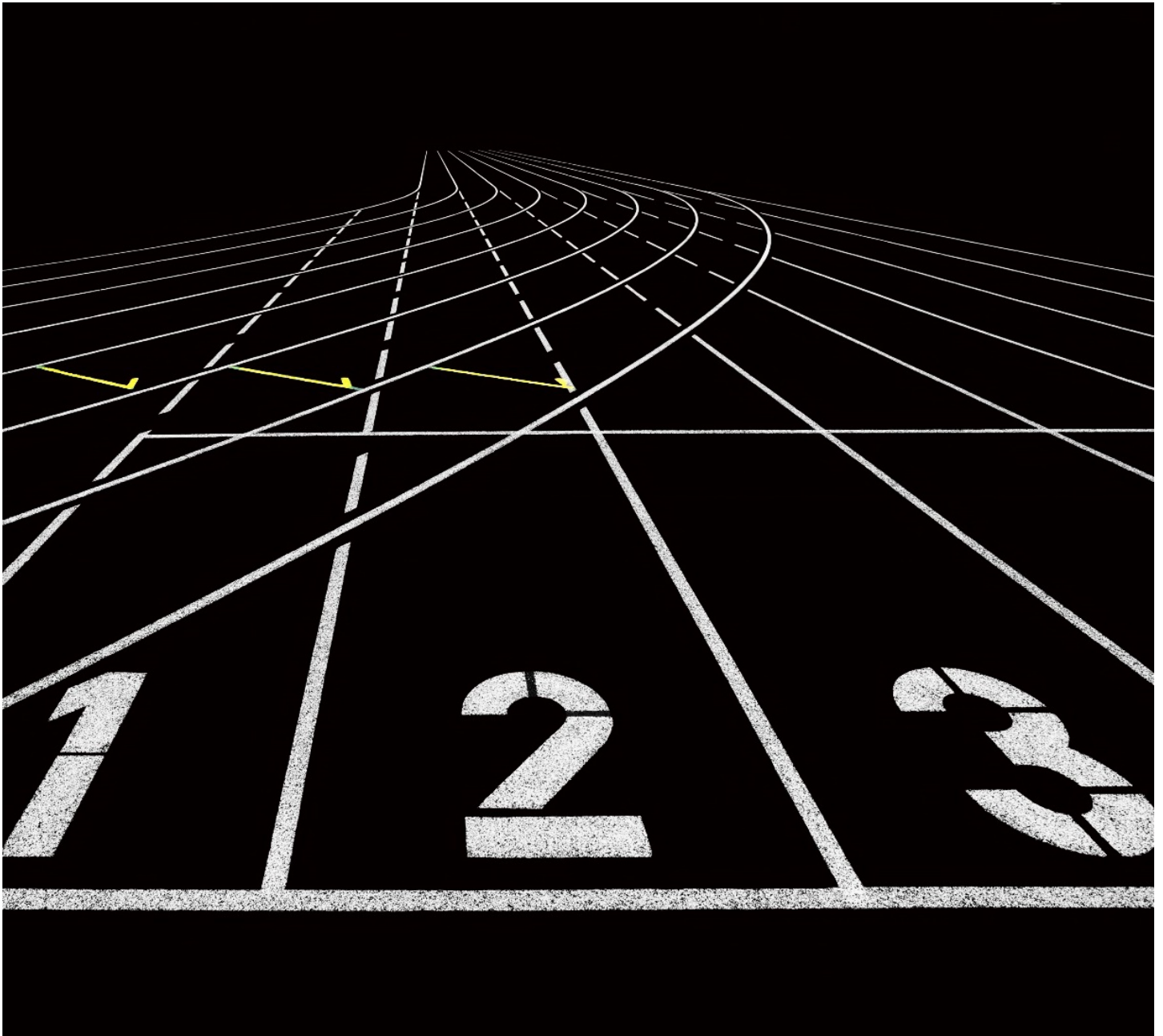


HR, CULTURE, TRUST

AND THE HIDDEN GENDER ISSUE

ENTENTE AND CODE CONVERSATIONS

October 2021



WE HAVE A PROBLEM

There is an elephant in the room. A serious gap that needs to be addressed if we are to truly transform our organisations.

1. HR are generally the ones tasked with leading culture and behavioural change inside organisations.
2. HR are also, sadly, often the least trusted department/role/profession inside most organisations.
3. Up to 72% of HR departments globally are led by women. And 86% of HR teams are made up of women.

