How HR plays its role in leadership development

Thomas O. Davenport

Abstract

Purpose – The purpose of the article is to demonstrate the value that human resource (HR) can provide in the effectiveness of leaders and managers.

Design/methodology/approach – Two complementary Towers Watson studies – the 2014 Global Workforce Study (GWS) of over 32,000 employees, and the 2014 Global Talent Management & Rewards Study (TM&R) of 1,637 organizations – formed the research basis for the article. The TM&R study was fielded from April to June 2014 in 31 markets around the world and includes responses from 1,637 participating organizations in a range of industries. The GWS covers some 32,000 employees from a population of full-time employees working in large- and mid-sized organizations across a range of industries in 26 markets around the world. It was fielded online during April and May 2014.

Findings – A key role of HR is ensuring that the organization has the right people performing well in leadership roles at all levels. This means HR must focus attention in five key areas: job architecture, incumbent assessment, performance definition, recognition for success and building leadership capacity. It is also up to HR to dispel the notion that “soft skills” should be subordinate to “hard skills”, which are often seen as more important. In fact, soft skills are usually more difficult to master and, in our opinion, are more important – they are what leaders need to maximize performance from others.

Research limitations/implications – Different observers assign a variety of roles to the HR function. These range from compliance enforcer and data administrator to strategic partner and culture creator. The author believes that HR’s most important role may well be ensuring that the organization has an ample supply of leadership and management capability at every level of the enterprise. It is leaders, who envision the future and help people generate the motivation to go there, and managers, who see to it that systems, assets and processes serve their purposes efficiently, who enable the enterprise to make the most of each employee’s contribution.

Practical implications – In a world where technology evolution, demographic shifts and social change are rewriting the rules of the workplace, the author can expect that the role of the HR function will also continue to change. What should not change, however, is the contribution that HR makes toward building and preserving the organization’s leadership and management capacity. In this article, the author makes the case that, despite the many shifts taking place in the business terrain, HR should remain focused on this fundamental goal, acting as ally, trusted advisor and coach.

Originality/value – The value of this article is to provide strategic and practical advice on how HR can influence manager and leader effectiveness.

Keywords Human resource management, Employee engagement

Paper type Viewpoint

In different ways, leaders and managers determine an organization’s success. A leader is like the captain of a fifteenth-century Portuguese ship sailing out of sight of land for the first time in search of gold, silver and spices. The captain envisions the destination, plots the course and engenders courage among the sailors (“Don’t worry, I’m pretty sure we won’t sail off the edge of the earth”). Of course, the mission will fail if the boat springs a leak, the sails become shredded or the food goes rotten. Good management
sees to it that systems, assets and processes work as they should. Without leadership, people lack the inspiration and fortitude to set sail and discover the New World. Without management, the boat sinks before it gets there.

Towers Watson’s research shows that employees with effective leaders and managers are much more likely to be highly engaged – 72 per cent – vs those who have ineffective leaders and managers, only 8 per cent of whom report being highly engaged. So when it comes to developing strong managers and leaders, HR professionals must focus on a single goal: ensuring that the occupants of leadership roles – at all levels – make the maximum possible contribution, through people, to the organization’s competitive success.

Reaching this goal, however, is not as simple as it sounds. In many organizations, leadership roles have become artifacts of organizational change rather than mindfully defined roles. This article will guide HR professionals on how to take a more deliberate and strategic approach to help leaders and managers succeed. After all, only HR is in the position to examine each key role and address its contribution to enterprise strategy.

To begin, HR needs an implicit understanding of precisely what leadership can accomplish, and how a leader at any level of the organization has the responsibility of:

- envisioning and defining a future state better than the current state (e.g. achieving an important organizational goal);
- working with people to determine the best path for achieving that desirable end state;
- inspiring in others self-motivation to reach that state;
- clearing obstacles to progress toward the goal; and
- boosting and sustaining people’s energy to reach the goal (e.g. by rewarding success and helping people deal with change).

At the top of the enterprise, executive leaders play these roles by creating an appealing future vision of the organization, making smart decisions about strategic actions and conveying big-picture messages to employees. They must also build an executive team that is itself composed of effective leaders who can play their roles in their respective functions. And today, there is room for improvement: while a majority of employees give leaders high marks for promoting a positive image and understanding what drives organizational success, barely half say that leaders inspire employees, understand how their actions affect employees’ lives or are open to new ideas.

At lower levels – managers, supervisors and team leaders – the craft of leadership is accomplished one employee at a time. This means that first- and mid-level leaders must understand each individual employee’s abilities, aspirations and motivations; work with each employee to craft a job that makes the most of what each person can contribute to the unit and the enterprise; and define and deliver a set of rewards that boosts and sustains the energy that fuels contribution. Here again, there is opportunity to improve: only half of employee respondents of our surveys say managers are effective at working with employees to set appropriate performance goals for individual performance.
It stands to reason, then, that HR has a role in ensuring that the organization has the right people performing well in leadership roles at all levels. It can do so by focusing attention in five key areas:

1. **Job architecture**: Taking the lead in designing leadership jobs that have a clear connection to business strategy and are structured to make economic sense. In many organizations, years of downsizing, restructuring and misguided hiring and promotion have created leadership jobs that may not align with the organization’s strategic requirements. HR must take the lead in reviewing and challenging key leadership role elements to ensure that they align with strategy requirements and are constructed to yield the highest level of productivity for the unit and the individual leader.

