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What CEOs want in top HR executives Why turnover among top human resource executives is so high

By Ron Parent and Ward Garven

When a chief executive officer watches four top Vice Presidents of Human Resources leave the organization within two years, something must be up. Perhaps not surprising to many top executives, it's also not an uncommon story.

Executive management faces a huge challenge in balancing the strategic human resource objectives for the company with retaining top leadership talent in this increasingly vital role.

When it comes to the pivotal function that human resource vice presidents play in any organization, there are fewer chief executive officers around today that view it as merely an administrative task of doing business.

"More insightful CEOs are seeing the human resources role as being a critical role and having a strong voice," says Ron Parent, Vice President of Human Resources for global firm Trinidad Drilling in Calgary.

The reason so many talented and seasoned human resource executives leave the post include lack of input into the larger decision-making process, no clear expectations or understanding of "fit" within the role and a deficiency in communicating goals for that role. The result is an increasingly high level of turnover.

It starts with the key decision of whether human resources leadership will primarily play an operational/transactional role in the background, or a strategic role that has a strong voice at the C-suite level on people management matters. "This is a key question to answer before starting a search because it ultimately drives the kind of person you look for," adds Parent.

"A disconnect regarding the job description and the value placed on the role of vice president of human resources by the board of directors and the chief executive officer – and the authority given to that professional – has led to rapid, industry-wide turnover," says Ward Garven, Managing Director of executive search consulting firm Stanton Chase International in Calgary.

It is important that the vice president of human resources has clear direction from the chief executive officer and the rest of the C-suite, especially in the first year. The potential for disconnect early on is high if the direction isn't clearly defined up front.

Numerous studies and anecdotal stories affirm that the role of the vice president of human resources is growing in importance as a competitive advantage.

A philosophical alignment on leadership style between the chief executive officer and the vice president of human resources affects how the organization leads and manages its people.

"If a high-calibre human resources vice president takes on a role assuming they can make a difference, but soon realize they cannot accomplish that goal, they are likely to move on to another position," Garven says.

Expectations must be set from the top down at the outset. It's a matter that may be affected by the stage and size of a company, but the same basic rules apply. "If you do the right kind of work up front, you will increase your chances of success," says Parent.

It requires a thoughtful and tactful decision-making process. For example, a vice president of human resources with a collaborative, open and transparent style will likely have challenges in an environment where the leadership culture is directive, command and control, and highly political. "Knowing the leadership culture the vice president of human resources is going into will help to find the right fit," he adds.

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The mere shift in terminology says volumes. Many companies now embrace the role of human resources at the boardroom table, reflected by the increasing use of the term "Chief Human Resources Officer," or CHRO, to qualify its importance.

Yet, there is still progress to be made. "Too often, the chief executive officer only brings in the vice president of human resources after strategic decisions have been made," says Garven.

The key is hiring the right candidate who has a vision and proven skills to truly make a difference as an integral part of the management team. It also depends highly on the goals for the role.

"This sentiment is certainly mirrored by former chief executive officers who have valued the input of qualified human resource executives or regret not having utilized them properly – either because they weren't qualified or simply not brought to the table," says Garven.

The bottom line is that this is all about the chief executive officer. They must "own" the decision on who fills the vital role of vice president of human resources. "There needs to be a personal contract between the two of them," Garven says. "It takes work like any relationship."

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