

HR CHANGES

It may be the fact that the long recession is beginning to lift and maybe be the beginning of a new decade (with a desire to forget the past one), but there seems to be a lot of interest in whether human resources will be different going forward than in the past decade. Will the challenges be different, and will the skills needed to address those challenges be different as well? If we think the HR function is changing, one way to test for that is to see whether the attributes of those running it are changing. And this translates into a question that has great interest to people in any field: Who gets the top jobs?

Who Gets the Top Job? Changes in the Attributes of Top HR Leaders and Implications for the Future, Wharton post-doctoral fellow Yang Yang and I looked to see how the heads of HR in the biggest companies -- the *Fortune* 100 -- are different now than those holding that job a decade ago.

What did we find?

First, while the majority is still male, the gender gap has shrunk at a remarkable pace: 42 percent of the top HR jobs are held by women, compared to 27 percent only a decade ago. Pessimists may say that this reflects a lower-status function -- we need to promote women so put them here. But a more optimistic view that is consistent with the facts is that the pipeline of women in HR is much deeper and stronger than in other fields, so it makes sense that more are getting to the top here.

The people heading HR now are also older than those in similar roles a decade ago -- age 53 vs. 50 -- and therefore have more work experience. This has happened at a time when other executives have gotten younger. That's a bit of a puzzle. The most interesting findings relate to career paths.

There seems to be a widespread view that HR now demands much more business savvy than in the past and that the inability to get that expertise is causing companies to look outside when recruiting HR leaders -- not just at other companies but at other functional areas within the business. The facts, however, suggest something different. Companies were about as likely to promote their HR heads from within as compared to a decade ago -- about 41 percent came from outside now versus 39 percent a decade ago, and this is in a period when overall outside hiring seems to have gone up. But there is evidence that more of these executives were brought in from the outside at some earlier point in their careers and then promoted to the top job. The reason is that overall years of work are up, but tenure in the current company is down. So companies may be filling their pipeline more from the outside. But the companies were much less likely to look outside the HR function for an HR leader: Only 21 percent did so for the current cohort vs. 30 percent a decade ago. And a larger percentage of the current crop of HR heads began their career in HR -- 44 percent, compared to 31 percent a decade ago.

While these HR leaders have more years of work experience than the earlier cohort, it has not been spent in other fields. These results suggest that the notion of a clear HR career path is stronger now than in the past. In terms of specific experience, the most common functional area within HR for the HR heads to have worked is talent management. Outside of HR experience, the most striking aspect of the resumes of the current HR executives is that 27 percent have had international responsibilities and 20 percent had overseas job, a 300-percent increase in both categories.

The biggest increase in HR efforts was in the area of employee surveys, which we might code as part of a more general interest in metrics and gathering data: up from 10 percent of all heads to 24 percent now. The biggest decline was in labor and employee relations. A generation ago, labor was equal in status to HR, and in some cases HR reported to the head of labor relations. Now only 12 percent of HR heads report having prior experience in that area.

What should we make of these results, and what do they tell us about the future of HR?

Aside from gender differences, the biggest story appears to be the growing importance of an HR career path, as more of the top HR executives are coming from within HR, more are beginning their careers in HR, and despite additional years of work experience, the proportion of time in HR remains the same.

Does this suggest that HR is becoming more of a profession? Yes, it does.

Those who argue that HR leaders need to be business leaders first and HR experts second may not like these results as they suggest the priority is the other way around. Another more positive spin is that people in HR now have a business perspective already, possibly from broader training in school and on the job, and they no longer need time in other functions to get it.

Peter Cappelli is the George W. Taylor Professor of Management and director of the Center for Human Resources at The Wharton School. www.talentdemand.org.