

Enough Already! HR Is Rising (With I-O)

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For years now, the call for human resources' (HR's) head has been ringing through the halls of academic institutions and organizations throughout the globe. Whether it is Buckingham and Goodall (2015) calling for the total overhaul of performance management or Ram Charan (2014) asking us to split HR into the sum of its responsibilities, people have opinions of HR and the way it is practiced today and how it should be practiced in the future. The cavalcade of thought leaders, futurists, and soothsayers calling for the rethinking of HR seems longer than the procession at the Macy's Thanksgiving Day Parade.

Bill Schiemman and Dave Ulrich have tried to advance HR through their collected works including, most recently in the form of their e-book, *The Rise of HR*, a volume of musings from 73 thought leaders in HR management (Ulrich, Schiemman, & Sartain, 2015). The collection of thoughts provides a provocative evaluation of HR as a profession under the basic premise that HR needs to rise or to improve to meet the demands of modern business. A parsimonious view of Schiemann and Ulrich's (2017) perspective would lend credence to the notion that HR remains lacking where needed. In other words, their view supports the ever-growing chorus of voices calling for the head of HR on a platter.

Although these perceptions seem to be rooted in fact, we question the supposition that HR is not continually evolving to meet business needs. We question the concept that HR is not rising. Rather we propose that there is significant evidence that HR has risen and continues to rise. Like most industrial–organizational (I-O) psychologists, we value empiricism and parsimony over opinion, speculation, and overgeneralization. To support our position, we examined HR literature over the last 5 years to identify major societal or industry paradigm shifts attributable to effective HR management. The following societal shifts warrant some consideration as evidence that HR has risen and continues to rise:

- Union participation rates in the last 30 years have declined from 20.1% to 11.1%, benefiting organizations (Bureau of Labor Statistics; BLS, 2015).

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- The average number of benefits available to employees has grown from an average of 60 options in 1996 to more than 340 options in 2016 (Wessels & Essen, 2016).
- Effective legislation and practice around hostile workplaces has become ingrained in almost every organization (Aitken & Horn, 2015).
- The national job satisfaction rate is up significantly since 2003 (Newport & Harter, 2016; Victor & Esen, 2016).
- The rate of immigration visas (e.g., J1 and H1B visas) is higher than ever before, indicating the growth of a global talent pool (Council for Global Immigration; CFGI, 2014).
- Operational costs are on the decline in large part due to effective workplace flexibility programs necessitated by the rise of globalization, the changing nature of work, and technological advancements (Matos & Galinsky, 2014).
- Disadvantaged populations are participating in the labor force at a greater rate than ever before because of diversity and inclusion programs (National Disability Institute; NDI, 2012; Vallas, Fremstad, & Ekman, 2015).

Each one of these trends is not solely attributable to effective HR practices, but the trends are unattainable without effective practice.

Most call for the rethinking of HR because of the inherent struggle between tactics and strategy at the core of job responsibilities (Charan, 2014). This high-wire act between strategy and tactical elements harkens back to the ambidextrous organization where HR managers, like other managers, must strike a balance to achieve innovation (O'Reilly & Tushman, 2004). However, the evidence seems clear that when HR professionals leverage strategic evidence-based practices, the perception of HR as “unstrategic” or “tactical” is faulty at best (Shramm, Esen, & Alonso, 2015). For example, in a survey of 1,500 non-HR executives, the Society for Human Resource Management (SHRM) noted that strategic perceptions of HR were a function of evidence-based practices where opportunity costs and return on investment (or utility in I-O parlance) were taken into account. When asked which practices seem “strategic,” non-HR executives cited succession planning based on proper assessments, leadership development programs based on effective learning principles, identification of talent matching current and future needs, and performance management leveraging data to help employees develop. High-potential assessments, leadership development, employee selection, workforce planning, future-oriented job analysis, and performance management are what non-HR executives call strategic HR, and they are all best known as part of the sweet science we refer to as I-O psychology. When HR is viewed as “strategic,” it is often a result of

effective application of I-O practices for key process like employee selection or performance management.

