

An Executive Summary
by the Society for
Human Resource
Management



SHRM[®]

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

What Senior HR Leaders Need to Know

Perspectives From the United States, Canada, India, the Middle East and North Africa

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Canadian Council of Human Resources Associations
Conseil canadien des associations en ressources humaines

SHRM India



About This Report

Beginning in March 2009, the Society for Human Resource Management (SHRM) conducted a poll among HR professionals in the United States, Canada, India, the Middle East and North Africa about the most important competencies—defined as knowledge, skills, abilities and other qualities—for senior HR leaders. SHRM partnered with the Canadian Council of Human Resources Associations (CCHRA) to collect poll data in Canada through eight of its nine provincial associations. SHRM India, a wholly owned subsidiary of SHRM, organized data collection among HR professionals in India. Poll participants were presented with a list of 18 important competencies for senior HR leaders, as identified through recent SHRM qualitative research with HR leaders and members of the academic community. From this list, poll respondents were asked to identify the top five competencies for senior HR leaders in general, weigh in on how those competencies may change in importance five years into the future and share their opinions about the extent to which the top competencies can be cultivated. Further, respondents were asked about competencies needed for HR leadership roles within global organizations and during times of economic crisis. This executive summary presents an analysis of the 2009 HR Leadership Competencies Poll results and examines differences among countries in beliefs about the qualities required of the most successful senior HR leaders.

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About SHRM

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 250,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China and India. Visit SHRM at www.shrm.org.

About SHRM India

SHRM India is a wholly owned subsidiary of the Society for Human Resource Management. Sharing the same mission as the world's largest HR association, SHRM India is devoted to supporting the professional and advancing the profession of human resource management in India. Whether it is offering professional development programs or conducting joint research, SHRM India's mission is to leverage the strengths of the professional in the West and in India to share information and advance the human resource profession in a global community.

About the Canadian Council of Human Resources Associations

Established in 1994, the Canadian Council of Human Resources Associations (CCHRA) is a collaborative effort of all the provincial HR associations from across Canada. Collectively, the membership from all the provincial associations includes more than 19,000 Certified Human Resources Professionals (CHRP) and 39,000 professionals. The CCHRA is a national voice on the enhancement and promotion of the profession across Canada, through established and credible designations, collaborating on national issues related to the profession, leading federal government relations, and proactively positioning the national human resources agenda at the international level.



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Gaining Global Perspectives About Senior HR Leadership Competencies

As the nature of doing business changes, human resource roles are expanding and refocusing. Far from simply reacting to major events in the business climate, economy and labor market, HR professionals are uniquely positioned to look ahead to industry and global changes and to anticipate the resulting impact on how business is conducted. HR is increasingly called upon to navigate organizations through changes that occur as a result of trends in globalization, technology, the labor market and financial outlooks. In order to successfully fulfill these expectations, HR leaders must respond by identifying and developing the competencies required of their dynamic roles.

HR leaders have stepped up to unprecedented challenges in recent years as the world economy shifted and slid into recession in many countries. To a large extent, in the United States, the economic decline has created new expectations for HR professionals as businesses focused on surviving turbulent financial conditions by drastically trimming budgets and often reducing payroll while maintaining core operations.² As the economy prepares for recovery, HR leaders will be expected to acquire new competencies to lead business regrowth while implementing lessons learned from lean times.

In addition to a country's or region's economic outlook—whether in a growth phase, economic decline or recovery—cultural context contributes to the definition of what makes a senior HR leader successful domestically. In a global economy, it is important to understand the expectations of HR leaders in broader world areas, particularly those that are key components of the world economy, to have a global outlook that senior HR leaders will need to adopt as business operations mobilize across borders. For example, India has experienced rapid growth and change as it embraced globalization, and business there moves at a frenetic pace. The Middle East has also seen tremendous business growth in recent years, and HR professionals there—a number of whom are Western expatriates—are responding to industry and world economic cycles.

As part of SHRM's ongoing effort to identify the most important knowledge, skills, abilities and other attributes required of highly successful senior HR leaders, reaching out to the international HR community assists in identifying the competencies required of senior HR leaders operating within those countries, regionally and globally. Further, it affords insight into the perceived nature of those competencies and projections about how they may change in the future.

