Working Paper

Restoring Trust in the Human Resource
Management Profession*

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Abstract

Keywords: Human resource management, dual agenda, employer – employee interests, gender composition, HRM professional identity, productive alliances

The human resource management profession faces a crisis of trust and a loss of legitimacy in the eyes of its major stakeholders. The two decade effort to develop a new "strategic human resource management" role in organizations has failed to realize its promised potential of greater status, influence, and achievement. To meet contemporary and future workplace challenges, HRM professionals will need to redefine their role and professional identity to advocate and support a better balance between employer and employee interests at work. Specifically, the next generation of HR professionals will need to be more externally focused and skilled at building networks and productive alliances with other groups and institutions, become more analytical and able to document the benefits associated with effective HR policies and practices, and be skilled at managing in an increasingly transparent society and information savvy workforce. The changing the gender composition of the HR profession may affect its success in making these changes and meeting these challenges.

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Introduction

At the 50th anniversary of MIT's Sloan School of Management, the dominant theme that emerged from the discussions and papers was that the challenge facing the current generation of business leaders is to restore trust and confidence in management by addressing the challenges facing the multiple stakeholders which business leaders and the organizations they build must serve. Carly Fiorina, the CEO of Hewlett Packard, put it best when she said:

> We have to remember that corporate executives serve at the
> pleasure and for the interests of shareholders, employees,
> and their communities, not the other way around.

She went on to then redefine the role and responsibilities of CEOs and their corporations as follows:

> Managing a company, not a share price, means balancing
> the requirements of shareowners, customers, employees,
> and communities. And managing a company for the long-
> term, not just the short-term, requires building sustainable
> value for shareowners and customers and employees and
> communities. And these relationships of sustainable value
> require real trust and real candor. (Fiorina, 2003).

The HRM profession faces the same crisis of trust, in part because it is (or should be) part of senior management in corporations and even more so because it always has had a special professional responsibility to balance the needs of the firm with the needs, aspirations, and interests of the workforce and the values and standards society expects to be upheld at work.

In Australia, Russell Lansbury (2004) has noted that the HRM profession is the steward of the social contract at work. This responsibility weighs heavily at the moment since, as most of us would agree, the "old social contract" that promised long term job and financial security to those who were loyal and productive employees has broken down

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and may no longer be viable, given the nature of the modern economy and workforce. So the central challenge facing our profession is to ask what needs to be done to rebuild a

viable social contract at work, how do we do it, and who needs to be involved and engaged with us to rebuild the trust essential to the success of this effort? How we respond to these issues, will shape the future of the human resource management profession.

In this paper, I will seek to sketch out a view of what the "next generation" HRM profession might look like. Specifically, I will explore how and why the crisis of trust developed in our profession, what might be done to restore trust and build a viable social contract for the future, and how the HR profession needs to change to get this done. In conclusion, I present some thoughts about who will be doing this work.

How We Got Here: From Personnel to Strategic HRM

The last two decades of HRM scholarship and professional activity in the U.S. were dominated by efforts to shift from a functional, personnel administration approach to a strategic human resource management approach. The largest professional association in the country changed its name and focus accordingly from the American Society for Personnel Administration (ASPA) to the Society for Human Resource Management (SHRM). This change symbolized a deeper shift in the professional identity and role of HR from one that challenged and provided the support needed for their organizations to balance employee and firm interests to one that sought to "partner" with line managers and senior executives in developing and delivering human resource policies that supported the firm's competitive strategies. The dominant effect of this shift was to more closely align HR professionals with the interests and goals of the firm, at least the goals as articulated by the top executives with whom HR professionals sought to align. Indeed, one of the most respected of America's HR professionals (Doyle, 1993) once described this development as HR professionals becoming what he called "perfect agents" of top management (a not too complementary analogy to the Peter Sellers character who sought to be the alter ego of his boss).

