

Routes to the top

**Insight & knowledge
from today's
HR leaders**

2023

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CATERINA GLENN Director

Caterina (Cat) has been with Wade Macdonald since April 2018. She deals with permanent recruitment within the Human Resources division and manages this division together with the non-qualified finance division.

Cat started her career in recruitment in 1996 for a corporate organisation where she swiftly moved into management roles. She then embarked on a 12-year career with an independent business working with the Managing Director to expand the organisation and mentor new team members.

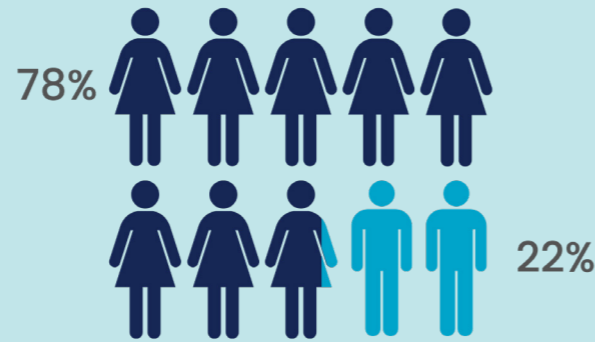
Prior to joining Wade Macdonald, she worked predominately in recruiting finance professionals across the interim market within Hampshire, Surrey and Berkshire and then later began working with her teams supporting permanent recruitment. Having joined Wade Macdonald she worked across interim and permanent recruitment within accounting but moved in 2020 to also head up the HR division dealing with permanent recruitment in this field.

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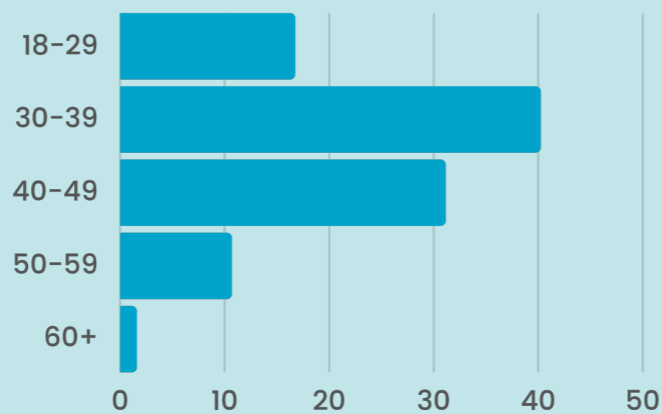
INTRO

The future of work is rapidly changing, and so are the skills and competencies required to succeed in the workplace. As the Baby Boomer generation approaches retirement, the next generation of leaders is stepping up to take their place. However, reaching the top of the career ladder can be challenging, especially in today's highly competitive and ever-evolving business environment.

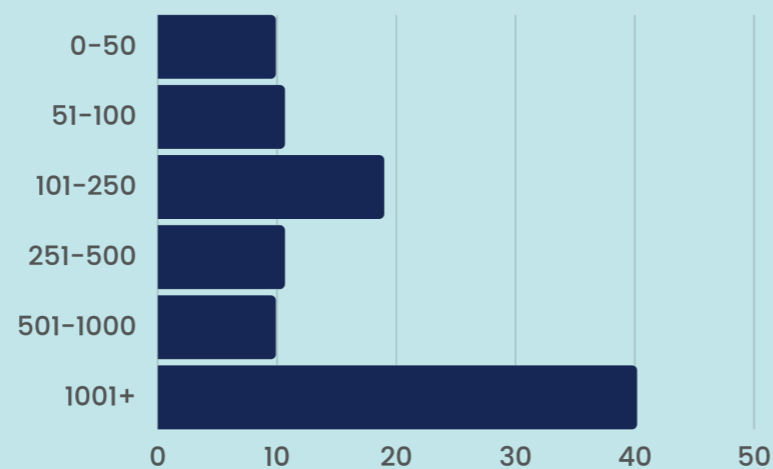
To help guide the next generation of workers towards success, we surveyed a group of around 150 HR leaders to gain insights into the skills, attributes, and strategies required to climb the HR ladder. This report gives insights into their journeys to the top, but also shares their advice and recommendations on how the next generation can make it based on their years of experience and expertise in the human resources field. We hope this report will be an interesting read for those who have already reached the top, whilst also providing valuable insights and practical advice to professionals who aspire to achieve their career goals and reach the top of their chosen fields.



