

# Success Leaves Clues: Can HR's Past Elevate Global Mobility's Future?

The well known phrase; 'Those who cannot remember the past are condemned to repeat it' was first penned in 1905 by Spanish philosopher and Harvard intellectual George Santayana. He explains that if we choose not to learn from history we're more likely to repeat its mistakes.

Yet, how many of us utilise our knowledge of the past to improve our own future?

This is a question I recently put to an audience of Global Mobility and HR professionals at prestigious Summits in both Philadelphia and London. You see, I believe the Mobility profession is at a crucial tipping point with an opportunity to gain from the past or loose by not learning from it.

## Allow Me To Explain

Not often do you get a specialist role at the heart of a collision of strategic initiatives such as; International expansion, entry into new markets, and increased compliance, yet this is where mobility is today. Recently, the UK Chartered Institute of Professional Development (CIPD) reported that Global Mobility had become "the fastest-growing area of opportunity for HR professionals" in 2015.

A pulse survey by Deloitte (The Changing Role of Global Mobility 2015) claimed the rising demand in this area had increased the importance of the mobility role changing it from a supportive function to an advisory 'business partner' within the organisation. It also stressed that global mobility will only

reach its full potential when its able to create this business partnership.

News like this would normally be cause for celebration, but a 'tipping point' can tip down just as fast as it can tip up. When speaking openly with Global Mobility professionals the response you often hear is that they require better visibility in their organisation to show their value and the opportunity to be 'business partners' remains illusive.

## So how can learnings from the past help Global Mobility professionals in this exciting and most deciding time?

The first challenge in learning from Global Mobility's past is actually determining its historical start point. You could say it has origins in the 1950's or 1970's or even 1980's, some professionals say the role wasn't really defined until the 1990's. Therefore, to gain a sufficient timeline I'm going to focus on 2 positions I believe encompass the role of Global Mobility, HR and Finance.

Interestingly, when looking at HR's past (figure 1) you notice it creates a cycle of change approximately every 40 years, signalled by a change in name. The change of name reflects the changing relationship the department has with the business. This relationship can be viewed in three phases, firstly 1900-50 'transactional' (administrative focus) followed by 1950-00 'interventional' (top-down, management led policies) and finally 2000+ 'transformational' (driving change).

Current research by a number of consulting firms shows that senior level executives are focusing more and more on issues such as

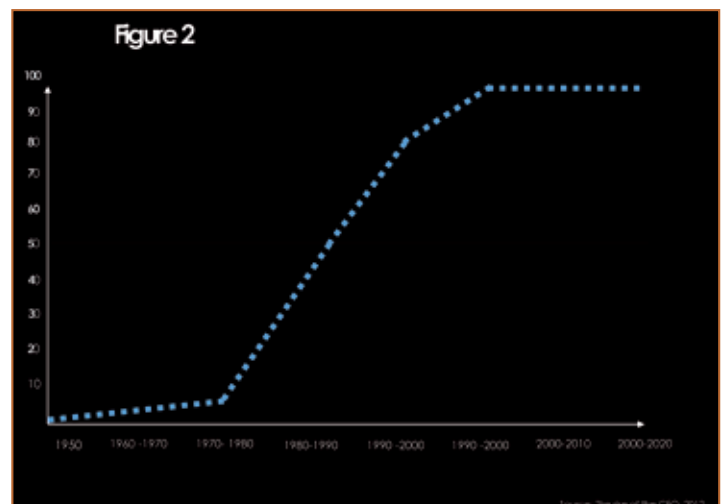
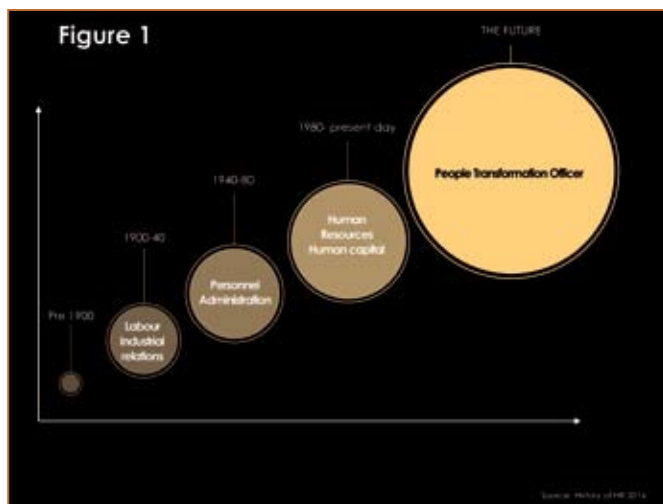
strategy execution, leadership and talent. This means HR is in a prime position to capitalise, so, how are they doing?