Most striking is that these trends and perceptions are a sign of HR leveraging science based practices from I-O psychology. Employment legislation, job design, and practices for enhanced employee engagement and satisfaction are all elements of business strategy based on science, in this case, our science. These trends and perceptions indicate not just the rise of HR but rather the rise of HR and I-O in unison, leaving an indelible mark on modern business. Together HR and I-O are taking workforce practices from tactical to strategic, and this is the greatest sign of an ever-evolving decade of human capital.

Despite the great strides made to advance HR with I-O, there are still some areas with room to grow. No research emphasizes this greater than the works of John Boudreau (2014), who led the CHREATE Consortium to study the future of HR management. Their research highlighted the demands on HR as we begin to enter an era of shifting population trends, new sources of talent from markets like Africa, reliance on the Internet of Things, and evolving skillsets based on changing societal needs. Today, this translates into HR professionals being called on to grow expertise in talent analytics (specifically, big data), the identification of leaders of leaders, and the changing nature of work in light of the evolution of technologies and compensable factors (SHRM, 2016; Ulrich, Brockbank, Younger, & Ulrich, 2012).

In light of Schiemman and Ulrich's treatise on areas where HR needs to improve with the assistance of I-O psychologists, we highlight three areas where HR can benefit from best practices in I-O psychology. Specifically, further evolution of the use of big data for HR decision making, identification of leaders of leaders for organizational workforce planning, and the redesign of jobs given the changing nature of work and employment relationships is likely to result from the application of I-O best practices by HR.

Big Data

The debate over the use of big data for various talent management functions has consumed I-O psychology. We devoted a significant portion of our 2016 annual meeting as well as our 2016 Leading Edge Consortium to the topic. Although we applaud the I-O community for debating such important topics as our role in the big data movement, proper analytical methods, and the definition of big data, the HR profession sits and waits (we hope). The HR profession is feeling pressure from business to leverage all available information to optimize employee selection, learning and development, and workforce planning as best as possible. But what does HR really know about big data and how it applies to effective practice? SHRM conducted a survey

of 279 HR professionals to better understand how they use big data (Kurtessis, Alonso, & Mulvey, 2015). If some reports are to be believed, the use of big data by HR is as common as the job interview is for hiring. However, in our survey only 32% of HR professionals reported that their organization uses big data to support HR, and among organizations with less than 200 full-time equivalents (FTEs), this number drops to just 24%.

Two things strike us about these results. First, a majority of HR departments are *not* using big data. When we asked respondents why this is the case, the most frequent response was because of a lack of knowledge and expertise in compiling, analyzing, and interpreting data. Although HR competency models (e.g., Association for Talent Development; ATD, 2014; SHRM, 2016; Ulrich et al., 2012) note the importance of data analysis skills for HR professionals, in practice these skills are often lacking. This represents good news for I-O psychologists who provide direct analytical support to numerous HR departments. Second, there is a large gap between small and large organizations in the use of big data. I-O psychologists might advance the current state of both practice and science by considering how small- and medium-sized organizations, with limited access to resources and data, can make use of and benefit from big data analytics. Although these organizations may not have the critical mass to truly leverage big data, I-O psychologists play a vital role in taking them from being lucky to evidence-based practitioners using predictive analytics.

Identifying Leaders of Leaders

In a study of nearly 500 chief HR officers (CHROs), Schramm et al. (2015) identified a series of challenges that lay ahead for HR. The most significant challenge, cited by 65% of all leaders surveyed, highlighted the importance of finding the next generation of leaders when considering the organization's sustainability. This finding represents a significant opportunity for I-O psychologists. So rich is this opportunity that one might argue it is a dream come true. The truth of the matter is that I-O psychologists have a green-field opportunity in the assessment of leaders and, more important, leaders of leaders. This is not lost on I-O thought leaders, as noted at the Society for Industrial and Organizational Psychology (SIOP) Jeanneret Symposium held in Dallas, Texas, earlier this year. The Jeanneret Symposium, graciously provided for by Dr. Richard Jeanneret, was designed to identify best practices and future research directions in the areas of assessing for leadership, defining the criterion space for assessments of leaders, and evaluating assessments of leaders for both selection and developmental purposes.