Q: What gender do you identify as?



Age our respondents reached a leadership position



Number of employees in organisation

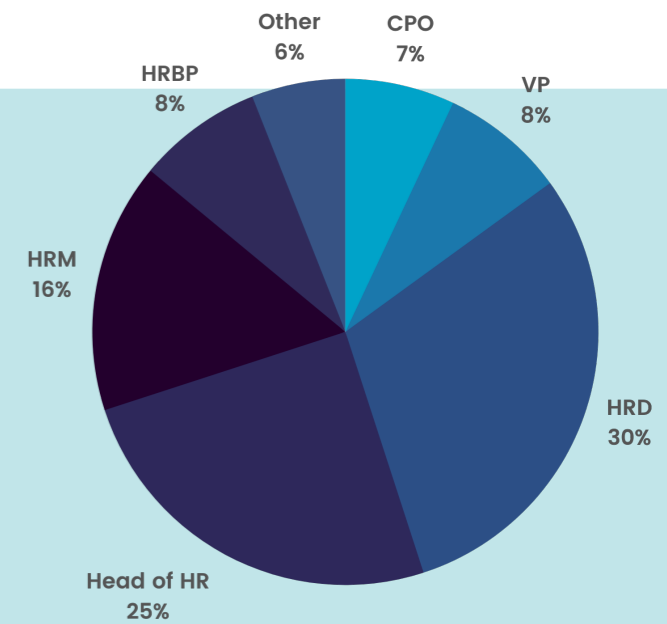
THE DEMOGRAPHICS

Around 150 HR leaders took part in the survey, of those 7% were CPO's, 8% were VP's, 30% HRD's and 25% Heads of HR. 16% were HR managers and 8% HR Business Partners. Of the 6% in 'other', their roles including Head of Talent, Head of Reward and Senior HR Interims, including Change experts.

Our respondents worked for various sized organisations, but the majority came from larger organisations. 40% worked in businesses with over 1000 employees, with a further 10% having between 500 and 1000. 29% had between 100 and 250 staff and around 20% less than 100. This is similar to what we would expect as the CIPD survey on small business HR functions from 2017 found that only 30% of businesses with less than 50 employees had a dedicated HR function.

We recently produced a similar report but looking into finance leaders. In that we found that only 30% of finance leaders were women, with that figure getting even lower when we got to FD / CFO level. HR however, is the complete opposite.

78% of our respondents were women, with only 22% men. Interestingly, that is the exact same result as a CIPD survey



Job titles of respondents

in 2021, which identified that women represent 78% of the HR workforce in the UK. Their report went on to show that whilst women make up 78% of the HR workforce, they represent only 54% of HR directors and 36% of CPO's suggested that there may be barriers to women's advancement into senior leadership positions within HR departments. However, in our survey the percentage of HRD's and CPO's remained at 78%.

We decided not to ask respondents their current ages, but instead we focused on the age they first progressed to a leadership role. The results demonstrated that in Human Resources age was not a barrier to entering leadership, with over 17% acquiring a leadership role before they were 30. The majority (40%) enter leadership in their 30's, with a further 31% moving into leadership in their 40's. A much smaller number (12%) entered a leadership role for the first time in their 50's or 60's. These results suggest that the route to the top is a varied journey, and we examine this further this as we move through our research.

QUALIFICATIONS

We wanted to understand if there was a typical educational route of those in HR leadership roles and the answer was absolutely not! Of those that we surveyed 52% had gained a degree before starting their professional career, with 48% having not studied to that level.

When we look into professional qualifications, a higher percentage had studied one of the three levels of CIPD, but it was surprising to see that of the HR leaders that contributed, 27% didn't have/ decided not to undertake the qualification. 4% achieved Level 3, 13% Level 5 and 56% Level 7.

These numbers do increase when we look deeper at those that were HRD's or CPO's but there were still 24% who had not studied in that area, with 68% completing Level 7.

When we looked at other professions, such as finance, we saw that 97% of FD's or CFO's held a professional qualification and we wanted to look into why these numbers might be so different. We believe there could be two major contributing factors.