By the end of the 20th century, the transformation in the American HR role was largely complete. As a result, HR professionals lost any semblance of credibility as a steward of the social

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contract because most HR professionals had lost their ability to seriously challenge or

offer an independent perspective on the policies and practices of the firm. Perhaps the clearest indicator of the inability of HR professionals to challenge their CEOs or other top executives is the fact that the U.S. CEO pay relative to the average worker exploded over this time period, moving from a ratio of 40:1 in the 1960s and 70s to over 400: 1 today. Another indicator comes from surveys of HR professionals themselves. Table 1 reports data from a survey of HR professionals taken in the late 1990s, which asked them to rank the profession's most important goals and priorities (Eichinger and Ulrich, 1996). Six of the seven most important priorities reported reflect the needs of their organizations or their HR unit. The first workforce concern to make it on this list (promoting diversity) comes in seventh on their list!

Table 1

The Seven Top Priorities HR Executives Should Be Addressing Today

1.	Helping their organization reinvent/redesign itself to compete more effectively
2.	Reinventing the HR function to be a more customer focused, cost justified organization
3.	Attracting and developing the next generation -21st century leaders and executives
4.	Contributing to the continuing cost containment/management effort
5.	Continuing to work on becoming a more effective business partner with their line customers
6.	Rejecting fads, quick fixes and other HR fads; sticking to the basics that work
7.	Addressing the diversity challenge

Source: Bob Eichinger and Dave Ulrich, <u>Human Resource Challenges</u>, The Human Resource Planning Society, 1996.

Meanwhile, as (and in no small order perhaps because) the HR profession was turning inward, pressures on the workforce slowly began to mount, one by one. Over the past decade, workers and families have endured: longer working hours in the face of stagnant or declining wages; dramatically diminished or no pensions; rising health insurance costs, and spreading job insecurity. Even in 1999, at the peak of the dot.com boom, a national survey conducted by *Business Week* found that three fourths of Americans believed the benefits of the "new economy were unequally distributed, only a third saw it as increasing their own incomes, and only about half saw the boom as making their own

lives better (Business Week, 1999). By 2003, another business organization, the
Conference Board, reported its national surveys showed that fewer than half of workers
were satisfied with their jobs. Less than forty percent were satisfied with their wages,
health insurance, or pensions (Boston Globe, 2003). Add to this the breakdown in trust
and confidence in corporations and their leaders noted above, continued declines in union
coverage and power, and with the
arrival of the current Bush
Administration, a federal
government busily reducing
overtime coverage, quashing rules
that would allow states to fund

The net result of these diverging HR priorities and workforce pressures is that we now have perhaps a wider gulf between the perceived needs and interests of American firms and their employees than at any time since the Great Depression of the 1930s.

paid family leave, opposing (unsuccessfully) affirmative action in a pivotal Supreme
Court case, and unilaterally canceling thousands of federal workers' rights to join a union
under the Orwellian guise that collective bargaining would be a "threat to national
security."

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firms and their employees than at any time since the Great Depression of the 1930s.
Indeed, the cumulative effects of these pressures and the breakdown in trust in
corporations has led me to describe the American workplace as a pressure cooker that
may be about to blow.

Richard Sennett captures the implications of this state of affairs for the HR
profession precisely in the first sentence of his sociological critique of contemporary
workplace relations:

> *A regime which provides human beings no deep reason to*
> *care about one another cannot long preserve its legitimacy.*
> (Sennett, 1998; pg.1).

Put back in the language of the social contract, a profession that fails to attend to
and find a workable balance among the expectations and aspirations of the different
stakeholders at work—employees, firms, and the communities and societies in which
they are embedded—cannot long preserve its status or legitimacy.

I believe that if the HR profession is to lead the effort to rebuild trust and achieve a new and more equitable balance among the different stakeholders at work, it will need to break out of its internal focus and rebuild relationships and alliances with the workforce and other external stakeholders. But at the same time, we should not throw the baby out with the bathwater. The major benefit of the two decades of effort to build a strategic approach to HR is that we have learned some important things about how HR practices can contribute to bottom line organizational performance. It is important to build on this understanding in shaping the future of our profession.

