



## Stubborn traditionalism in HRM: Causes and consequences



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### ABSTRACT

We examine the widely-held view that “stubborn traditionalism” exists in HR, meaning that while the HR profession has progressed, its progress remains slow, and may not be sufficient to maintain effectiveness and relevance. The data on which the present study is based also showed little change in HR activities, skill satisfaction, strategic role and other features of HR over two decades (Lawler & Boudreau, 2012). This article examines two questions using cross-sectional analysis of our most recent survey of HR leaders. First we find that slow progress matters, because progress on HR functional features is related to important outcomes, including HR’s role in strategy, effectiveness as a function, and organizational performance. Second, we explore one explanation for HR’s stubborn traditionalism, in the organization’s management approach. Our results suggest that the organization’s management approach may indeed partially explain a lack of HR progress. The more organizations pursue a bureaucratic and low-cost-operator approach to management, the less their HR organization engages in advanced strategic activities, is satisfied with its HR skills, plays a strong strategic role, implements an HR decision science, and adds value to the organization. In contrast, the more organizations pursue high-involvement and sustainable approaches to management, the greater are these HR features.

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### 1. Introduction

A changing workforce, global competition, advances in information technology, new knowledge, demands for sustainable performance, and a host of other changes are forcing organizations to constantly examine and reevaluate how they operate (Lawler & Worley, 2011). They are utilizing new technologies, changing their structures, redesigning work, relocating their workforces, and changing work processes to respond to an increasingly demanding unpredictable and global competitive environment. But are organizations changing their human capital management policies, practices and processes? Are they redesigning their HR functions?

Despite compelling arguments supporting human resources management as a key strategic issue in most organizations, our research and that of others have found that human resource executives often are not involved in key strategy decisions and remain stubbornly traditional. A Conference Board (2012) study concluded that HR is at a “false summit,” with apparent progress, but a long way to go:

“As the pace and sweep of change intensify, HC <human capital> professionals are coming under unprecedented pressure to be innovative, to be strategic, and to implement their programs and initiatives more efficiently. There are many programs and projects currently in play, ranging from streamlining benefits administration to experimenting with recruitment via social media. But the bigger picture shows little change. From this perspective, there has been little

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innovation, little confidence within the HC function, and little correlation between program and impact. HC professionals don't feel they are getting a handle on the issues, let alone the knowledge needed to address them effectively. They are stuck with old solutions that don't always work for the old problems, let alone the new" (p. 4).

The Conference Board study corroborates our findings (Lawler & Boudreau, 2012) that the priorities of the HR profession have not changed very much over decades (the definition and achievement of the "strategic partner" role remains elusive). HR has made progress in transactional areas and in improving HR efficiency, but both studies suggest that business unit leaders outside the HR profession view HR as relatively lagging in performance on more strategic roles. Similarly, the 2013 study of critical human capital issues by i4cp found that six of the top 10 issues were the same over the past four years. They concluded that since 1986 "year to year comparisons of the study show that the urgency of these issues is growing but the ability of HR organizations to effectively deal with them has stalled or deteriorated" (DiRomualdo, 2013).

All too often, the human resources function is largely an administrative function headed by individuals whose roles are focused on cost control, compliance, and administrative activities (Boudreau & Ramstad, 2005; Lawler & Mohrman, 2003; Ulrich, 1997). Missing almost entirely from the list of HR focuses are such key organizational challenges as improving productivity, increasing quality, facilitating mergers and acquisitions, managing knowledge, implementing change, developing business strategies, and improving the ability of the organization to execute strategies.