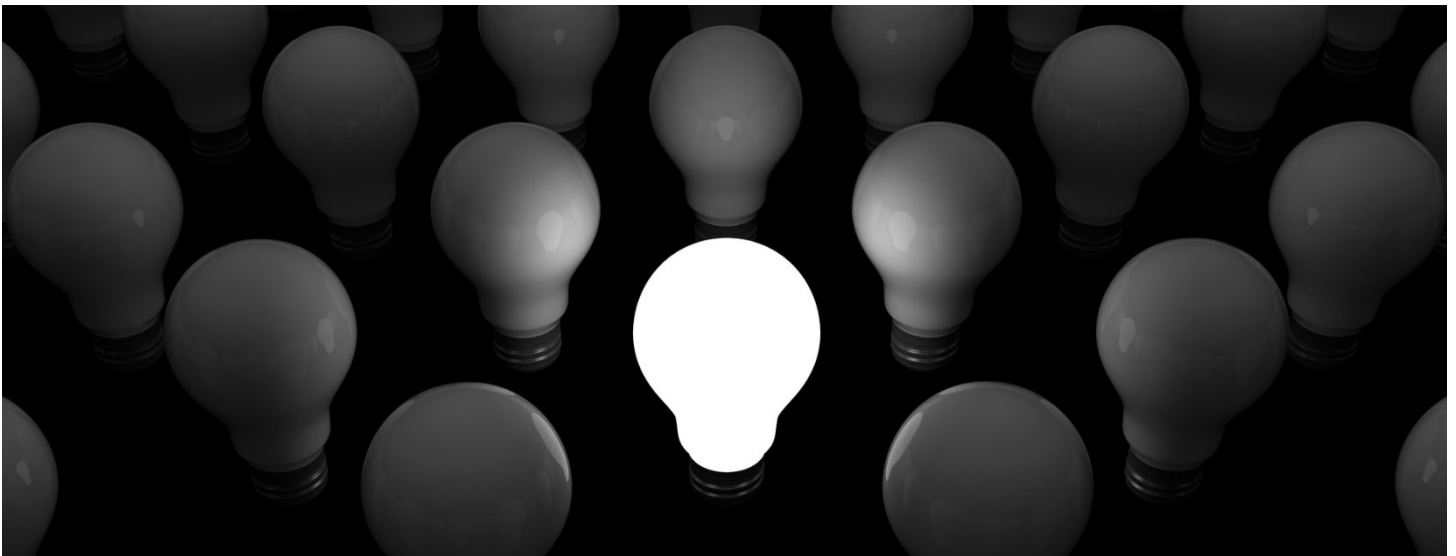
SOMETHING NEEDS TO CHANGE

The HR profession

HR play an important role in organisations and are often highly skilled professionals. Whilst many of them would be trustworthy, there are things that are causing low levels of trust in the profession, and in turn, in their role and desired outcomes. What we did was look for patterns. Interconnections between things that are often dealt with in isolation, that if we just joined the dots, we would speed up the change we are seeking, and we would build more trust in the people, the relationships, and the ecosystem.

The transformation agenda

HR are generally the ones tasked with leading culture and behavioural change inside organisations. The transformation agenda has power behind it as a result of countless Royal Commissions in Australia, and investigations globally. Sadly, the transformation agenda usually ends up poorly addressed by legislation rather than by real change.



The low levels of trust

HR are also, sadly, often the least trusted department/role/profession inside most organisations. This is recognized by the profession and professionals themselves, as well as by business line managers and many consultants that work in the people and culture space. There are reasons for this, which we wanted to explore.

The gender issue

Up to 72% of HR departments globally are led by women. And 86% of HR teams are made up of women, which puts them right up amongst the top female dominated professions.

So, we have the department generally tasked with much needed transformational behaviour and culture change, that is too often not trusted by the rest of the organisation and happens to be predominantly women-led.

THE QUESTIONS

This poses a range of questions:

- Is this a gender issue, that the voices of the predominantly HR women are respected less around the table, and so their attempts to lead transformation are ignored?
- Is this a lack of business acumen amongst the HR profession, so they have little understanding of what their colleagues are working towards, and therefore don't know how to support them?
- Is this a clash of KPIs that motivate HR and Business line managers in opposite directions - for example, where HR is incentivized to avoid unfair dismissals, and line managers are incentivized for outcomes they are struggling to achieve with the people they are trying to lead?
- Is this a battle of egos? Does the HR and Psychology Degree attempt to outweigh the Accounting and Finance, or the Marketing and Communications, or Public Relations, or Computer Science Degrees?
- Is it a misperception of who HR represents, and therefore unmet expectations of employees, and management?
- Is it a toxic mix of issues that need to be uncoupled in order to resolve them?