Meeting the Challenge: What Can Be Done?

Starting Point: Building Knowledge Based Organizations

A good starting point for rebuilding trust and closing the gap between firm and employee interests would be to focus on generating value for all organizational stakeholders from the one unique asset that employees bring to their organizations, namely, their knowledge and skills. A defining task for contemporary and future HR professionals lies in translating the rhetoric regarding the "knowledge economy" into tangible benefits for the economy and society, for individual firms, and for the workforce. This will not be as easy as some thought it would be.

The 21st century burst upon us in an era of seemingly unbounded optimism about the future of what some called the "knowledge economy." This was expected to be the century in which knowledge and skills, or more technically, human capital, finally found its place as the most critical resource and strategic asset to organizations. Yet three years into the new century, a new worry has arisen. Even knowledge work is now at risk of being outsourced to independent contractors or "off-shored" to lower cost employees in developing countries. Indeed, companies as respected as IBM are worried about this trend. Their HR executives were recently overheard commenting in a conference call that they would be forced to offshore more knowledge intensive IT work in the future because "everybody else is doing it." This example reminds us that human resources are both an asset and a cost to business. It falls on the shoulders of HR to ensure that those most concerned about labor as a cost do not drown out investments and organizational policies needed to ensure the asset side of labor is fully developed and utilized.

How is the need to invest in and treat knowledge workers as valuable assets to be reconciled with cost pressures that put them at risk of being outsourced? Clearly some of the more routine knowledge intensive work will move to lower cost environments. Blanket opposition is likely to fail. Instead, the key lies in staying on and pushing out the frontiers of knowledge, invention, and innovation in products and processes. But what can we do to help our IBM colleagues overcome their legitimate concern that if they follow a strategy of investing in their workers while others are off shoring their work, IBM will be at a competitive disadvantage?

> *How is the need to invest in and treat knowledge workers as valuable assets to be reconciled with cost pressures that put them at risk of being outsourced?*

The only viable answer to this question is for the HR profession to reach out to external parties and build the *collective* efforts needed to develop the necessary skill base. HR professionals need to work together to help schools and universities to graduate people with the capabilities to both invent the next generation of products and services *and* to move quickly and effectively from invention through the innovation process to the market.

To be sure this requires support for basic education at the primary and high school levels and strong science, math, engineering, and related technical subjects and curricula at the college and technical school level. America has seen a decline in the proportion of students entering these fields. While reversing the trend should be a priority, so should broadening out the knowledge base and skills of future science and technical graduates of universities and specialized trade or technical schools. Everyone in the next generation workforce should have both a solid grounding in science, math, and technology and be skilled in communicating their ideas, working effectively in and leading diverse, cross disciplinary teams, and negotiating differences and resolving conflicts at work and in society.

Science and technology based universities such as my own are just now beginning to recognize the need to provide a better balance of technical, social, and behavioral skills needed in the modern workforce. MIT, for example, is tired of hearing the familiar refrain from industry leaders like the one I heard recently.

When I recruited MIT students they had great technical
grounding but not a good notion of how the real world
works, how to get things done, and how to deal with people.

Changing the curriculum to provide this mix of skills will not happen overnight nor will it happen automatically. The HR profession can speak with authority to colleges and universities about the skills needed and serve as the voice of industry but to do so it needs to become a more visible ally of those leading the fight for adequately investing in education and then work in concert with educational institutions to modernize their curriculum to fit changing workplace requirements.

While support for schools is important, firms will remain important sources of "life long" education, training, and human capital development. It is well known, however, that individual firms will under-invest in education and training if their competitors are not contributing their fair share to the workforce development process. This is another reason that the profession must look outward at rebuilding linkages with others and generating collective support for these investments.

