

HR Confidence June Leadership Pulse

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Leadership Pulse Introduction

- **Monthly Leadership Learning**
 - Over 4,000 executives around the world have answered the Leadership Pulse survey since it began in June, 2003
 - All individuals in the study receive surveys and all results (both on-line reports and executive summaries)
- **June survey focused on HR only**
 - Survey sent to 1,200 senior HR executives
- **Topics = HR Confidence and Challenges**
- **Goal of study = Research and executive learning**
 - Data and Dialogue Driven Leadership™

HR Confidence Pulse Survey

- **Responses from 336 individuals**
- **Sample derived from:**
 - **Leadership Pulse**
 - **Michigan Business School Executive Education alumni / conference participants**

Sample Demographics

- **Size of firms (# of employees)**
 - Less than 500 ees = 26%
 - 501 – 5,000 = 31%
 - 5,001 – 25,000 = 23%
 - 25,001 + = 20%
- **Firm performance**
 - Low or very low = 7%
 - Average = 28%
 - High = 36%
 - Very high = 29%
- **Level of respondents**
 - C-core or VP = 31%
 - Director = 32%
 - Senior manager = 11%
 - Manager, Professional, consultant = 26%

Industries Represented (sample, not the complete listing)

- **Manufacturing** = 26%
- **Wholesale trade** = 3%
- **Services (not consulting)** = 9%
- **Information technology** = 5%
- **Biotechnology** = 3%
- **Consulting** = 4%
- **Not-for-profit** = 3%
- **Construction** = 1%
- **Retail trade** = 5%
- **Finance, insurance, real estate** = 14%
- **Mining** = 1%
- **Health care** = 11%
- **Engineering** = 4%

HR Confidence Scores (high to low)

Questions (with 1 to 5 scale with 1=no confidence at all and 5= very confident, rate confidence on each)	Mean (Standard Deviation)
1. Your HR team's ability to execute on HR tactical work.	4.43 (.82)
2. Your career potential outside of your current organization.	4.17 (.86)
3. Your personal ability to influence senior leaders in your organization on HR issues.	4.12 (.99)
4. The overall effectiveness of your HR department.	3.82 (.82)
5. Your HR team's ability to execute on HR strategic work.	3.72 (.98)
6. Your personal ability to influence senior leaders in your organization on strategic business issues.	3.64 (1.03)
7. That you are spending your time doing the right things for your organization to be successful.	3.61 (.97)
8. Your career potential within your current organization.	3.56 (1.16)
9. Your personal ability to influence the CEO.	3.48 (1.22)
10. Your senior leaders' effectiveness as HR leaders.	3.38 (1.01)

Comments

- **Very broad range of comments about confidence levels (see on-line reports for the details)**
- **People who provided higher confidence scores talk about being strategic, moving from tactical work**
- **Those with lower confidence scores have new leaders, recovering from economic downturn, focused on tactical work, no visibility with CEO, etc.**
- **Lots of people talk about being in a transition mode and what it means to their careers and their HR teams**

Group Differences On HR Confidence

- Examined whether there were group differences by company size, performance, and more. Only one category results in statistically different results, and that group is job level.
- For this analysis, used scale scores vs. individual questions
 - Questions resulted in two scales
 - Personal confidence (questions #3, 6, & 9 prior page)
 - HR team confidence (questions #1, 4, 5, 7, 10 prior page)
- Personal confidence
 - Scores are highest for higher level jobs; lower as job titles more junior
 - VP levels, mean = 4.22
 - Professional, non-management levels, mean = 2.82
- HR Team confidence
 - Same pattern
 - VP levels, mean = 4.29
 - Professional, non-management levels, mean = 3.77

Impact Scores

Aspect upon which impact of work is being measured:	Most challenging project: Mean (SD)	Least challenging project: Mean (SD)
Improving work for employee population	4.08 (.89)	2.68 (1.03)
Executing your firm's strategy	4.12 (.89)	2.55 (1.09)
Overall financial performance.	4.38 (.78)	2.53 (1.11)
Perceived success of HR team.	4.16 (.81)	3.08 (1.08)
Helping the senior leadership team.	4.24 (.79)	2.54 (1.05)
Your role in being a strategic leader.	4.25 (.83)	2.26 (1.09)

More challenging work has higher impact on financial performance and lower impact on employee population.

Least challenging work has highest impact on perceived success of HR team, although no score on the least challenging side is higher than the lowest score for challenging work.

What is the challenging work?

- **Top categories include:**
 - **Change management**
 - **Communication**
 - **Metrics**
 - **Strategic vision work**
 - **Leader support**
 - **Management training**

Many of these items received the lower confidence scores

Average time spent on these projects in small firms (LE 100 ees) is 28% and in larger firms (25,001+ ees) is 33%.

Average time spent on these projects in very low performing firms is 25% and 35% in very high performing firms.

Low Challenge Work

- **Top categories include:**
 - **Routine administrative functions**
 - **Employee relations**
 - **HRIS, employee data**
 - **Compliance, union-related activity**
 - **Management reporting**

Average time spent on these projects in small firms (LE 100 ees) is 24% and in larger firms (25,001+ ees) is 21%.

Average time spent on these projects in very low performing firms is 60% and 20% in very high performing firms.

Average time spent on these projects for VP level HR executive is 14% and for manager level HR executive is 24%.

Questions

- **If the low challenge work has low impact on every dimension studied, and at best it only helps the “perception” of HR in the business, why continue to keep this work inside?**
- **How do you increase confidence in high impact work?**

Next Steps

- **Further analysis of this data and reporting will be provided over the next few months**
- **The HR Confidence data will be linked with the overall Leadership Confidence data, and reports will be made available to participants**
- **Review on-line reports if you are interested in details of results**