Commentary: How best to develop the business acumen of HR professionals

April 6, 2009

Claude Balthazard, Ph.D., CHRP
Director, HR Excellence and Acting Registrar
Human Resources Professionals Association

Most respondents (89.3%) agreed that business acumen is developable, at least to some degree—although there were a number of comments referring to the importance of desire and motivation to develop one’s business acumen. About 40% of respondents said that the business acumen of HR professional they know is either ‘strong’ or ‘quite strong.’ A further 40% said that the business acumen of HR professional they know was ‘OK.’

One interesting aspect here is that business acumen may well be in the eye of the beholder. Consider the perception of business acumen of HR professionals one knows. Of those respondents that have not joined the workforce yet, 60.0% say that the business acumen of the HR professionals they know is strong or quite strong; this proportion falls to 50.3% for those with 0 to 4 years in HR; to 45.7% for those with 5 to 9 years in HR; to 36.2% for those with 10 to 14 years in HR; to 30.0% for those with 15 to 19 years in HR; then it rebounds slightly to 34.2% for those with 20 to 25 years in HR, and 35.8% for those with more than 25 years in HR. Generally speaking, the longer one has been in HR, the less likely one is to say that the HR professionals one knows have strong business acumen. It is probably safe to say that, on the whole, business acumen increases with experience (though not for everyone it would seem), this would lead us to expect ratings of business acumen to increase with tenure.

For instance, 53.1% of entry-level HR professionals say that the HR professionals they know have strong or quite strong business acumen, this proportion drops to 40.4% for middle management HR professionals and down to 29.1% for HR professionals at the executive level.

What may be happening here is that we have a shifting standard with experience or seniority. The more experience one has, or the more senior one is, the higher the standard for business acumen becomes, and the lower one’s assessment of the business acumen of HR professionals. So when an HR student thinks ‘business acumen’ and when an HR executive thinks ‘business acumen,’ they are probably not thinking about the same thing.
There was general agreement also about the most effective ways of increasing the business acumen of HR professionals. Based on the comments, it was generally agreed that there really isn’t a single way of developing business acumen, and that a combination of approaches is likely best. It was also generally agreed that there isn’t a good substitute for experience, especially cross-functional experience. Indeed, comment after comment referred to the need for experience outside of HR.

Many respondents talked about coming from other fields, or having spent significant time in other functions. Some even noted that they planned for their next position to be outside of HR. The idea that HR professionals could or would move in and out of the HR profession is certainly challenging from an association perspective. It is in this context that many respondents thought that HR associations should make it easier for HR professionals to get meaningful experience in other functional areas. Indeed, 67.0% of respondents thought that associations should make it easier for HR professionals to take assignments in other departments.

There was a whole variety of ways that survey respondents indicated that cross-functional experience could be achieved. An interesting point that was made by a number of respondents was that mentoring acted as an accelerator of learning.

More than two-thirds (68.7%) of respondents agreed with the idea that the CHRP certification process should assess business acumen in some way. A number of respondents took the opportunity to point out that there is only so much business acumen that should reasonably be expected of CHRP candidates. Many respondents suggested that any coursework requirement should include more business courses.

All in all, this was a topic where there was general agreement: business acumen is necessary for all who aspire to more senior HR positions, business acumen is developable, the key to developing business acumen is a breadth of business experience especially of the cross-functional kind, and HR associations should do what they can to support this kind of cross-functional experience.

This commentary originally appeared in Canadian HR Reporter