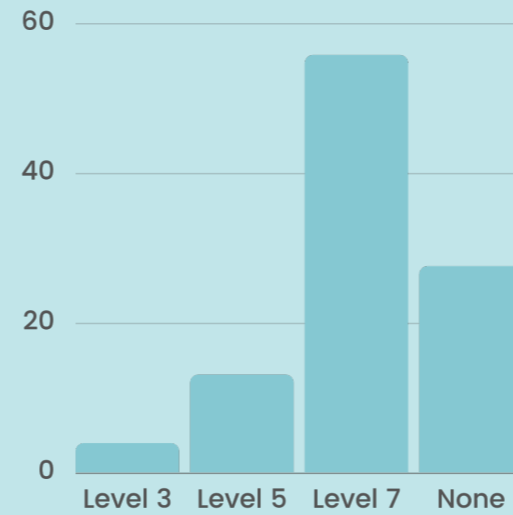
Firstly, the HR qualification only gained a Royal Charter, changing its name to the Chartered Institute of Personnel and Development (CIPD) in 2000. Obtaining Chartered status is a rigorous process which will have made the CIPD a more valuable resource for people in HR looking to demonstrate their expertise in the field. As a result, the organisation has likely attracted many new members over those years, but many of the leaders we surveyed would have already been on their career route as these changes to CIPD were happening.

Secondly, there are no legal or regulatory requirements for HR professionals to hold specific qualifications or certifications in the UK whereas, in other professionals such as finance there can be. However, while there is no legal requirement for Human Resource leaders to hold qualifications, many employers do prioritise and value education and development in their hiring processes. Additionally, in today's rapidly changing business landscape, HR leaders need to stay up to date with emerging trends and technologies to remain effective in their roles. We see a large proportion of the vacancies we recruit for, demanding the qualification, which would suggest that in 10 years these results will be very different.

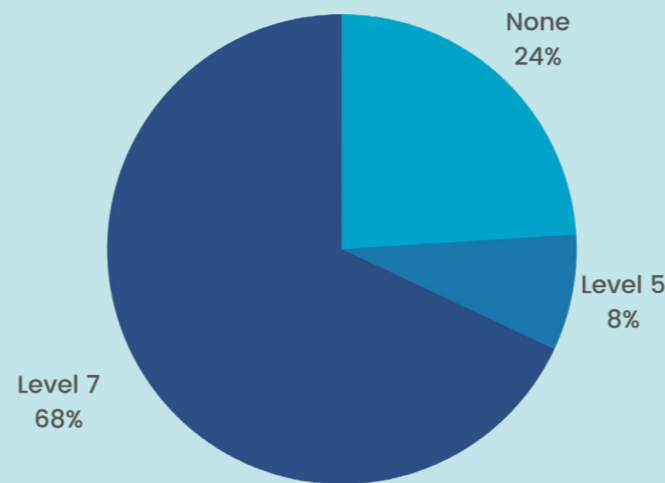
Of the 56% that had completed CIPD, 62% went on to study further professional qualifications. These qualifications included MBA's, organisational psychology, psychometrics, executive coaching and law. We look deeper into the skills needed to reach the top of HR as we move through the report, but the breath of these qualifications is an early indication of the diverse skills HR professionals hold and of the niche areas it is possible to move into, away from a generalist role.

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Q: What level CIPD have you reached?



Level CIPD reached by HRD's and CPO's



38.58%



61.42%

Studies post qualification?

CAREER PATHS

As aforementioned, there is no exact career route to reaching the top of HR. You can see from the graph on the next page, that many of the specialist HR areas were covered by our HR leaders on the way to the top. However, our research highlighted that it would be very unusual not to have covered generalist work along the way (94%).

There are several reasons why many HR leaders have worked in generalist HR roles. Generalist HR roles provide a broad range of experience in various HR functions, such as recruitment, employee relations, compensation & benefits, and training & development. This breadth of experience helps HR professionals to gain a deeper understanding of the entire HR function, which is essential for leadership roles.

Working in a generalist HR role also provides HR professionals with exposure to the business. HR leaders need to have a good understanding of the organisation's strategic, goals, and operations to effectively align HR policies and practices with the business needs. Generalist HR roles provide an opportunity to work closely with other departments and gain insight into the organisation's overall business strategy.



47.73%



52.27%

Q: Have you ever worked abroad?

We wanted to understand if working abroad was common within HR leaders. As you will see, nearly half of respondents had. There was huge variety in where they had worked, but the majority had spent time in Europe and Asia.

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CAREER PATHS cont.



Q: Which areas of HR have you worked in?

Although clearly not a pre-requisite to reaching the top, there are some major advantages to gaining that experience. Working abroad can help HR professionals develop a global perspective and a more in depth understanding of different cultures, which is essential for businesses operating in a globalised economy. Professionals in HR who have worked abroad are better equipped to handle the challenges of managing a diverse workforce implementing HR policies and practices that are culturally sensitive and appropriate.