Competencies are defined as a combination of **knowledge, skills, abilities and other qualities.**

Data Highlights

The results of this research illustrate that there is much agreement across countries/regions about the competencies required of senior HR leaders under various operating conditions. Strategy and communication emerged as most important to these advanced roles within the HR profession: the largest percentages of HR professionals across all four countries/regions indicated that *strategic thinking* and *effective communication* were competencies needed by successful senior HR leaders. There was substantial overlap among countries/regions in the overall top five competencies for senior HR leaders, particularly for India and the Middle East and North Africa, which shared all five top-rated competencies, although in different orders of importance. Further, the top competencies were viewed similarly by HR professionals across countries/regions as far as their potential to be cultivated and relative importance five years into the future.

Additional Key Findings

Shared views about the importance of certain competencies in the future: Similar percentages of respondents across all countries/regions indicated increasing importance for the top two selected competencies, *strategic thinking* and *effective communication*, five years into the future.

Mixed views on the cultivation prospects of specific competencies: Across the four countries/regions, larger percentages of HR professionals believed that it is very possible to cultivate *effective communication* than those who believed that it is very possible to cultivate *strategic thinking*.

Consensus about competencies for global HR leaders: *Effective communication*, *strategic thinking*, *global intelligence/global mindset* and *cross-cultural intelligence* rated in the top five for each of the four countries/regions for competencies required of senior HR leaders in global organizations.

Concise, forward-oriented leadership is most important in turbulent times: The three competencies that stand out most for senior HR leaders during a financial crisis are *effective communication*, *strategic thinking* and *leading change*.

What Do These Findings Mean for HR Professionals?

Potential to develop senior HR leadership: Although there is some belief that certain leadership competencies are more amenable to cultivation than others, it should be noted that all knowledge, skills and abilities that are important for senior HR leadership have some measure of development and enhancement capacity. Aspiring HR leaders in particular can benefit from training and development opportunities that focus on expanding competencies that are most important for advanced HR roles.

Keeping competencies sharp and up-to-date: Knowing how the particular competencies required of senior HR leaders will change in importance five years into the future provides HR professionals with a game plan for meeting changes in expectations of their roles over time. Further, this also helps with long-range succession planning in preparing junior HR professionals to step up to leadership roles in the future.

Leading globally: The success of global mobility is related to knowing the business culture in the countries and regions of operations. Senior HR professionals are increasingly finding themselves part of the leadership teams in multinational corporations and deployed on expatriate assignments. These HR leaders will benefit from understanding the expectations of the competencies that they bring to roles outside of their home countries.

There was substantial overlap among countries/regions in the overall top five competencies for senior HR leaders.

Top 18 Core Senior HR Leadership Competencies

Business knowledge: An understanding of the operations and processes of how business is conducted.

Coaching/developing others: Helping others to reach their potential.

Credibility: Being perceived by others as having the knowledge and experience to back up one's authority.

Critical/analytical thinking: Seeking information and using that information to inform decision and resolve problems.

Cross-cultural intelligence: Knowledge of and sensitivity to differences among cultures.

Effective communication: Being able to verbally or in writing convey messages in terms that make sense, and also to actively listen to others' interpersonal communications.

Ethical behavior: Perception of the moral appropriateness of individual and/or group conduct or behavior.

Flexibility/adaptability: The ability to adjust the approach as required by shifts within the organization and in the external business environment.

Global intelligence/global mindset: An overarching way of thinking about the nature of doing business that includes an understanding of and sensitivity to cultural differences among workers in other countries and legal issues inherent in operating a business multinationally.

HR knowledge: Understanding of tactical and strategic HR functions and processes.

Integrity: Honesty and doing the right thing.

Leading change: Charting the course for organization's stakeholders to navigate a shift in business processes, priorities, roles and expectations.

Organizational knowledge: Understanding the business issues that are specific to the organization and having empathy for and an awareness of the impact of human capital issues on the organization as a system.

Persuasiveness/influencing others: The art of using interpersonal skills to convince others to share one's perspective or way of thinking.

