It’s time for CIOs and HR to recognise their similarities and plan for the next generation of leaders

BY TIM MENDHAM

Tell me if you’ve heard this one before: “Managers aspire to be strategic, but they are required to fulfil their duties as a functional expert.”

If you think this applies to the role of the CIO, held back by the purely technical needs of the operation that impede the opportunities for strategic management, you’d be right.

But you might be surprised to learn that this judgement was not written for IT management, but for human resources (HR).

In a recent research paper titled HR on the Line, author Dr Paul Gollan, associate professor of the Department of Marketing and Management at Macquarie University, says that line managers within both large and small organisations see the HR function as good at meeting operational goals, but 60 per cent believe that HR limits their ability to meet business goals.

“A startling statistic,” he says, “but one that supports the traditional role assigned to the function of HR — that of being an administrative paper shuffling rather than a business driven strategic development.

“Some organisations still perceive the HR function to be lower in the management hierarchy, and due to lack of clear financial outcomes, it is often not taken seriously.”

Substitute IT for HR, and “routine technology operations” for “paper shuffling”, and you probably have a scenario that sounds horribly familiar.
Marketing, operations and even finance are seen in many organisations as those departments that are at the cutting edge of organisational strategy and forward vision — the rest are there to keep the wheels turning.

But if HR and IT share a similar reputation, how well do they get on with each other? Do they work in partnership, and can they help each other step up through the ‘management hierarchy’?

Most organisations at least espouse the mantra of ‘people are our greatest asset’. And in an environment where there might be a skills shortage, especially in IT, you would think those two departments would work very much hand-in-hand to ensure they keep the best they have (and the intellectual property they hold) and attract the best that might be available.

Many large IT departments have their own HR function, with staff holding an HR background rather than IT. Others, however, have to rely on the skills and understanding of a department distinct from their own operations, with priorities that may be as much about developing a strategic role for themselves as it is doing the same for other departments.

Joe Perricone, IT manager for the Cerebral Palsy Alliance, says he is “in contact with our HR management team ‘virtually’ daily for all matters, such as breaches of conduct, management decisions and impact to team performance, and most importantly maintaining the integrity of human resources and IS systems”. He adds that “the HR team ensures any changes and business needs are in consultation with IT.

“It simply makes our job easier when support is needed.”

A positive relationship, then.

But, according to Robert Yue, vice-president of recruitment management software supplier SuccessFactors Australia, “Historically the relationship between CIOs and HR has never been close. Both departments had different objectives and were responsible for running different areas of the business.”

Harking back to Gollan’s assessment, Yue says “HR for many organisations was not typically a strategic player at the boardroom of the business. It has often been known as the department responsible for the back office of the company such as handling administrative tasks such as payroll and healthcare benefits.”

He adds, however, that thanks to advancements in technology, HR is becoming empowered to play a pivotal role in business execution, allowing it to see the “death of the three-ring binder”.

Perricone agrees, and takes it further: “HR’s reliance on IT is of utmost importance and highest priority. For example, pays need to be on-time, every time and correctly.” Whether dishing out the brown envelopes can be seen as strategic, it is certainly an important part

What department heads and line managers think of HR:

- 50 per cent stated the goals of the HR function are to provide support and facilitation. Also important were developing people, performance management, acting as an advisor and developing a culture.
- Line managers thought the HR function was effective at strategic approach (38 per cent), support (38 per cent), advice to line management (29 per cent) and communication (27 per cent).
- 70 per cent considered the HR function influential; about three in 10 line managers indicated that HR had little or no influence.
- 67 per cent indicated they were more effective people managers because of the HR function.
- Nearly 60 per cent said employees were more engaged and committed as a result of HR.
- One in four stated that HR do not contribute to this engagement, with 15 per cent suggesting that this is driven by line management; 8 per cent believe that it is balanced between HR and line management.

What employees think of HR:

- 36 per cent of employees surveyed agree that HR practices did help workers develop their knowledge and skills, although a significant minority of employees saw this as a line management issue.
- 42 per cent of employees indicated that HR practices contributed to their work satisfaction.
- 44 per cent felt that HR policies were clearly communicated.
- Nearly 50 per cent stated that HR was prepared to put forward an employee’s view to line management.
- More than half indicated they trusted HR to balance the interests of management and employees.
- Two thirds suggested that employees would be worse off if their organisation did not have an HR department.
- Nearly 40 per cent of employees did not value good HR practices in the recruitment process.