Another reason why HR professionals need to become more externally focused as knowledge becomes more important is that managing knowledge work and workers may increasingly involve multiple organizations, contracting relationships, and informal networks. For example, in the U.S. a wide variety of ethnic, university, community, and technology specific networks have been formed to provide educational services in different technical fields. Temporary help agencies have arisen to match independent contractors and consultants with specialized technical expertise with project needs within companies. Much of what used to be the work of HR departments (selecting, training, and monitoring employment conditions) within firms is now being carried out in conjunction with these labor market intermediaries and the project managers who supervise this work. As movement of work to off-shore contractors increases, so too does the complexity of monitoring and managing these relationships and ensuring that the core knowledge and skills needed to remain competitive are maintained within the organization or available from a network of trusted, proven suppliers. Managing these mixed types of employment arrangements and multi-party networks in which they are embedded will likely be an increasingly important and challenging aspect of HR work.

From Knowledge Workers to Knowledge Based Work Systems

Too often the terms "knowledge worker" or "the knowledge economy" are equated with the elite professional, managerial, and technical workforce. Yet we know that front line workers likewise can, indeed must, be mobilized to contribute their knowledge and skills to the modern workplace. As former President of South Korea Kim Dae Jung once said:

> *In the age of the knowledge-based economy, every citizen*
> *must become a new intellectual. Everyone should acquire*
> *the skill to make the most of their minds to create new value*
> *for society and generate income for themselves.*

A great deal of effort, experience, and evidence has been amassed in the past two decades over how to build knowledge based work systems that allow front line workers to develop and utilize their skills at work. Indeed, I believe this to be the signal achievement of HR scholars and practitioners of the strategic HR era. And the way it was achieved illustrates a second feature of what is needed in the next HR paradigm—a deeper analytical focus.

Let me offer an illustration from the automobile industry. In 1982 a graduate student of ours discovered that GM had the data in their possession to relate employee attitudes, grievance rates, and participation initiatives to productivity and quality (Katz, Kochan, and Gobeille, 1983). The strong relationships between these work and labor relations practices and processes and plant performance not only surprised us but opened our eyes to the need and the potential for more research relating these practices to performance outcomes. Then, a few years later, a major breakthrough in communicating this potential to executives came when another MIT student who had previously worked at the Toyota-GM joint venture known as the New United Motors Manufacturing Inc. (NUMMI) developed a methodology for comparing work hours per car and defects per car at that plant with others in the industry. The differences reported were startling, showing a 2 to 1 differential in performance in productivity and quality between NUMMI and sister plants with old and new technology but traditional labor relations, human resource, and production systems (Krafcik, 1988). These data laid the foundation for the best selling book *The Machine that Changed the World* (Womack, Jones, and Roos,

1990). Later would come the international comparisons of assembly plants (MacDuffie, 1995; MacDuffie and Pil, 1997) that both documented the generalizability of these findings and outlined the features of the integration set of production, human resource, work organization and labor relations practices that produced these high levels of performance. By the late 1990s, this new paradigm was generally accepted in the industry. Organizations around the world were engaged in efforts to adapt its features to fit their different cultural and institutional settings (Kochan, Lansbury, and MacDuffie, 1995).

Over the course of the 1990s similar analyses were also carried out in a wide variety of industries including apparel, computers, telecommunications, steel, office equipment, and airlines. In most cases these were projects supported by the Alfred P. Sloan Foundation in conjunction with university and industry partners. While the diffusion of these new practices and knowledge based systems is not universal, Huselid and Becker (2001) extended this analysis across industries and produced estimates that moving from the mean to one standard deviation in development of HPWO was associated with an average of 23 percent higher rate of return and 8 percent higher market value. These types of numbers, even if off by a significant fraction, get managers' attention.

The lessons I take from this experience are that the effects of positive human resource and related workplace practices on performance can be measured and knowledge based work systems can contribute to bottom line performance in a variety of settings. Since the evidence is that on balance workers respond well and report high levels of satisfaction with these systems (Appelbaum Berg, and Kalleberg, 2000), they hold considerable potential for narrowing the gap between the needs and interests of firms and employees.