Results orientation/drive for performance: The ability to link processes and practices to positive outcomes and to demonstrate the value that HR brings to the organization.

Shaping organizational culture: Creating the values by which an organization operates.

Strategic thinking: Seeing the big picture, having a long-term line of sight and understanding the interconnectedness of decisions and activities within the various lines of the business.

Technological savvy: Knowledge of the unique solutions and challenges that new technology will bring to the organization and understanding of how talent management will be affected by a technologically enhanced business environment.

Poll Results

Which Competencies Matter Most?

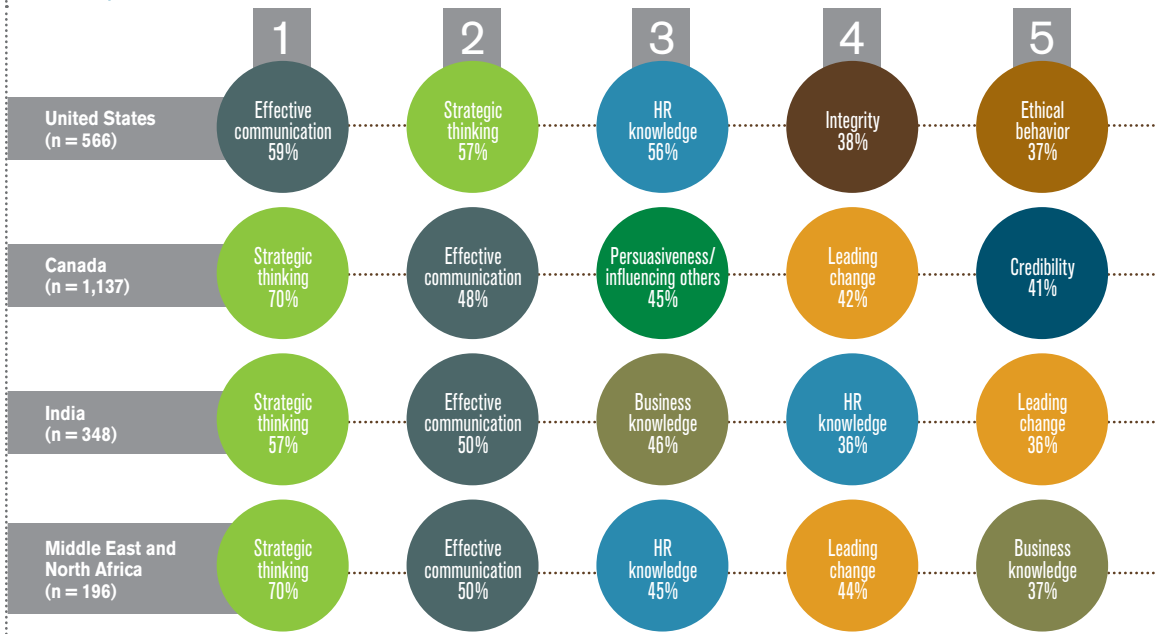
What are the top five most important knowledge, skills, abilities and other attributes for senior HR leaders? HR professionals were presented with a list of 18 competencies identified through previous SHRM research as most important for senior HR leaders. According to this research, across all four countries/regions, the two most highly rated competencies were *effective communication* and *strategic thinking*, although the order varied by country/region (Figure 1). Canada, India and the Middle East and North Africa also shared *leading change* as one of their top five selected competencies, and the United States, India and the Middle East and North Africa shared *HR knowledge* as a top competency. India and the Middle East and North Africa shared all five top-rated competencies, albeit not in the same order of importance, possibly indicating that senior HR professionals face similar

demands in those regions. The United States is the only country for which *integrity* and *ethical behavior* ranked among the top five overall competencies, which is likely influenced by numerous recent well-publicized corporate scandals and the Sarbanes-Oxley Act, which was signed into effect in 2002. In Canada, *persuasiveness/influencing others* and *credibility* rounded out the top five competencies for successful senior HR leaders.