What HR managers think of HR:

- 60 per cent considered HR leadership, policies and practices were aligned, although 37 per cent thought that this was difficult to achieve.
- Two thirds indicated that leadership skills were the most important factor to ensure alignment.
- Nine out of 10 HR managers indicated that HR had at least some involvement in formulating the business strategy.
- More than half of HR managers suggested the HR function was fully integrated in the business.
- Eight out of 10 HR managers believed that the HR function has at least a reasonable influence on engagement, although one in five believed that HR could have more influence.
- HR managers are effective at developing strategies, understanding the business, retention, employee development and communication.
- Areas for improvement: Retention, communication, engagement, leadership, applying strategies and talent management.

Source: Human Resource Managers’ Contribution to Workplace Performance project undertaken as a part of a project funded by Macquarie University, Australian Research Council and Australian Human Resource Institute, involving 144 interviews with line and HR managers from 10 organisations, and a survey of nearly 1500 employees, A/P Paul Gollan, HR on the Line, 2011.
of business execution. Unpaid employees are, by tradition, not a happy lot, so anything IT can do to ensure this process runs smoothly is bound to be appreciated by all. Then again, if IT fails to deliver, everybody in the company knows who’s to blame.

Peter Acheson, CEO of recruitment firm PeopleBank Australia, says this awareness goes right to the top. “CEOs say: I have a real interest in the CIO because IT is the one thing I can get fired over.”

One need only look at recent events concerning IT issues which have led to some senior executives losing their positions to see how importantly management regard IT — as a department that keeps the wheels turning.

There’s a pressing need from the top levels, therefore, for HR to understand the needs of IT, and help it achieve the best performance possible.

But does it understand what those needs are?

Planning for the future

Stephanie Christopher, national director of SHL Australia New Zealand, a company which assists companies — including recruitment firms — in their recruitment activities, says that for the more technical positions HR has to fill, “it would lean toward the line manager for advice; it would be the line manager who would have final say”. She adds that it is extremely uncommon for the HR department to override the employment decision of a departmental head. “There is a risk with IT that people are promoted on the basis of their technical capabilities alone. IT suffers especially from the Peter Principle [that people are promoted to their level of incompetence, then stay in a job they can’t do].

“HR should be adding value in order to develop IT employees, giving them broader skills. Line managers [in particular] need commercial acumen and communication skills.”

But she adds that “blanket HR objectives are not effective. Every line manager is different, and HR needs to understand different needs.”

Ian Wilkins, CTO of Tourism Australia, says that, as far as he is concerned, the HR department is “very interactive and helpful. It provides context to guidelines where it may be difficult to understand the reasons for certain decisions.”

“Understanding the employees’ technology adeptness identifies who needs training and in what systems.”

This applies equally to planning for the next generation of leaders, he says: “HR plays a significant role in determining succession planning and if done well then it is nothing but a positive for both managers and employees.”

Perricone says this understanding must be broader than an HR – IT relationship. It applies across the organisation, and to their understanding of the role of IT, and particularly so with new employees: “[In our organisation] IT is part of the induction and orientation process. This is essential in communicating the existing IT policy and governance framework, IT culture and manage expectations.”

Changes in IT solutions, such as Cloud computing, social media, mobile apps and devices are shifting the business model that requires not only changes in skill sets for IT teams, but technical savvy employees, he says.

“To support these needs, and working with HR, our focus has been to place emphasis towards business analytical, project and relationship management skill sets.”

Gollan summarises the dilemma for HR and its relation with line managers generally: “HR managers aspire to be strategic, but they are required to fulfil their duties as a functional expert. In order to gain the respect of the line managers, HR still needs to build their credibility. This is a process that will continue to evolve and once line managers understand the significance of HR to meeting their business goals, then HR will become more demanding and influential.”

Acheson says that proactive HR departments should work closely with IT, ensuring they are on the same page, and to ensure that the IT department, like all departments, performs well.

“IT management should embrace HR,” he says “and not be seen as a competitor. Together they need to manage talent, get the right people for the right job, and ensure that succession planning is in place.” Which may mean that it is as much the responsibility of IT managers to forge the relationship as it is for HR to reach out to those people it serves.