you get the best and brightest people and raise the value of the firm."

Whether it's HR or training and development, the ability to think and work strategically is what most senior executives are craving. Says Cardinal Health's Rucci in the *Fast Company* article:

[T]here are three questions that any decent HR person in the world should be able to answer. First, who is your company's core customer? "Have you talked to one lately? Do you know what challenges they face?" Second, who is the competition? "What do they do well and not well?" And most important, who are we? "What is a realistic assessment of what we do well and not so well vis à vis the customer and the competition?"

Understanding the business, and measuring the right things, has been cited many times as critical to the success of the workplace learning professional. Yet, criticisms of measuring the wrong things persist.

In the *Fast Company* article, Dave Ulrich, a well-known professor, author,

and keynote speaker from the University of Michigan, recalls meeting with the chairman and top human resource people from a big bank.

"The training person said that 80 percent of employees have done at least 40 hours in classes. The chairman said, 'Congratulations.' I said, 'You're talking about the activities you're doing. The question is, 'What are you delivering?'"

That sort of stuff drives Ulrich nuts. Over 20 years, he has become the HR trade's best-known guru...and a leading proponent of the push to take on more strategic roles within corporations. But human-resources managers, he acknowledges, typically undermine that effort by investing more importance in activities than in outcomes. "You're only effective if you add value," Ulrich says. "That means you're not measured by what you do but by what you deliver." By that, he refers not just to the value delivered to employees and line managers, but the benefits that accrue to investors and customers, as well.

Self preservation

For workplace learning professionals, providing real value in the overall business strategy is becoming even more critical today than in the past. As the HR department is increasingly under the threat of being outsourced—with training and development right along with it—the ability to show strategic value might be more about self-preservation today than career advancement.

In a 2004 survey conducted by TrainingOutsourcing.com, 61 percent of the buyers surveyed believed it was likely or very likely their organization would increase the percentage of training outsourced to external training companies in the near future (one to three years). According to a 2004 SHRM human resources outsourcing survey report, the top seven reasons for outsourcing the function are:

- save money, reduce operating costs (56 percent)
- control legal risk; improve compliance (55 percent)
- gain access to vendor talent, expertise (47 percent)
- streamline HR functions (45 percent)

- offer services the organization could not otherwise provide (44 percent)
- allow the company to focus on its core business (42 percent)
- reduce the number of HR staff (41 percent)

But I would contend the decision to outsource has more to do with strategy than anything on this list. If the HR and training and development functions were seen as strategic to the organization in the first place, much of what's on this list wouldn't be considered.

Often the conversation by the outsourcing providers with corporate senior executives mirrors Hammonds' article—in essence, we understand business strategy, and can make this function work for you once and for all. Can't you picture the senior corporate executive—the one who just signed the big HR outsourcing contract that eliminated thousands of jobs in the company—reading Hammonds' article and feeling vindication in his or her decision? Whether it's the threat of outsourcing, getting lost on the career path, or just losing the next budget request, workplace learning professionals worldwide should take note of the criticisms outlined by *Fast Company*. Because no matter how crass, unfair, or prejudiced you may feel the article is, what Keith Hammonds put into print about HR is exactly what many executives joke, whisper, or just plain think about the workplace learning professional today.

Maybe it's a wake-up call, but that's why I think the article is likely to be viewed as the most influential one to be published in our industry this year.

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