An outcome focus

Then, applying an outcome focus to this issue, another set of questions arise:

- What could be achieved by addressing this head on?
- Could organisations move faster, achieve more, serve better, if we could resolve this?
- Could we bridge the gap between reactive legislative response and the burden of compliance, attracting and creating behaviours and culture that allow people to thrive whilst doing things well, right and sustainably?
- Could we make significant progress in building trust in women in leadership so executives and their respective teams work together in collaboration, with mutual respect and trust?



THE THINK TANKS

Rather than jumping in with a set of solutions, we opened a dialogue through a series of Think Tanks and an online survey/dialogue tool, to hear perspectives from HR professionals, CEOs, business line managers and consultants. The three Think Tanks ran in the same format with the express purpose of identifying if this was likely a global issue, with the first in Australia, the second in EMEA, and the third in North America.

What follows is a summary of the process and key points raised throughout this exploration, set out under the three issues outlined above, and addressing the 4 questions asked by each panelist and participant in the Think Tanks:

- 1) Is this an issue?
- 2) If so, what impact is it having in organisations?
- 3) What are the top 3 – 5 contributing factors?
- 4) What needs to change?

In closing, we have listed some takeaways for those wanting to address these issues inside their organisations.

Could we make significant progress in building trust in women in leadership, so executives and their respective teams work together in collaboration, with mutual respect and trust?

 Ann McGrath The HR perspective	 HR Think Tank Why don't we trust HR?	 Marcus Judge The COO & Board perspective
The Panelists		
 Dionne Heatfield The CFO perspective		 Danielle Dobson The women in leadership perspective
Join the discussion this Thursday, 20th May 9am - 11am See link below for registration		

 Deniz Strößenreuther (Germany) The Senior HR: EMEA & APAC perspective	 Karin Vole (Sweden) The Engagement and Culture Consultant perspective	 Danielle Dobson (Australia) The Women in Leadership Gender Code perspective
The Panelists		
HR Think Tank: Europe Addressing the disconnect: HR..Trust..Women		
Join the discussion this Wednesday, 23rd June 10am - 12pm CET See link below for registration		

 Jason Lippert: President & CEO LCI Industries The CEO perspective	 Laura Mazzullo: Owner, East Side Staffing The Senior HR professionals' perspective	 Danielle Dobson (Australia) The Women in Leadership Gender Code perspective
The Panelists		
HR Think Tank: North America HR..Trust..Culture..Women		
Join the discussion: Tuesday 31st August 2021 8am - 9:30am EDT See link below for registration		

CULTURE CHANGE

HR are generally the ones tasked with leading culture and behavioural change inside organisations

Is this an issue?

Whilst it was agreed across the board that HR is often the group tasked with leading culture and behavioural change, it was almost unanimous that this should **not** be the case and that it is a flawed strategy.

There were little to no cases given where this strategy had worked, and several examples given where change programs were rolled out by HR in policy and concept, that failed to gain traction.

"I'm here to tell you that culture does not and will not work in any company if the top-level leadership does not live it and breathe it and make it just as important – not more than, not less than – the financial and strategic goals of the company."

Jason Lippert – CEO, Lippert (LCII)

If so, what impact is it having in organisations?

The impact of this issue is far deeper than first appears, with significant culture and behaviour change programs failing to be adopted by line managers and employees. As we have seen, and continue to see the fallout of bad behaviours, poor decision making, corruption, and greed, the loss of reputation, and the cost of remediation and fines is escalating into the tens and hundreds of millions. Organisations cannot afford to have cultures that support bad behaviour. For example, Jason Lippert openly shared that his organisation at one stage was tracking at a staff turnover of 120%, with poor behaviour largely going unchecked.

What are the top 3 – 5 contributing factors?

The first major factor is the lack of clarity of the HR role, both amongst the HR teams themselves, and then how they are both portrayed and perceived by the business.

The second is the purpose for which HR exists from the perspective and directive of the CEO and senior leadership team – if they are hired to do the 'admin' work, or the 'dirty work' that line managers don't want to do in hiring and managing their teams, it is difficult if not impossible for the HR professionals to position themselves as anything other than this.

The third is the reluctance of business line managers to consider that culture and behaviour change is actually part of their role, resulting in a 'handing off' of people issues to HR to 'fix'.