A survey by Hay Group of 1400 global managers and HR leaders, only 34% of respondents thought HR is actively making a significant strategic contribution to the business. Worse still, a report by McKinsey consistently found that whilst CEOs (worldwide) see human capital as their top challenge, they ranked HR as only the eighth or ninth most important function in the company.

It therefore appears that HR are having real difficulty in moving to this transformational relationship. In 1997 Dave Ulrich, known as the HR's guru's guru, set about helping HR by developing and launching an HR 'business partner' model in his acclaimed book, *Human Resource Champions*. The ultimate goal was to shift the role of HR from administration and function to strategy, and improve integration with other departments - sound familiar mobility professionals?

Unfortunately In 2015 a report entitled 'Global Human Capital Trends', stated that "HR organisations and HR skills are not keeping up with business needs." which, put bluntly, means the business partnership model didn't transform the HR industry as promised.

Leaving HR's past aside, I want to turn our attention to the graph on figure 2 which demonstrates the growth of CFO's. What we see is that the role of Chief financial officer barely existed 50 years ago, but today CFOs are at the heart of the world's biggest firms. They're also the only corporate officers, other than the CEO, able to monitor every corner of an organisation.



### So what propelled the finance department to such accolade?

In the 1950's the "financial manager," (as it was known) was primarily responsible for three functions, creating the budget, bookkeeping, and overseeing tax reporting. As these functions were not tackled until after strategic decisions were made, the financial manager was largely removed from the decision-making process, that is until the 1970's.

In the 1970's regulatory bodies believed that, due to the inflationary conditions of the era, traditional accounting requirements were no longer a reliable source of information on business performance. Stock prices did not accurately reflect a company's assets and cash flow, it was therefore decided by financial regulatory bodies that new reporting requirements were needed.

In order to deal with the legal ambiguity of these new requirements, many companies promoted their financial managers to the C-Suite Executive team.

Once on the board the CFO flourished as mergers in the 1980's became popular which positioned the CFOs to identify the weakest performing business units to then help them grow and improve efficiently. The CFO model had integrated into the business and became popular for managing relationships with shareholders and investors to explain future implications of any changes.

### So, what's the lesson mobility professionals can learn from this?

I believe the reason finance capitalised on their 'tipping point' and grew their influence was down to one critical factor, it was their skills-set. When the opportunity came finance professionals had already acquired the majority of competencies needed for the role.

However in the case of HR it seems the skills necessary to grow into a 'transformational' business partner role have either not been obtained in the same degree. Substantial empirical evidence shows that when HR professionals are provided with such information and skills they quickly apply it and immediately add greater value to the business.

A clear example of this is when BAE Systems undertook a serious commitment to enhance the competencies of its HR professionals. After significant investment into specific HR learning and development the HR department increased their perceived impact on business performance dramatically by 120%.

Therefore, acquiring the relevant skill-set is a fundamental deciding factor to success whenever opportunity presents itself. But, in the circumstance of mobility, and its opportunity to grow, it looks like HR history might be repeating itself.

'The Changing Role of Global Mobility' report whilst showing an improved future role for mobility also uncovered that 40%

of mobility professionals do not receive any training to support their role. And, of companies that do support global mobility professionals have only received 1-2 types of training, which indicates a serious gap in providing the support needed.

This information is further compounded by the fact mobility professionals in the US and EMEA sector openly stated that, 'less developed skills' was their top barrier and challenge in becoming a 'business partner' or even providing the necessary consultative services the business required.



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