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Looking Beyond Workplace Performance: The Dual Agenda

As much as I believe that significant progress has been made in understanding and implementing knowledge based work systems, the singular focus on workplace

outcomes (productivity, quality, etc.) needs to expand to take into account the changing labor force and the increasingly close interdependences between work and personal/family life. As Lotte Bailyn and Joyce Fletcher (2003) argue, today's work systems and processes have to be held accountable for achieving a dual agenda: high levels of performance at the workplace and the ability to meet personal and family needs. To do so will once again require HR professionals to engage a wider set of stakeholders.

The growing need to better balance or integrate work and family needs has not gone unnoticed in American firms. Indeed, over the past decade or so many firms have implemented "family friendly" policies. Experience shows, however, that these policies suffer from a fundamental problem: they are seldom used. One clear example of this was documented in a survey of Boston law firms. The study found that over 90 percent of law firms had policies on the books that allowed associates (young lawyers not yet promoted to be partners) to work reduced hour or part time schedules. Yet only 4 percent of those eligible in fact took up this option (Women's Bar Association of Massachusetts, 2000). The same survey explained why so few took the option: One third of the lawyers surveyed believed that taking this option would seriously damage their careers because they would be stigmatized as less than "fully committed" professionals. Thus the culture of the profession and the culture of the organization need to change along with the formal policies. This can only be accomplished by involving employees and supervisors in discussion of how to design or redesign work systems and processes.

Engaging the workforce and their professional societies in rethinking how work and careers are structured is only the first, necessary step in engaging the broader set of stakeholders that will need to be engaged if the challenge of integrating work and family responsibilities is to be met. Australia and the U.S. share the dubious honor of being the only two industrialized countries that lack a paid family leave policy (Baird, Brennan, and Cutcher, 2002). This is not likely to continue indefinitely. I fully expect the pressures for some form(s) of paid leave to continue to build in the U.S.

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Unfortunately, to date, the knee-jerk reaction of the HR profession, led by its national association SHRM, has been to oppose passage of any forms of paid leave. Staying in this oppositional posture will ultimately not only be self-defeating, it will miss an

opportunity to shape whatever public policies are enacted in a fashion that dovetails and complements leave policies already offered by progressive employers. The question in my mind, therefore, is whether HR professionals will engage in constructive dialogue, analysis, and negotiations with women and family advocates and policy experts to design a sensible approach to this and other aspects of work-family policy, or hunker down, continue to oppose new policies, and then have to live with whatever policies if and when new policies are enacted.

The above political stance is typical of the approach the HR profession in the U.S. to nearly all employment and labor policy issues. As a result, the political impasse between employer and labor groups that has blocked all efforts to update our employment policies to catch up with the changing labor force and economy continues with no end in sight. This also is not likely to continue indefinitely, however. The question is whether this generation of HR leaders will begin to engage in a productive dialogue with other stakeholders over how to update our policies or leave this task to the next generation.

Labor-Management Relations: Partnerships with a Focus

One consequence of the inward turn of HR in recent decades has been an increase in anti-union or union-avoidance ideologies and strategies. In the U.S., HR professionals may have been too successful for their own good (not to mention its detrimental effects on workers and society). Because only 8.5 percent of the private sector workforce is now unionized, the vast majority of American HR professionals have little or no experience in working or negotiating with employee representatives. Yet history suggests that the void in worker representation now present in American society is not likely to remain unfilled in perpetuity. The evidence is clear that a simple return to traditional arms-length labor management relations would not well serve the workforce, employers, or the larger economy and society. Thus, the question is whether HR professionals will have the skills and experience base to help build the types of constructive and modern labor-management relationships and partnerships that are required in settings where employees are represented.

A great deal of experimentation with new forms of labor management relations from the workplace to societal levels has taken place in the U.S. and in Australia in the

past two decades from which HR professionals can learn. The 1980s witnessed a surge in creation of labor management partnerships in the U.S. The most visible of these was the Saturn Corporation (Rubinstein and Kochan, 2001). Its current equivalent in scale and scope is the partnership at Kaiser Permanente Health Care and its eight different international and 26 local unions (Eaton, Kochan, and McKersie, 2003).