2. **Incumbent assessment**: Determining how well the organization’s current roles and incumbents fit those criteria, assessing how well leaders are performing and proposing changes where necessary. Many organizations sense, usually correctly, that less than stellar performance by leaders hinders organizational performance, reduces employee engagement and hampers change efforts. HR can help by taking the lead in exploring these concerns using sophisticated diagnostic tools. Employee surveys, for example, can be built with specific indices focusing on perceptions of top leader performance, immediate manager performance, sustainable engagement and how leader actions affect it, among many other factors. The key is that HR should take the lead in identifying any issues about leader performance and act in response.

3. **Performance definition**: Establishing the system by which leadership success is defined and performance is measured at all levels. A leader’s key goal should obviously focus on the performance of the unit he or she leads. As a person transitions from individual contributor to leader, transitional goals can reflect movement from responsibility for personal production to responsibility for team production. It is worth noting that this transition should be as rapid and thoughtful as possible – too many leaders, especially at the lower levels of the organization, have high personal production goals that confound their efforts to be leaders and direct them away from leadership activity. In every case, goals should align with role and strategic expectations.

4. **Recognition for success**: Ensuring that reward systems encourage the most critical contributions and recognize success. Intuitively enough, reward structure should follow a unit’s strategic contribution and suitably weigh a leader’s individual and leadership components. But most important is ensuring that successful leadership is rewarded through public recognition. Effective leaders at all levels must be seen as facilitators of success – this forms the foundation for celebration of successful leadership, which, in turn, makes it easier to recruit and promote people into those roles. HR can help ensure that leaders are rewarded for their successful leadership and celebrate their contributions.

5. **Building leadership capacity**: Suitably combining hiring, promotion and learning to ensure that the organization has the required leadership capability and bench

“First- and mid-level leaders must understand each individual employee’s abilities, aspirations and motivations; work with each employee to craft a job that makes the most of what each person can contribute.”
strength. Even organizations with genuine interest in improving leadership capability often place too much faith in, and emphasis on, training programs. With a rigorous understanding of the competencies required for success in all leader roles, HR should perform the make/buy analysis that pinpoints and differentiates competencies that should be the focus of hiring efforts, competencies that can be feasibly and economically developed through formal learning programs and competencies that are best developed through informal means like coaching, mentoring and on-the-job experience. Above all, HR should work to challenge the (usually unsubstantiated) assumption that the best technicians make the best leaders; the goal is to ensure that the organization does not systematically put the wrong people in leadership roles.

What is the bottom line? In building effective leaders, HR’s first job is advocacy. HR must urge adoption of an economically sound and strategically aligned leadership performance model, becoming evangelists for the role structure that makes it possible for leaders to fully engage people, see to their well-being and ensure their productivity.

This also means that HR should fight against two false and misleading ideas: one, that leaders should first take care of production (individual and unit) and then, if they have time, think about the people side of the business. This is wrong because the people side comes first and not second – engaged, healthy people produce. Leaders who think first about their own productivity and second about the productivity of employees almost always reduce the total performance of their units. They also frustrate employees and cost the organization in diminished engagement and unnecessary turnover.

Second, HR must dispel the notion that “soft skills” should be subordinate to “hard skills”, which are often seen as more important. In fact, soft skills are usually more difficult to master and, in our opinion, are more important – they are what leaders need to maximize performance from others, which increases the total output of the enterprise and sustains productive capability.

Perhaps, the most important intangible leadership is authenticity. Although the term can seem vague and elusive to define, we believe it consists of four distinct components:

1. **Self-awareness**: Understanding one’s own strengths and weaknesses and having insight into how one’s behavior is perceived by, and affects, other people.

2. **Transparency**: Acting consistently and genuinely in transactions with others, always presenting the true and honest self to the world.

3. **Moral compass**: Guiding personal behavior and decisions by adhering to high ethical standards rather than giving in to external pressure.

4. **Openness to new perspectives**: Demonstrating willingness to evaluate all information, including data and interpretations that are challenging or uncomfortable, before reaching decisions.

These behaviors are, for the most part, fundamental to the character of any individual. By the time one moves into a leadership role, these qualities either exist or they do not. Experience can reinforce them, mentors and coaches can nurture them and formal learning can underscore their importance. But no amount of training can build them where they do not exist, at least in the latent form. HR’s job is to make sure that authenticity is a critical element for promotion into a leadership role, a non-negotiable criterion. The best way to
assess the elements of authenticity is to gather testimony from colleagues and probe specifically for behavioral indicators of self-awareness, transparency, moral integrity and openness to new perspectives.

The relationship between HR and company leaders at all levels has many facets – ally, trusted advisor or coach. When the relationship works best, leaders and HR work as partners to achieve a common goal: to make the enterprise competitively successful through the efforts of the employees who work there.

**Corresponding author**

Thomas O. Davenport can be contacted at: tom.davenport@towerswatson.com

For instructions on how to order reprints of this article, please visit our website: www.emeraldpublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com