

HR EMERGES AS A TRUE PROFESSION

AN INTERVIEW BY SHARI LIFLAND

The human resources profession has come a long way since the days of the “personnel” department. Most significantly, HR has become a true profession, earning its place as a partner with top management in developing and executing organizational strategy.

In order to identify the latest trends in Human Resource Management as well as the profession’s outlook for the future, AMA turned to Michael Losey, SPHR, CAE, past president and CEO of the Society for Human Resource Management (SHRM). With his more than 40 years’ experience in human resource and general management, Mr. Losey is uniquely qualified to comment on the evolving role of HR management in today’s workplace.

What are some of the most significant ways that the role of human resource management has changed over the past few years?

Unlike medicine, engineering, law and many other professions that have existed for centuries, human resource management is a 20th-century profession and an evolving one at that. It has evolved in response to changes in social and economic conditions. Most recently, the major contributors to its new role have been the growing impact of global competition, the dramatic shift from the blue-collar work force to a white-collar work force and the pending serious labor and skill shortage.

How have these issues impacted HR management and businesses in general?

Global competition has required all companies to improve their competitive positions. Today, most of a company's costs "walk on two feet," so meaningful cost reduction usually gets translated into reducing the number of employees and increasing the productivity of existing employees.

The shift to a growing white-collar and service work force is significant. Most people do not realize that since 1984 the work force in the United States has increased 28.6%, from 105,000,000 people to 135,100,000. However, over 92.3% of the increase was in the white-collar and service sector. The blue-collar work force increased only 7% during this period of time, while the white-collar and service sector increased 38.9%—greater than five times the rate of growth of the blue-collar sector. The result is that when a company has to reduce "headcount," most of the workers laid off are white-collar and service workers.

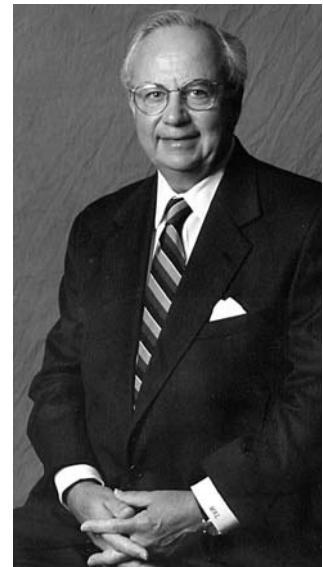
Our traditional approach to improving productivity was primarily linked to the lower paid, less skilled, blue-collar worker. We applied the old F. W. Taylor job simplification and time and motion study techniques to establish strict production requirements. We also invested heavily in machines and equipment to drive blue-collar productivity. Now productivity improvements must come primarily from the higher paid, higher skilled white-collar and service worker—from human and intellectual capital.

Today's management must not only promote new and improved human resource management practices to attract and retain the best people, but also provide appropriate individualized and team-based supervision. This "new" work force is now dominated by a growing number of workers who are not necessarily motivated primarily by job security, pay and benefits. They are more often motivated by the nature of the work itself, a supportive work environment and their own freedom to act and contribute and be recognized for that contribution.

Can you point out any specific company(s) that you regard as a successful model, that has "gotten it right" in terms of its HR function?

Wal-Mart is a good example of a company that did it right. In the mid-1960s, Wal-Mart set out from a little place called Bentonville, Arkansas, with ambitions of overthrowing Sears Roebuck and Co., then the largest retailer in the world. How did they do it? Good employment and management practices were a major contributor, especially in the early years, even before the addition of a major HR competency (although they are now having some problems managing over one million employees in multiple locations). Southwest Airlines is another positive example.

Both Wal-Mart and Southwest are examples of companies in established industries where most companies compete with the same products, services and methods. Where they are different within their industries is their approach to employees—and the difference is not because they are more generous.



Michael Losey

The reason our relative unemployment rate is lower now is that we are approaching the lowest net addition to the workforce that the United States has experienced in more than a century.

On the other hand, some companies like IBM earned a reputation for being an outstanding employer more by having the best of everything than by cost-effective human resource management practices. They paid well and always had outstanding benefits. They maintained a tradition of what they called “full employment.” In other words, they never laid off anyone. But they rode that horse for far too long, especially considering the major changes their industry and competitors were experiencing. For instance, when IBM closed its Albuquerque, New Mexico, and Boca Raton, Florida, facilities, in order to protect their “full employment” policy they asked all employees to resign or accept transfer to another IBM facility, rather than tell them that they had to be laid off.

In the introduction to your book *Tomorrow’s HR Management: 48 Thought Leaders Call for Change*, you write, “The discipline of human resources has a history that has both good news and bad news.” What is the good and bad news? What elements of HR’s past should be kept and built upon and which should be discarded?

The bad news is that historically HR administrators have been reactive, not proactive. They have not thought strategically and they have seldom promoted change. One example is the failure of HR leaders and employers to react to needed civil rights changes in the United States. During World War II, when President Roosevelt established the first Presidential Executive Order forbidding employment discrimination within defense contractors, few employers or academics saw the value of translating that requirement to equitable practice in a postwar environment. And when President Truman required the integration of the military in 1948, few HR leaders even paused to think how the integration of the largest employer in the United States might affect corporate America’s employment practices.

In 1954, few HR leaders reacted to the U.S. Supreme Court decision in the *Brown vs. Board of Education* case that banned segregated schools. HR really did not plan adequately for the generation of children who would now go to school together and work together. It took the Civil Rights Act of 1964 to finally get employers’ attention. When employers did not voluntarily react proactively to such changing economic and social circumstances, they were coerced into doing so, and paid the price in many ways.

Today’s HR leader must be much more forward thinking, with a capacity to identify emerging issues and proactively prepare for change. Unfortunately, many HR professionals lack those skills. So the future of HR is not necessarily merely greater numbers of HR professionals. The future will require more *competent* HR professionals. This is a difficult problem because many people enter human resource management without adequate

educational training. In most jurisdictions, the requirements to be a barber are more defined than the requirements to be an HR professional.

But the good news is that this is all changing. Human resource management is now being increasingly recognized as a profession with a body of knowledge that can be identified, taught, learned and tested. And finally the profession is being buttressed by an evolving code of ethics, thus rounding out the requirements for a true profession.

Those people who enter the HR profession unprepared and those CEOs who put people into HR positions with the misguided assumption that “anyone can do HR work” are at great risk. [MW](#)

Michael Losey will be a keynote speaker, along with Dr. Stephen R. Covey, at “HR & The Law,” a three-day, multi-track conference for senior HR professionals. Presented by the Council on Education in Management and endorsed by The American Management Association, this national conference and expo will be held in Palm Springs, CA, March 26–28, 2003, to provide a meeting place for the HR industry and a forum for networking. For more information about this timely, information-packed event, go to <http://www.hrandthelaw.com> or call 800-942-4494.