There is some evidence that the situation of HR is changing, and that the human resources function is beginning to redefine its role in order to increase the value it adds. The research reported here is largely based on the most recent wave of data from our ongoing research on HR, with the first five phases collected in 1995, 1998, 2001, 2004, and 2007. Over time, we have found (Lawler & Boudreau, 2012) evidence of some change in large U.S. corporations, but there was more discussion of change than actual change (Lawler & Boudreau, 2009; Lawler, Boudreau, & Mohrman, 2006; Lawler & Mohrman, 2003). For example, HR leaders' satisfaction with HR skills in areas such as business understanding, teams, consultation and interpersonal relations shows increases between 1995 and 2010 from about 3.3 to 3.6 on a five-point scale, but no significant increase in metrics, process execution or strategic planning (Lawler & Boudreau, 2012, Table 13.2, p. 112).

This article explores these data more deeply than before, providing further evidence of this pattern, which we will call "stubborn traditionalism" in HR, by highlighting results from a unique multi-year survey of U.S. HR leaders. This study is different from Lawler and Boudreau (2012) by extending the analysis in two ways: First, we present evidence that progress in several key areas is significantly related to HR and organizational performance. Second, we suggest a partial explanation for differences in HR's progress, with findings that suggest that the organization's management approach significantly relates to differences in HR's progress in several key areas. Our results suggest that stubborn traditionalism has a significant negative impact on HR and organizational performance, and that it may be exacerbated or mitigated by different organizational management approaches.

## 2. Sample and methodology

The data reported here come from surveys of HR leaders in the U.S., conducted in years 1995, 1998, 2001, 2004, 2007, and 2010. The data reflect responses from similar samples of U.S. HR leaders in each year, but they are not panel data, in that different executives responded to the survey in each year. Our analysis focuses on the results of our samples in 2007 and 2010, the most recent two waves of data, as well as a cross-sectional analysis of the 2010 results.

Where possible, we refer to findings from prior-year surveys, to document that stubborn traditionalism is evident for time lags beyond three years. The pattern is similar across the history of our samples. We focus on the surveys in 2007 and 2010 as the most recent two surveys, and for which we have fully comparable data. We conducted the cross-sectional analysis for only the 2010 survey, because that survey alone contained the ratings of organizational performance.

The 2010 survey also included samples of HR leaders outside the U.S. (Lawler & Boudreau, 2012). However, in this article we focus on the sample of U.S. HR leaders, because our data for the global sample was collected only in the most recent wave of the survey, so we have no prior survey results with which to compare. Replicating this cross-sectional analysis across multiple nation samples is not feasible, due to incomplete data, and in any case it would significantly lengthen the article if attempted.

In 1995, surveys were mailed to HR executives at the director level and above in 417 large and medium-sized service and industrial firms (Mohrman, Lawler, & McMahan, 1996). The executives chosen had broad visibility to the human resource function across the corporation. Responses were received from 130 companies. The second study was done in 1998. Surveys were completed by 199 firms (Lawler & Mohrman, 2003). In the third survey, done in 2001, 150 usable surveys were completed (Lawler & Mohrman, 2003). For the 2004 study, 100 surveys were returned by HR executives with corporate visibility of the HR function in large and medium-sized companies (Lawler et al., 2006). For the 2007 survey, questionnaires were once again mailed to HR executives in medium and large companies (Lawler & Boudreau, 2009). For the first time, data were also gathered by using the Internet, 107 companies responded. All the 2010 survey data were collected using the Internet. HR executives were given a link and asked to respond. We received completed surveys from 190 U.S. HR leaders.

The 2010 sample reported an organization size averaging 29,514 employees ( $SD = 46,051$ ), and an average number of full-time equivalent HR employees of 406 ( $SD = 1000$ ). The size of the standard deviations relative to the averages suggests a skewed distribution for both variables. The median number of employees was 13,000, ranging from 1000 to 300,000. The median number of HR employees was 110, ranging from .50 to 8000. Forty-eight percent of the sample reported having 10,000 or less employees, while eighty-seven percent of the sample reported having less than 500 HR employees. The ratio of HR employees to total employees ranged from .001 to .97, with an average of .031. We found no significant correlations between the HR ratio and

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