Responses from HR professionals in the United States were largely consistent with the top competencies identified through previous SHRM research on senior HR leadership competencies with advanced HR professionals and the academic community. That research identified HR knowledge, strategic thinking, effective communication and ethical behavior among the top eight sets of competencies required for senior HR leaders at that time.

Across all four countries/regions, the two most highly rated competencies were **effective communication** and **strategic thinking**.

Figure 1 | Top Five Competencies for Senior HR Leaders



Note: Percentages do not total 100% due to multiple response options.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

Table 1 depicts the tremendous variation among countries/regions in the percentages of HR professionals who rated various competencies among the most important for successful senior HR leaders. There were only two senior HR leadership competencies for which there were no differences by country/region in the percentages of HR professionals who selected them as most important: *organizational knowledge* and *flexibility/adaptability*.

There were differences even among the top two selected competencies. HR professionals in the United States were more likely than their counterparts in Canada to have selected *effective communication* as a top leadership competency for successful senior HR professionals. In addition, HR

professionals in Canada and the Middle East and North Africa were more likely than HR professionals in the United States and India to have selected *strategic thinking* as a top senior HR leadership competency.

There was consistency at the other end of the competency spectrum: *technological savvy* was the lowest rated competency across all four countries/regions. Even so, there was variation in the percentages of HR professionals who selected this competency as important for senior HR leaders. HR professionals in Canada were less likely than HR professionals in the United States, India and the Middle East and North Africa, and HR professionals in the United States were less likely than those

Table 1 Top Competencies for Senior HR Leaders

	United States (n = 566)	Canada (n = 1,137)	India (n = 348)	Middle East and North Africa (n = 196)	Differences by Country/Region
Effective communication	59%	48%	50%	50%	United States > Canada
Strategic thinking	57%	70%	57%	70%	Canada, Middle East and North Africa > United States, India
HR knowledge	56%	40%	36%	45%	United States > Canada, India, Middle East and North Africa
Integrity	38%	27%	27%	20%	United States > Canada, India, Middle East and North Africa
Ethical behavior	37%	21%	25%	30%	United States, Middle East and North Africa > Canada United States > India
Business knowledge	33%	27%	46%	37%	India, Middle East and North Africa > Canada India > United States
Credibility	31%	41%	19%	26%	United States, Canada > India Canada > United States, Middle East and North Africa
Critical/analytical thinking	28%	22%	20%	15%	United States > Middle East and North Africa
Coaching/developing others	26%	23%	33%	21%	India > Canada, Middle East and North Africa
Leading change	26%	42%	36%	44%	Canada, India, Middle East and North Africa > United States
Organizational knowledge	22%	22%	23%	28%	
Persuasiveness/influencing others	20%	45%	21%	21%	Canada > United States, India, Middle East and North Africa
Flexibility/adaptability	19%	17%	12%	14%	
Results orientation/drive for performance	18%	13%	32%	29%	India, Middle East and North Africa > United States United States, India, Middle East and North Africa > Canada
Shaping organizational culture	14%	34%	24%	23%	Canada, India, Middle East and North Africa > United States Canada > India, Middle East and North Africa
Cross-cultural intelligence	6%	3%	9%	17%	United States, India, Middle East and North Africa > Canada Middle East and North Africa > United States, India
Global intelligence/global mindset	5%	5%	22%	13%	India, Middle East and North Africa > United States, Canada
Technological savvy	3%	1%	7%	5%	United States, India, Middle East and North Africa > Canada India > United States

Note: Columns sorted in descending order by U.S. data. Percentages do not total 100% due to multiple response options. Blank cells indicate that statistically significant differences were not found.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

in India, to select *technological savvy* as a top competency for senior HR leaders.

The variances in responses across countries/regions are clearly more nuanced than simply “regional” and likely are influenced by additional contexts such as country-specific culture and traditions, history and politics, labor and economic conditions, and so on.

Looking Ahead: What Will Change?

HR professionals were asked to indicate how each of their top five selected competencies for senior HR leaders would change in importance five years from now. Their responses, illustrated in Figures 2 through 5 for the top five overall competencies by country/region, provide senior HR leaders with a roadmap for the knowledge and skills areas in which they will be expected to become even stronger in the future. Roughly equal proportions of respondents across all countries/regions indicated increasing importance for the top two selected competencies: about two-thirds to three-quarters of respondents across countries/regions expected that *strategic thinking* will increase in importance five years from now and about one-half of respondents reported that *effective communication* will become more valuable five years into the future.