Many of these have proved difficult to sustain through changes in management and/or union leadership, market conditions, or shifts in business or labor strategies. Two that standout as the most durable were indeed more limited partnerships that blended the old and new industrial relations with a clear focus on what is needed from the employee and labor relations system to meet its objectives. NUMMI is a good example of this. By constructively engaging its workforce and union leaders in the process of transforming their production, human resource, and labor relations systems to support the Toyota Production System, NUMMI was able to become a world class manufacturer. Southwest Airlines is another good example of a service sector firm that engages its workforce and union leaders in the process of serving customers efficiently, flexibly and with high quality. It does by ensuring all of its employment practices and processes support the effort to turnaround planes quickly (it takes Southwest 20 minutes to turnaround a flight (land, deplane passengers, and take off again with new passengers) compared to over 30 minutes for other carriers (Hoffer-Gittell, 2002).

A common feature of these two examples is that management does not give up its role as the initiator of partnership activities. Another is their focus on achieving bottom line results rather than worrying about whether they have all the joint consultative structures and processes in place. That is, they are strategic in understanding what is needed from the employment relations system and design everything they do to achieve and reinforce the behaviors needed. This can only be achieved in settings where HR professionals are skilled in working with employees, union leaders, and line managers and executives. They must have credibility with all these stakeholders to make their organization's strategies work and to maintain high levels of employee commitment and trust.

Rebuilding Trust with an Information Hungry and Savvy Workforce

Carly Fiorina's quote at the beginning of this paper lays out the scope of the problem facing management today. The scandals of American companies came after a decade of boom and bust economy in which the old social contract that promised loyalty and good performance would be returned with increased employment and long-term financial security had already broken down. A generation of young people watched as their parents put in long hours of work only to be rewarded with increased insecurity or actual loss of jobs and/or pension savings. This generation, the ones now in our universities, appear to have made a solemn vow to themselves: It will never happen to me because I will never commit my total loyalty to a single firm. Instead, I'll build the networks I need to know where the next job opportunity might lie and keep one foot in the labor market at all times. Whether young people can deliver on this personal pledge remains to be seen. What is clear to most HRM *How can trust at work be rebuilt?* professionals in the U.S. already, however, is that they are inheriting a more skeptical workforce that is not ready to simply bestow its trust in top management.

How can trust at work be rebuilt? It will start with a new openness and transparency. One thing all employees want from their organizations is good, honest, and open communication and information needed to assess the risks and potential rewards associated with continuing to invest their human capital in the firm. Employees will be expecting the same rights and access to information as do financial investors. As any parent can attest, most young people today are highly skilled in using the internet to satisfy their information needs. This implies that HR professionals will have to become as skilled as the people employed by their organizations.

The need to modernize HR processes to fit the internet age will affect all functional areas of HR, including collective bargaining negotiations. Recent experiences in the U.S. airline industry illustrate how the workforce can be out in front of developments in this area. Labor and management negotiators in the airline industry in the U.S. have experienced a great deal of difficulty in ratifying collective bargaining agreements in recent years with approximately 18 percent of agreements having been rejected by rank and file employees (von Nordenflycht and Kochan, 2003). In a number of these cases,

rank and file groups have built their own websites to comment on negotiations and critique tentative agreements, sometimes by sending out information even before the officially designated negotiating teams could describe the terms of the agreement. In conversations about this development a number of labor and management professionals lamented this development, almost in hopes that somehow

Instead of lamenting the new phenomena, HR and labor relations professionals will need to figure out ways to use the new technologies in negotiations to keep members informed with accurate and current information.

they could return to the old days where they controlled all communications with the media and to constituents. Instead of lamenting the new phenomena, HR and labor relations professionals will need to figure out ways to use the new technologies in negotiations to keep members informed with accurate and current information.