It can also help HR professionals develop new skills and knowledge that they can apply in their future

roles. HR professionals who have worked abroad often gain experience in areas such as cross-cultural communication, global talent management, and international employment law, which can be valuable in a variety of HR roles.

Overall, working abroad can provide HR professionals with a range of valuable skills, experiences, and perspectives that can be beneficial for their careers and personal growth.

We also thought it was important to see if many professionals had worked outside of HR on route to their current position. Remarkably over 70% had. The majority of these had started their career in one area and then moved into HR, although, there were also a large number who had moved into roles outside of HR when they had started a family and then moved back into the HR arena later. The most common roles that people had moved from were recruitment, sales and marketing, and secretarial/PA roles and retail management.



72.73%



27.27%

Q: Have you worked outside of HR in your professional career?

There are many possible reasons why this is the case. Many of the roles listed above may have had elements of HR within them, making the transition an obvious one. HR is a field that requires a diverse set of skills, and many of these skills can be acquired through other professions. For example, people who have worked in sales, marketing, or customer service may have developed strong communication and interpersonal skills that are valuable in HR roles.

FACTORS SLOWING PROGRESSION



Q: Are there any factors that might have slowed your progression at any point in your career?

age-old issue of women's careers being hindered despite many changes in legislation (such as shared parental leave) has still not been resolved. We can only hope that over the coming years that more flexible and hybrid working and the advent of the 4-day week (in some organisations) will have a positive impact on the careers of women and start levelling things out.

Outside of those answers 14% felt a lack of professional qualification had slowed them. This is perhaps further proof that in the future the CIPD qualification will have far more weighting than it might have used to have done.

Despite being leaders in their field, it does not mean that those taking our survey had not also had knock backs in their career. 79% of those that took part felt that during their career there had been occasions where their progress had been slowed. The two leading answers were "time off for family reasons" and "face not fitting". It is a sad fact that at times in our career our relationship with our manager / leaders within a business may have a major impact on our progression, despite how hard we work or what we achieve. Weighted appraisal systems may help with this, but in truth, it is likely to be something that doesn't go away.

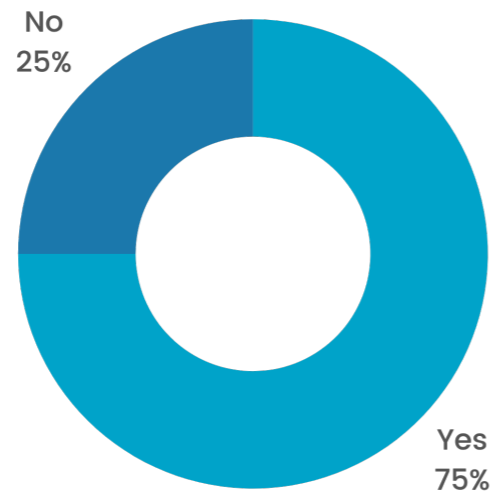
We decided to look at working patterns, time off for family reasons, and other (of which the majority were maternity leave) together. We see the



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SKILLS NEEDED FOR FUTURE PROGRESS