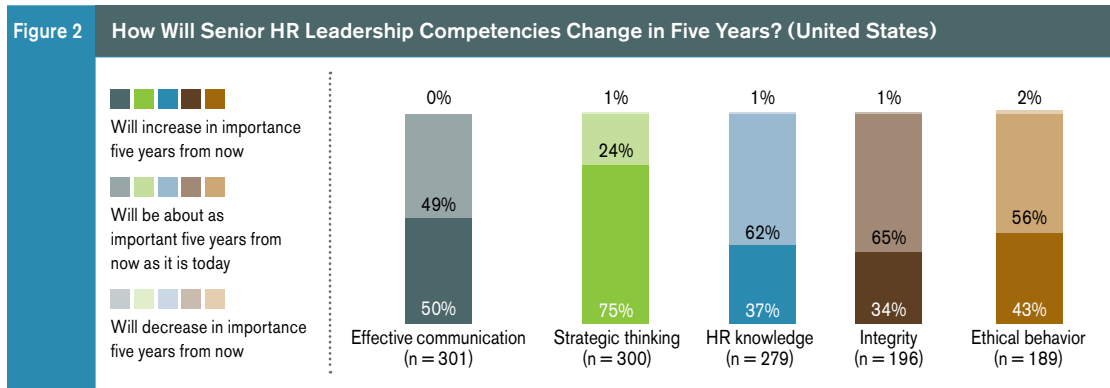
Interestingly, compared with respondents from the United States and Canada, slightly larger percentages of HR professionals from India and the Middle East and North Africa reported that their top five selected competencies would *decrease* in importance

five years from now. Nonetheless, the percentages of HR professionals reporting projected decreases in importance were small, with the vast majority of HR professionals reporting projected increases in importance or the same level of importance compared with today.

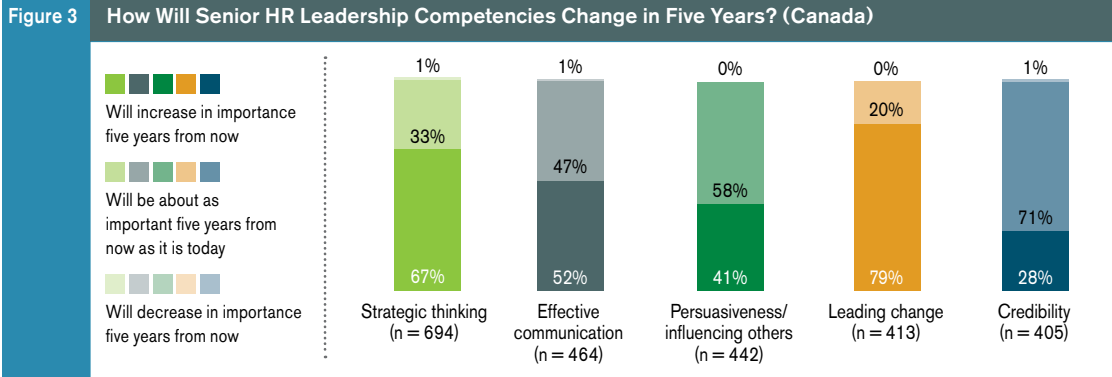
As illustrated in Figure 2, three-quarters of U.S. HR professionals who chose *strategic thinking* among the top five overall competencies indicated that it would increase in importance five years from now. One-half of U.S. HR professionals who selected *effective communication* as one of the top competencies indicated that it would be of increased importance in five years. Of the top five overall competencies for senior HR leaders in the United States, the smallest percentage felt that integrity would increase in importance five years from now.

More than three-quarters of Canadian HR professionals who selected *leading change* among the top senior HR leadership competencies indicated that it would be of increased importance five years from now (Figure 3). This may indicate that HR professionals see major changes on the horizon that will have a significant impact on how business is conducted in Canada and, subsequently, on HR’s role in navigating organizations through periods of change. By contrast, only slightly more than one-quarter of Canadian HR professionals who selected credibility as one of the five most important competencies for senior HR leaders felt that it would increase in importance five years from now.