The fourth is the lack of leadership from the CEO and Board to drive the desired culture and behaviours.

"I've worked for organisations that don't engage with HR unless something goes wrong."

Ann McGrath, People & Culture, VIC Forests

What needs to change?

Clarity of the role of HR within the business is critical. What is their purpose and how is that distinct from the role of the business line managers?

Strong leadership from the top to set the tone, to clarify the desired culture and to ensure that is communicated and understood, as well as followed through, with HR as the trusted and respected champions of change, coaching and guiding business line managers to bring about changes within their business units and teams. Lippert is a perfect example of this shift, with Jason as the CEO leading the charge, setting the values through listening to staff, holding them to account, and HR acting as champions of culture and values alignment. Staff turnover dropped from 120% to 26% over a four-year period.

"There are often questions from other executives, asking what is it that HR actually do? How do they measure their own performance and effectiveness?"

Dionne Heafield, Head of Finance, IT and Admin, JOST Australia & NZ

LACK OF TRUST

HR are sadly, often the least trusted department/role/profession inside most organisations

Is this an issue?

In many cases, yes, although it needs to be reiterated this is not talking about the trustworthiness of the HR professionals, but the reasons why they are not trusted by many line managers and employees.

If so, what impact is it having in organisations?

Where they are not trusted, policies are ignored, projects rolled out are not adopted or taken seriously, they are left out of strategic decision making, and behavioural issues remain unreported.

The downward spiral of this impact means line managers recruit people into their teams outside policy and talent guidelines, hiring people they like who may not subscribe to the overall purpose of the organisation, adding to cultural mismatch.

People and culture projects aimed at bringing teams together and aligning behaviours with organisational purpose are considered a 'waste of time', are paid lip service, and there is little to no return on investment of time and associated costs – this reinforces the cynical view of HR.

Where HR are not trusted to be able to provide value, they are excluded from strategy setting and become the administration or secretarial support, leaving the organisation with poor people strategies to support the overall objectives.

"I was called into a strategy meeting and asked if I could take the minutes. Not once was I able to offer my opinion or provide suggestions."

Senior HR Professional in APAC region

Where HR is perceived as being 'for the CEO' rather than 'for the employee', fear and lack of trust results in abuse, bullying and other destructive behaviours remaining unreported, causing stress, anxiety, costing the business through prolonged poor performance and high turnover of staff.

What are the top 3 – 5 contributing factors?

First, the lack of clarity of the role of HR and the mismatched expectations of their purpose and their skills. HR encompasses a wide range of tasks, from payroll to industrial relations, from

recruitment and talent management, to training and coaching. Where it is admin heavy, it can be perceived as lacking in strategic skills.

Second is the lack of self-trust amongst HR professionals, leaving them lacking in courage and belief in their own value to the organisation, unable to speak up, to invite themselves to the table, to present their case to the CEO and senior leadership team.

Third is a common lack of business knowledge and drive for outcomes, where many HR professionals are well versed in employment and industrial relations law, in psychology and related people and behaviour skills, but with little understanding, or in some cases even interest, of the organisation, its vision, mission, strategic goals and objectives, products and services.

"HR professionals need to know the organisational strategy, know how your business makes money. Many don't know this about their own company."

Deniz Stroessenreuther, Snr HR Manager,
EMEA & APAC, Hyland

What needs to change?

Having a distinct focus on 'branding' and positioning HR as a valuable contributor and part of the leadership team is critical to changing the mistrust narrative.

Setting clear expectations of themselves, and communicating those expectations to the business line managers, and to all employees, as well as gaining an understanding of where there are expectation gaps, will boost levels of trust.

Better education in HR is needed, including an increased focus on business skills by educators accrediting HR professionals. HR need to take time to understand the overall objectives of their own organisation, weaving the people strategy into that to ensure the right people and skills are on board to achieve those objectives. This includes having appropriate data and measures in place to track performance.

Having a greater understanding from the CEO and Board of their role in leading the culture of the organisation, and for them to position HR as the champions to assist, support and equip the business to live out that desired culture is critical to boosting trust in the overall HR role.

"For HR to be valued, it really is dependent on the CEO and leaders. If the CEO believes in people and good culture, HR is right there, champions, working alongside the CEO to bring that about. If the CEO is not supportive, not thinking of and valuing people and culture, it is a toxic environment."

Karin Volo, CEO, Evoloshen, Culture Expert

GENDER

Up to 72% of HR departments globally are led by women. And 86% of HR teams are made up of women

Is this an issue?