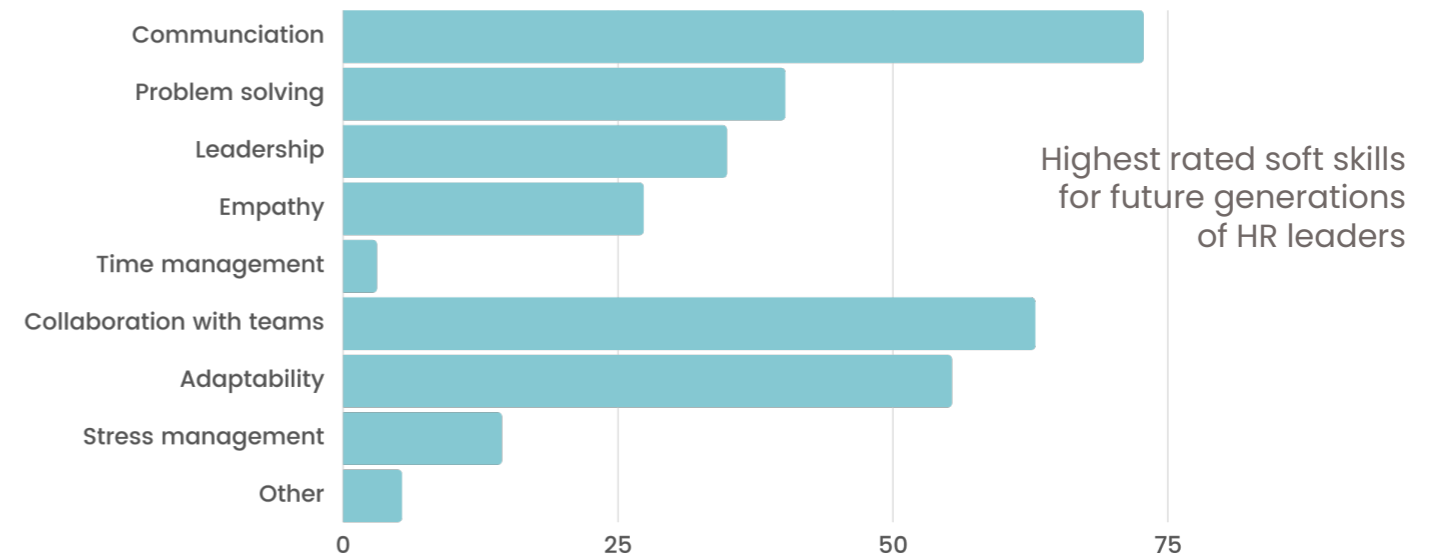
Q: Do you think the technical or soft skill required to reach the top have changed in the last 5 years?

75% of HR leaders felt that the soft and technical skills needed to be a leader in their environment had changed over the past 5 years. In January 2023 we produced a report that had investigated how HR has changed over the past 5 years. We discovered that HR has evolved from an administrative function into a more strategic and business-focused one. As a result, the role of HR professionals has expanded beyond traditional HR tasks to include more strategic activities such as business partnering, talent management, and organisational development.

Along with understanding the skills HR leaders felt would be important, we also wanted to find out where the staff HR supported were based. We felt that the staff they supported would probably have some bearing on the skills needed. The results showed that 85% of respondents had to provide support to employees away from their own base, with 51% supporting across multiple countries.

The fact that 85% had to support people they did not see regularly, would seem to provide evidence of why some of the key soft skills our respondents pointed to are needed. 72% highlighted that HR professionals will need excellent communication skills. The evidence above suggests that part of the reason for this is to effectively communicate with employees who are not physically present in their office. This includes using various communication channels such as email, instant messaging, video conferencing, and phone to stay in touch with remote employees.

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Highest rated soft skills for future generations of HR leaders

27% felt that empathy was important. They will require high levels of empathy and emotional intelligence to build trust and rapport with employees that they may not see face-to-face regularly (or at all). They require cultural awareness to understand the cultural differences and nuances of different regions where their employees are located. This includes being sensitive to language, customs, and communication styles. And they will require strong problem-solving and decision-making skills, being able to handle issues such as time-zone differences, language barriers, and other challenges that may arise when working a multi-national workforce.

The second most needed soft skills highlighted was collaboration. HR professionals need to be collaborative because their role often involves working with other departments, stakeholders, and employees within an organisation. Outside of the obvious need to build relationships with managers and stakeholders, collaborative working can foster creativity and innovation within an organisation. By working with employees and other stakeholders, HR professionals can generate new ideas and approaches to HR management, leading to more effective and efficient HR practices.

The other highest scorers were adaptability and problem solving. HR is constantly evolving, and HR leaders need to be able to respond to changing business needs and market trends. New technologies are constantly coming into the profession, along with diverse workforces and changing work practices. The leaders of the future will need to have these soft skills if they are going to progress.

Q: Where are the staff based that you look after?



Same office
14.4%



Multi-site
34.1%



UK & International
55.5%

9.

skills cont.

The more practical skills that were highlighted by HR leaders were extremely interesting. There was less focus on what we may have thought about in years gone by, such as L&D, Reward, ER and Compliance and more focus on Change Management, Cultural Development, Business Partnering (which we have already looked at) and Data Analysis.

Change management skills were rated most important by our respondents and this is because HR professionals play a critical role in managing organisational change. They are the people responsible for overseeing change initiatives such as the introduction of new HR programs or policies, mergers & acquisitions and reorganisations. In these situations, change management skills are essential in order to effectively communicate changes to employees, address any concerns or resistance, and ensure a smooth transition.