About two-thirds to three-quarters of respondents across countries/regions expected that **strategic thinking** will increase in importance five years from now and about one-half of respondents reported that **effective communication** will become more valuable five years into the future.

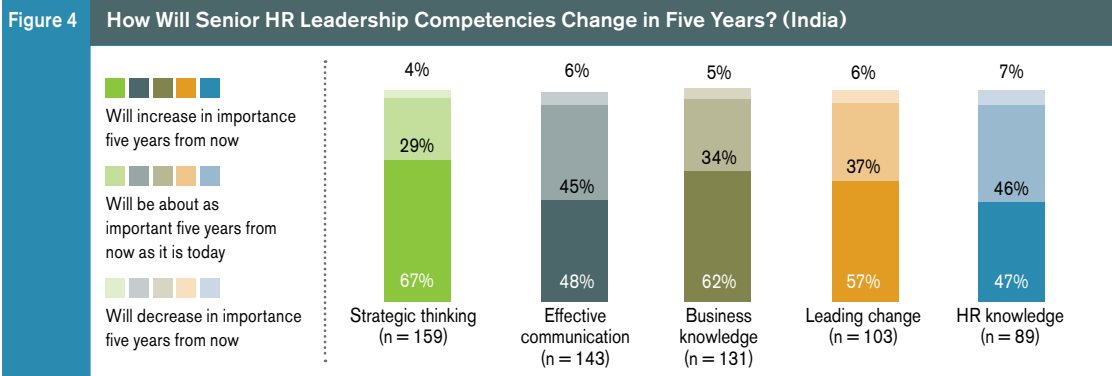


Note: Data depicted left to right in decreasing order of overall importance rating (i.e., Figure 1). Includes only responses of HR professionals who selected each competency as one of their top five most important competencies.
Source: What Senior HR Leaders Need to Know: Perspectives from the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)



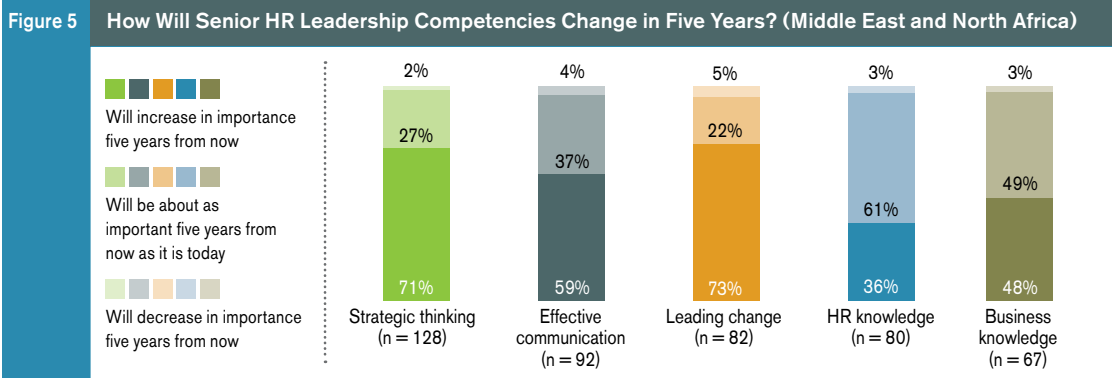
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Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

As shown in Figures 4 and 5, although HR professionals in India and the Middle East and North Africa were in agreement about the five most important leadership competencies for senior HR professionals now, there was variation in projections of relative importance of each of the competencies five years into the future. About one-half to two-thirds of Indian HR professionals believed that each of their top five rated competencies for successful senior HR leaders will increase in importance in five years. By contrast, almost three-quarters of HR professionals in the Middle East and North Africa reported expectations that *leading change* and *strategic thinking* will increase in importance for senior HR leaders in five years, compared with about one-half of respondents who expected an increase in importance of *effective communication* and *business knowledge* and about one-third of HR professionals who felt that *HR knowledge* would be of increased importance for senior HR leaders five years into the future.