I-O psychologists will best be able to determine the impact of activities like the Jeanneret Symposium by gauging how far the lessons learned

reach into HR practice. If we examine how much HR professionals leverage effective assessment for succession planning, will we see the fingerprints of I-O psychology? This remains to be seen but represents further opportunity in the symbiotic relationship between HR and I-O.

The Changing Nature of Work

The nature of work and the definition of the term “worker” are changing. As noted in the works of the SHRM Foundation in partnership with the Economist Intelligence Unit (EIU), shifts in demography, the advent of technologies, and evolving values of workers by generation are all causing organizations and their HR departments to evaluate the nature of work and employment. Of particular note are two primary questions for consideration—(a) what are the most effective employment arrangements to serve the values of the organization and the worker? and (b) what are the best nontraditional sources of talent suited to meet the needs of employers? It is the intersection of these two questions that provides significant opportunity for HR professionals and I-O psychologists. For I-O psychologists, these questions and offshoot topics such as the rise of multiple generations in the workforce and a growing contractor workforce can have implications on bread-and-butter issues like leadership models, culture, and change management.

To HR professionals this provides further evidence that sourcing talent is paramount in the era of constant change. To I-O psychologists this reaffirms that sourcing the right talent to match the work is paramount while supporting business. But for I-O psychologists there is more. This research places even greater emphasis on optimizing the effectiveness of selection instruments, conducting truly comprehensive job analyses, and refining the art of future-oriented job analysis. Further, it highlights the need for HR professionals to leverage these methodologies to enhance systems where workers will be compensated for their appreciable skills linked to compensable tasks and responsibilities.

Each of the three areas highlighted here provides a proposed potential improvement in HR where I-O psychology can play a vital role in ensuring a continued rise. Through the use of effective biodata practices grounded in I-O psychology, HR professionals can make informed decisions about their workforce and, perhaps more important, avoid making poor decisions based on spurious relationships. Through the use of I-O principles to identify and train leaders of leaders, HR professionals can accurately predict future leadership performance and ensure the sustainability of enterprises. Through the use of I-O practices like future-oriented job analysis and job design, HR professionals can better prepare for the changing nature of work as many enterprises shift to a knowledge economy perspective or a gig economy

paradigm. In short, I-O best practices have the potential to expand the HR toolkit to ensure effectiveness and efficiency. Although these are but three potential foci for leveraging I-O best practices, there are numerous others like corporate social responsibility, organizational climate, or innovation, to name a few. We highlighted these three areas because of their clear link to HR organizational performance and the prevalence of data. It is our hope that future research is seeded across the spectrum of opportunities.

Conclusion

Today, it is largely accepted that we are in a knowledge economy where people are the most significant differentiator (Brinkley, 2006). Significant questions for organizations are emphasized in such an economy. Chief among them is where do people and knowledge of how to understand, explain, predict, and control their behavior (i.e., behavioral science) enter into business? It's largely through two vehicles—HR and leadership. I-O psychology has made great inroads into each of those areas of business, but how can we do more? How can we measure progress? Although the focal article attempted to address these questions, the proposed solution is rooted in a vision of achieving HR success by becoming more like “business.” Is HR only successful if it is indistinguishable from other business functions and moving away from HR work? We think not.

HR and I-O psychology are attached at the hip. When I-O psychologists disconnect from HR or business at large, we risk misalignment with business goals and objectives constraining the impact of science on organizations. When HR leverages best practices from I-O psychology across several core processes, it is more likely seen as strategic by business leaders. When HR professionals don't leverage I-O best practices, there is opportunity for critics to question the effectiveness of HR as a profession. If we are to continue our rise throughout the decade of human capital, we must seize opportunities to leverage best practices where possible. To that end, it is imperative we collaborate with HR professionals on the use of big data, the identification of leaders of leaders, and the response to the changing nature of employment, to name just a few areas for potential organizational improvement. It is time to marshal in a new era where HR and I-O share the ride and work stronger together.

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