Alongside this, during periods of change, employees may experience uncertainty, fear, or as previously mentioned, resistance. Professionals with strong change management skills can help employees understand the reasons for the change, address their concerns, and provide support throughout the transition.

We already know HR is key to the culture of an organisation. The change of name from Human Resources to People and Culture points strongly towards this! It is the job of HR to work with senior leaders to develop the company's mission, vision, and values and ensure that they are communicated effectively to all employees. This then becomes a key part of recruitment and selection,

where HR can play a role in hiring employees who align with the company's culture and values.

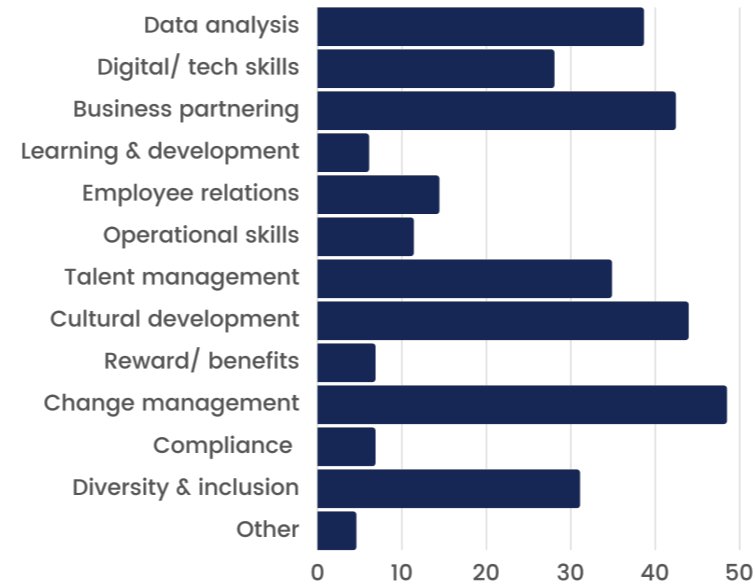
To help foster a supportive and positive organisational culture, HR can create initiatives and programs. This can include social events, wellness programs, community/charity activities, and recognition programs that celebrate the contributions and achievements of employees.

Data is being used more in most areas of business, and that is no different in HR. It's especially important when we look at performance management, talent management and employee engagement.

Data can help HR teams identify where to find the best candidates for open positions and how to attract and retain top talent. By analysing data on things like job board performance, candidate sources, and employee turnover rates, HR can adjust recruitment and talent management strategies to achieve better results.

Data can also help HR teams track employee performance, identify top performers, and provide feedback to help employees improve. By using data to inform performance management decisions, organisations can ensure that they are rewarding employees fairly and helping them reach their full potential.

And lastly, data can be used by HR teams to understand what drives employee engagement and identify areas where employees might not be satisfied. By collecting data through surveys or other methods, HR are able to identify opportunities to improve employee engagement and create a more positive workplace culture.



Q: Which 3 skills do you think will be most important for future generations of HR leaders?

“HR is the key to the culture of an organisation.”



46.97%



53.03%

Q: Have you had to change your management style due to the changes in work practices since the pandemic?

EVOLVING MANAGEMENT SKILLS

47% of the leaders that were surveyed felt that they had had to change their management style since the pandemic.

One of the major reasons that was highlighted by HR leaders for a change in style, has been the shift to remote work. This has meant HR professionals have had to develop new skills related to managing virtual teams. As mentioned at other points in this report, this has included developing skills related to communication, collaboration, and technology. Linked to that it has also been clear that workplaces need to be more flexible in how they manage their workforce. HR professionals have had to develop new skills related to managing flexible work arrangements, such as part-time work, job sharing, and flexible schedules.

There was already a rise in awareness of mental health pre-2020, but the pandemic has undoubtedly been a catalyst to understanding the importance of mental health and wellbeing in the workplace. HR professionals have had to develop new skills related to supporting employees who may be struggling with mental health issues and in many cases, they have either trained to be a mental health first aider, or co-ordinated with others to be them.

The other major change that HR leaders have pointed to is the need to utilise Data in their decisions, and this is due to the shift to remote work and the need for flexible work arrangements. This includes skills related to data analysis, data visualisation, and using data to make informed decisions.

THE IMPACT OF AI

We have already seen that Human Resource leaders believe that advances in technology and data analysis will become more important as we move forwards. We were keen to dig a little deeper and understand how prevalent leaders felt AI would become.