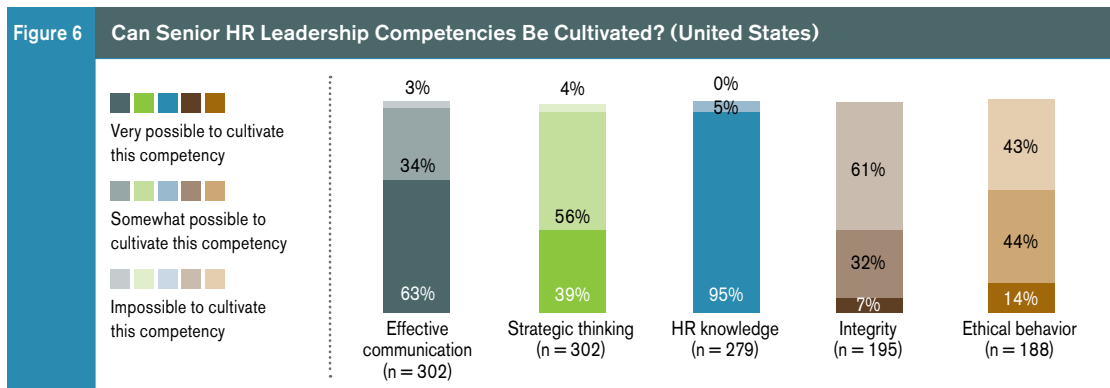
Cultivating Competency

Can leadership competencies be cultivated? It depends in part on the nature of the competency and whether it is perceived as something that can be acquired, such as operational knowledge or skills, or as an attribute and part of the individual’s character. Additionally, cultural context may influence one’s belief about whether certain competencies can be learned. Figures 6 through 9 depict HR professionals’ beliefs about the cultivation prospects

of the top five senior HR leadership competencies for each of the four countries/regions.

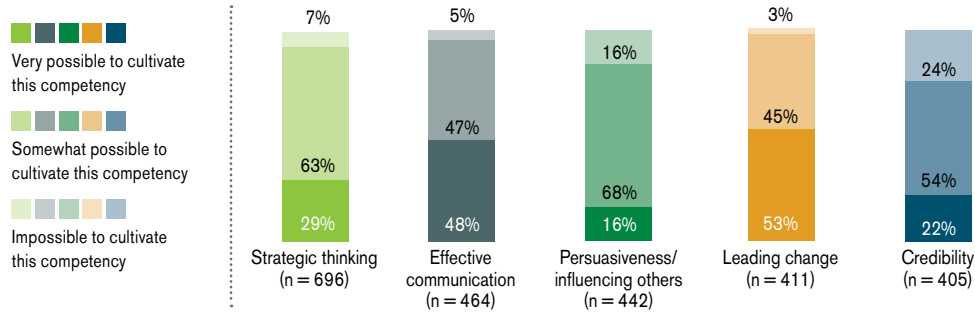
Across the four countries/regions, there were substantial differences in beliefs about the cultivation prospects of the top two competencies for senior HR leaders. More HR professionals believed that it was “very possible” to cultivate *effective communication* compared with those who felt the same way about *strategic thinking*. For example, among HR professionals in the United States, about two-thirds believed that it was “very possible” to cultivate *effective communication*, compared with slightly more than one-third of HR professionals who thought that it was “very possible” to cultivate *strategic thinking*. Moreover, HR professionals in the United States and India were more likely than HR professionals in Canada to indicate that it was “very possible” to cultivate *effective communication*, whereas HR professionals in Canada were more likely than their counterparts in the United States and India to indicate that it was “somewhat possible” to cultivate this competency. By contrast, HR professionals in the United States, India and the Middle East and North Africa were more likely than HR professionals in Canada to believe that it was “very possible” to cultivate *strategic thinking*. HR professionals in the United States were more likely than those in India, and HR professionals in Canada were more likely than those in India and the Middle East and North Africa, to indicate that it was “somewhat possible” to cultivate *strategic thinking*.

Cultural context may influence one’s belief about whether certain competencies can be learned.