Some organizations have done so. Boeing, American Airlines, and the Association of Flight Attendants have all set up interactive websites where employees can log on, input their personal data (job title, seniority, age, etc.), and instantly get a personalized report on how changes in a proposed contract will affect their earnings, benefit calculations, and other features of their employment relationship. The race is on between a workforce with a great thirst for information and sophisticated ability to get it (accurate or not) instantly and HR professionals. On whom would you put your bets?

Changing Demographics of HR Professionals

In the 20th century, when labor relations was the dominant functional specialty in employment relations departments, the field was largely the province of men. Today, the top level HR executives remain largely but not exclusively a male domain. Yet, currently, women constitute an increasing proportion of professionals entering and working in our field. For example, in the U.S. from 1987 to 2002, the number of women in the HR profession increased from 64 to 76 percent. The same trend is visible in the number moving up into higher managerial positions in the HR and labor relations profession; 53% in 1987 to 65% in 2002 (Keefe, 2003). The same trends can be seen in our best university programs that are producing the people most likely to become the next generation HR leaders. Women account for 56 percent of the 2003 entering Masters'

class at Cornell's School of Labor and Industrial Relations, for example. My sense is the trend is similar in HR programs at the University of Sydney and other Australian universities.

This poses several interesting questions. How long will it take for women to break the glass ceiling and reach the top leadership positions in the HR profession? Will they experience or break the "glass ceiling" that seems to continue to exist in other areas of top management? And if or when they do, what effects will the feminization of the HR function have on the profession?

> *How long will it take for women to break the glass ceiling and reach the top leadership positions in the HR profession?*

One unfortunate effect, if the American data are an indication, is that the feminization of the profession may lead to a decline in salaries. As more women were entering the profession between 1983 and 2002 in the U.S., real wages of HR professionals declined by eight percent. On a more positive note, another possible effect could be a greater sensitivity to the need for flexible policies that support efforts to integrate work and family responsibilities. And, if or when more women also move into positions of power in unions, working hours, paid family leave, and flexible work systems and careers may surface as higher priority issues in bargaining.

Perhaps it will take this demographic shift for the HR profession to strike a better balance between the interests of firms and the workforce. There is no need to wait for this transition, but, if indeed that is what it will take, I for one say, bring on the women!

Summing Up

The key lessons from this brief and selective overview of the recent history of the HR profession in America can be summarized quite simply:

1. The quest for greater acceptance and influence with top management has gone too far and accounts for some of the inability of the HR profession to discipline top management excesses that produced the corporate scandals, runaway CEO compensation, and the overall breakdown in trust in corporations that now prevails in America.

2. The building pressures in the workplace call for leadership from the HR profession to help better balance worker and firm needs and interests, rebuild trust, and help shape a new social contract at work.

3. The substantive areas with the most potential for contributing to a new social contract that fits the needs and realities of today's economy and workforce include:

   a. Making knowledge work and work systems pay off for firms and employees;

   b. Integrating work and family/personal concerns by evaluating all HR policies and practices against the "dual agenda" of workplace and family outcomes, and;

   c. Supporting efforts to restore voice and transform labor-management relations to serve as an innovative force in society and help improve the performance of organizations, industries, and the overall economy.

   d. To address these substantive challenges, the next generation of HR professionals will need to be:

      a. More externally focused and skilled in building and maintaining alliances and productive relationships not only with line managers and senior executives but also with each other, educational institutions, professional associations and networks, labor market intermediaries, unions, and government policy makers;

      b. More analytical and able to justify support for progressive HR policies based on their demonstrated and documented bottom line results, and:

      c. More skilled in using information and principles of transparency to deliver and communicate HR polices and the range of information that employees want and need.

These changes can only be achieved if the HR profession redefines its values and professional identity and holds itself accountable for building an employment system that is judged to be fair and equitable by all the stakeholders involved. Whether this shift in professional norms will evolve gradually or will have to await the passing of the torch to a new generation remains to be seen.

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