With such a high proportion of women in HR roles there are two main problems:

1. Less gender balance in HR
2. Reinforcing the label of HR being a 'pink collar' job.

The deeper and less obvious issue is the unconscious bias, the negative expectations that are being embedded in the minds of leaders and employees – if there is a lack of trust in HR professionals who are predominantly women, to what extent is that colouring the perspective of women in leadership more generally? We believe it is the hidden gender issue here.

***"Why does HR struggle to rely on other people?
Usually a lack of self-trust, self-worth, self-confidence, self-belief – so if HR doesn't see their own value, it's difficult to then position themselves as the strategic business partner, especially in a room full of men."***

Laura Mazzullo, Owner, East Side Staffing

If so, what impact is it having in organisations?

In terms of less *gender balance* in HR roles in organisations, this impacts diversity of thinking and does not lead to accurate representation of the people within organisations. For example, in a male-dominated business with a high proportion of female HR professionals.

The greater impact is the *reinforcing of the stereotypes* associated with HR being a 'pink collar' profession. This is a term referring to fields that are care-oriented and historically considered to be women's work. These jobs are also filled by men, however they are historically female-dominated. These care-oriented roles typically lack value either real or perceived both in businesses and more broadly across society.

As a result, HR is often not seen as a profession and role as 'winning' with clear, measurable outcomes at the centre, such as operations, finance and technology.

Why is this important?

Typically, people in organisations (and often HR professionals themselves) expect people in HR roles to be caring for and meeting the needs of everyone in the organisation. Much like the stereotypical view of women in society, HR is often seen as a 'support' role and expected to wear hats such as counsellor, coach, therapist, and assistant.

As such, behaviours exhibited by HR are rewarded and punished according to how well the 'supporter' plays by the rules and follows 'the code'.

If there is a high expectation that HR will put employees interests before those of the CEO and the business and this does not happen, it results in huge expectation gaps, frustration, disengagement and backlash.

HR leaders can also be caught in a double bind situation:

"HR Directors can hit a glass ceiling where if they speak on business they are perceived as too aggressive and bossy. Then if they try to protect staff they are seen as too motherly and care too much."
HR Director

One of the most damaging impacts when HR is not trusted is the hesitancy of employees to report sexual harassment and bad behaviour. This impacts mental health, wellbeing and career progression for the victim and potentially damages reputation, brand, bottom line and levels of productivity for the business.

What are the top 3 – 5 contributing factors?

There are 3 critical factors that contribute to this issue.

1. Role of HR activities and what they do
2. Who they are
3. How they operate

1. Role of HR & activities

HR activities are varied and can be broken into 3 key themes:

Process – the 'how', encompassing everything from payroll to policy development, compliance and administration,

People – the 'who' recruiting the right people in the right roles at the right time, culture change, professional and personal development

Performance – the 'what', including the people strategy, engagement, performance, accountability, effective outcomes

Often HR can be very reactive and directive, responding to what the business needs at any point in time making it difficult to think and move strategically.

HR can also be the bucket for what the business doesn't want to deal with in terms of development and culture. Senior leaders may choose to hand off culture issues to HR and the department becomes the repository for difficult issues – culture, behaviour, gender equality, pay scales. Much

of the challenging 'people stuff' gets relegated to the HR inbox, rather than being dealt with by line managers.

Adding to this issue, HR often don't have the authority, power, influence, budget, status or people/team to make it happen, leaving them too often set up to fail, unable to deliver on expectations, and then losing the trust of their colleagues.

2. Who are they?

The makeup of the people who enter the HR profession and how they respond to the demands and environment and culture direction is crucial.

The positioning of HR as a profession is typically attracting people who want to make a difference, who love people, and who are often going into the role with the expectation of being the caring and compassionate people who are truly there to advocate for employees.

The numbers tell us that women are attracted into these roles. Why? As a society we continually reinforce the narrative that women are naturally better at the people jobs which have caring at the centre (pink collar jobs).

By comparison, the [International Labour Organisation](#) reports the following:

"By far the most female-dominated occupations are personal care workers, such as health care assistants and home-based personal workers. According to the latest ILOSTAT figures, caring personnel are 88% female compared to 12% male.

In fact, health care dominates the occupations that are mostly filled by women. Around three-quarters of health associate professionals – assistants in areas such as pathology, imaging and pharmacy – are women, and 69% of health professionals, such as general medical doctors and nurses, are women.

Cleaning roles, teaching, clerical support and food preparation are also dominated by female workers – to the tune of at least 60%.