The answer here was a surprise to us and could indicate that HR leaders do not all understand what Artificial Intelligence will mean for the future.

Overall, the average was 5.5 out of 10, but the range of answers was from 0 to 10.

Within our own client base, we are noticing that automation is becoming more prevalent in large organisations where they have bigger budgets to focus on technological advancements, but many of our SME clients are not in that place yet.

We went further and asked those that felt it would have a big impact, on what areas that could be. The most common answer was within recruitment. AI can be used to screen CV's, analyse candidate data, and

identify top candidates for open positions. AI algorithms can also be used to predict which candidates are most likely to succeed in a particular role, which can help organisations make more informed hiring decisions.

Some areas of employee engagement were also highlighted. It is possible to use AI powered chatbots to provide employees with personalised support, answer questions, and provide feedback. AI algorithms can also be used to analyse sentiment of employees and identify areas where they may be dissatisfied, which in turn can help organisations take proactive steps to improve employee engagement.

Learning and Development was another area that a number of HR leaders mentioned. Learning platforms, powered by AI, can be used to personalise training and development programs based on an employee's learning style, preferences, and skill level. AI algorithms can also be used to identify knowledge gaps and recommend training programs that are most relevant to an employee's job role.

Ultimately, the AI tool would be taking some of the tasks away from a human, but in all cases, it would then require a human being to analyse what the algorithm is finding.

THE TIME FOR NEW LEADERS

CONCLUSION

The reason for this report was to try and give advice to the next generation of HR leaders and our final question leads us to suggest that the new generation will be needed soon. As you will see from the graph, only 60% of current leaders plan to still be in a similar role in 5 years' time. Of the other 40%, there is a mix between retirement, moving out of HR, becoming an interim and starting their own business (often this includes setting up a HR consultancy).

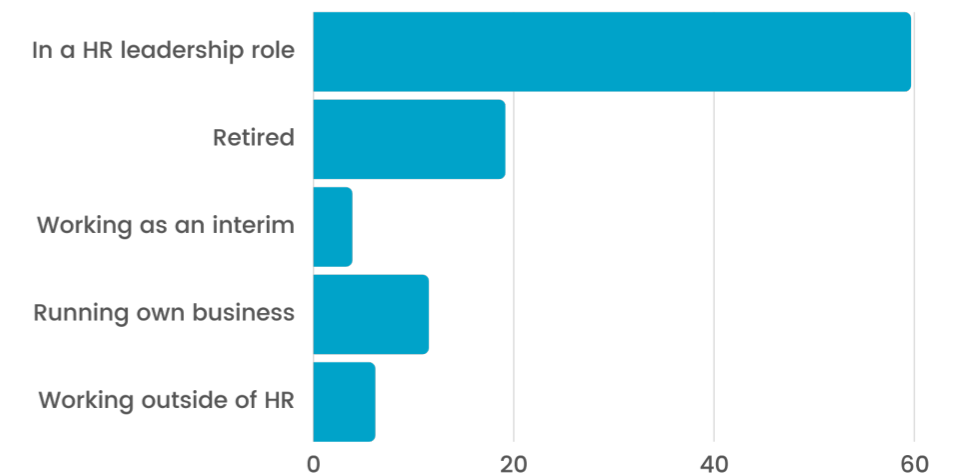
So, what advice did the leaders give other than focusing on developing the skills we have already covered?

They believe relationship building will be key to your success. We have seen a recurring theme of business partnering throughout this report and it is important to build strong relationships with employees and business leaders to help you gain their trust and respect. This will help you be more effective in your role as an HR leader, as employees and business leaders are more likely to listen to and act on your recommendations. It will ensure you align your HR strategies and initiatives with the broader goals of the organisation, which will demonstrate the value of HR to the business, and it will also ensure staff retention.

There will be huge importance for HR professionals to influence change. Building strong relationships with both employees and business leaders will allow you to influence change within the organisation. By building a network of allies and supporters, you can be more effective in advocating for HR initiatives and driving change within the organisation. The earlier you can gain experience in change projects in your career, the better.

Outside of building these relationships, we have seen an importance of understanding how data can be used to drive your decision making. AI may or may not become hugely prevalent, but it will undoubtedly play a bigger role in larger organisations, so do not shy away from gaining an understanding of how it can be used within the HR function.

Q: Where do you see yourself in 5 years?





The best ways to get in touch

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