Meanwhile, traditionally more risky occupations such as the military, plant machine operators and building work are occupations overwhelmingly held by men."

3. How they operate

Each HR Professional operates differently based on their unique context. However, there are patterns we can identify in terms of parameters and barriers. These are a combination of systemic and personal.

Systemic

The Gender Code, that set of default beliefs that tells us women are naturally carers and supporters and men are competitors and providers create stereotypes. These heavily impact workplace structures and expectations. Most often, workplace environments have evolved to favour the male way of operating which focuses on competition and 'winning'. So, women in 'supporting' roles in the competitive, corporate environment are impacted more heavily than their

female colleagues in 'provider' roles (line management and finance). There is another set of rules for women in HR.

So, we have a situation where women in HR roles may not be taken seriously and their ability to speak on business is questioned.

They are often expected to stick to the 'people issues' and follow orders, mop up the mess, fill in the gaps and be responsive to everyone else's needs – other than their own (sounds like a mum).

***"I feel like I'm constantly in a data war with the CFO.
The CEO responds better to the CFO's quantitative data rather than my
qualitative data so it's difficult to be heard."***
HR Director Financial Services firm

Personal

Once again this varies by person and to what extent the Gender Coding has influenced them. Typically, HR Professionals want to do the best job they can and because they care about people, many aspire to look after everyone, fulfil their needs and support them to develop to their potential.

Adding to the mix, women in business face personal barriers as detailed in *How Women Rise: Break the 12 Habits Holding You Back* by Sally Helgesen and Marshall Goldsmith. The authors identify 12 habits that commonly hold women leaders back from developing and advancing in their careers which include:

- Reluctance to claim achievements
- Expecting others to spontaneously notice and reward contribution
- Over valuing expertise
- Building rather than leveraging relationships
- Failing to enlist allies
- Putting your job before your career
- Perfection trap
- The disease to please
- Minimizing
- Taking on too much
- Ruminating

These are textbook issues often women in HR face which prevents them from stepping up to be who they could be to take their place at the senior leadership table.

What needs to change?

It is important to gain a greater understanding of the lived experience of the women in HR teams. What is their perception of equity to resources – authority, power, influence, budget, status or people/team? Do they feel supported to execute on their deliverables or are they too focused on supporting others at the expense of themselves?

Are they limited by the Gender Coding challenges – systemic and personal? If they have built their professional identity on playing the support role, do they need some guidance and support to transition from 'Tea and Sympathy' to business strategist?

It's also important to understand the current context, challenges and specific impacts of the way HR and the women who fulfil the roles are positioned within the business. If there is a 'one way traffic and HR must fix' approach, then it's crucial to create a 2-way street.

How?

This is the responsibility of both the Leader or CEO and the HR Leader.

In terms of the CEO, they must accept their role, be responsible and accountable for their part in driving initiatives, they want HR to lead.

For the HR Leader, they must immerse themselves in the business and be commercially strong, understand the business drivers and the context of what the business is trying to achieve and the challenges operating within it. They also must be clear about what they need to succeed, push back and challenge with a sense of conviction and take the seat at the table.

When the CEO and the HR Leader then hold each other accountable, they build a strong, respectful relationship and HR is valued equally to operations and finance roles. When this clear message is shared with the people in the organisation and perceptions of HR professionals and their role is accurate, the impact of gender is lessened, and the expectations of women in leadership also begin to change for the better.

This will hopefully encourage more men to pursue HR roles as an attractive career and bring more gender balance to organisations.

CONCLUSION

In essence, women in HR need to trust themselves more, and need to learn how to engender the trust of their executive peers to the extent that they are listened to, valued, and play a significant and measurable role in the success of their organisation. This, in turn, will begin to shift the perspective of women in leadership more generally, improving prospects for greater gender balance at the executive level and at board level.

CEOs and leaders need to engage HR in strategic discussions, listen to their input, and provide mentoring and coaching to build business skills of HR professionals.

Associations, peak bodies, and education providers with courses for HR professionals need to build on business skills and strategic thinking to better equip HR for more executive level requirements and to meet and/or manage other business leaders' expectations.

Ideas for next steps for organisations who see this as an issue

Vanessa and Danielle are offering a free 1-hour consultation, a discovery process, for HR professionals and CEOs wanting to address these issues head on. Contact us at:



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Karin Volo
Jason Lippert
Laura Mazzullo

For more information

You can watch the recordings of the three Think Tanks here:

[Dialogue on trust in business playlist: Entente YouTube Channel](#)

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