Note: Data depicted left to right in decreasing order of overall importance rating (as depicted in Figure 1). Includes only responses of HR professionals who selected each competency as one of their top five most important competencies.
Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

Figure 7 Can Senior HR Leadership Competencies Be Cultivated? (Canada)

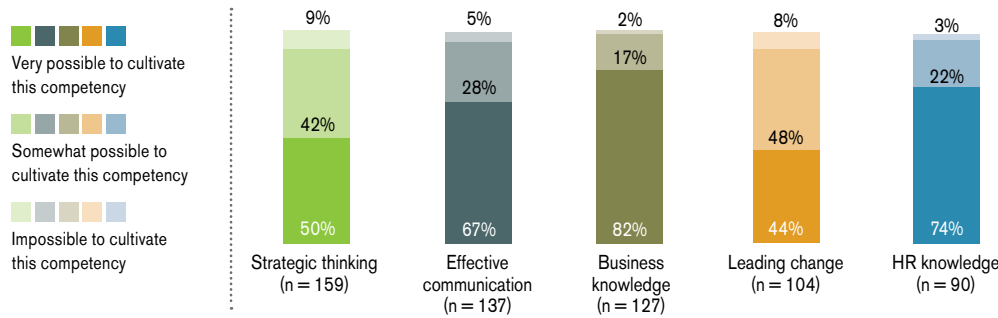


Note: Data depicted left to right in decreasing order of overall importance rating (as depicted in Figure 1). Includes only responses of HR professionals who selected each competency as one of their top five most important competencies.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

HR professionals in India and Middle Eastern and North Africa have similar beliefs about the extent to which **selected competencies can be taught or learned.**

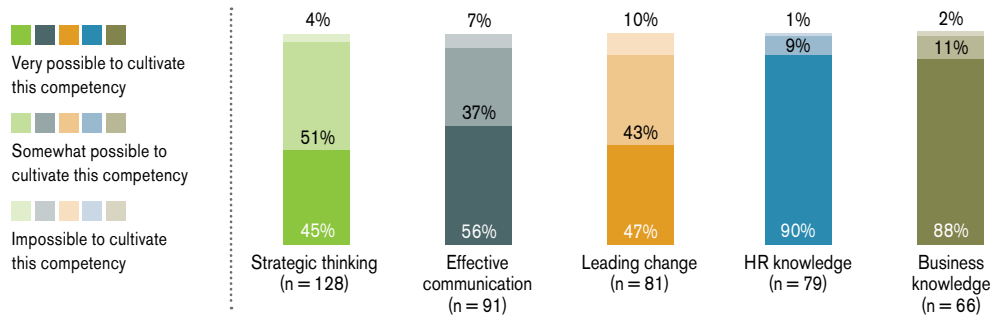
Figure 8 Can Senior HR Leadership Competencies Be Cultivated? (India)



Note: Data depicted left to right in decreasing order of overall importance rating (as depicted in Figure 1). Includes only responses of HR professionals who selected each competency as one of their top five most important competencies.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

Figure 9 Can Senior HR Leadership Competencies Be Cultivated? (Middle East and North Africa)



Note: Data depicted left to right in decreasing order of overall importance rating (as depicted in Figure 1). Includes only responses of HR professionals who selected each competency as one of their top five most important competencies.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

Overwhelmingly, HR professionals in the United States felt that it was “very possible” to cultivate *HR knowledge* (Figure 6). This indicates that the vast majority of HR professionals in the United States believe that competency in *HR knowledge* is a function of learning and application, rather than an innate predisposition. By contrast, nearly two-thirds of U.S. HR professionals believed that *integrity* was innate to the individual. This may suggest U.S. HR professionals think that senior HR leaders must possess certain qualities that are integral to their character.

HR professionals in Canada tended to believe that their top five selected competencies for senior HR leaders were possible to cultivate. The two competencies that the largest proportions of HR professionals in Canada believed were “very possible” to cultivate were *leading change* and *effective communication*. The two competencies that the greatest percentages of HR professionals believed were impossible to cultivate were *credibility* and *persuasiveness/influencing others*. These data are shown in Figure 7.

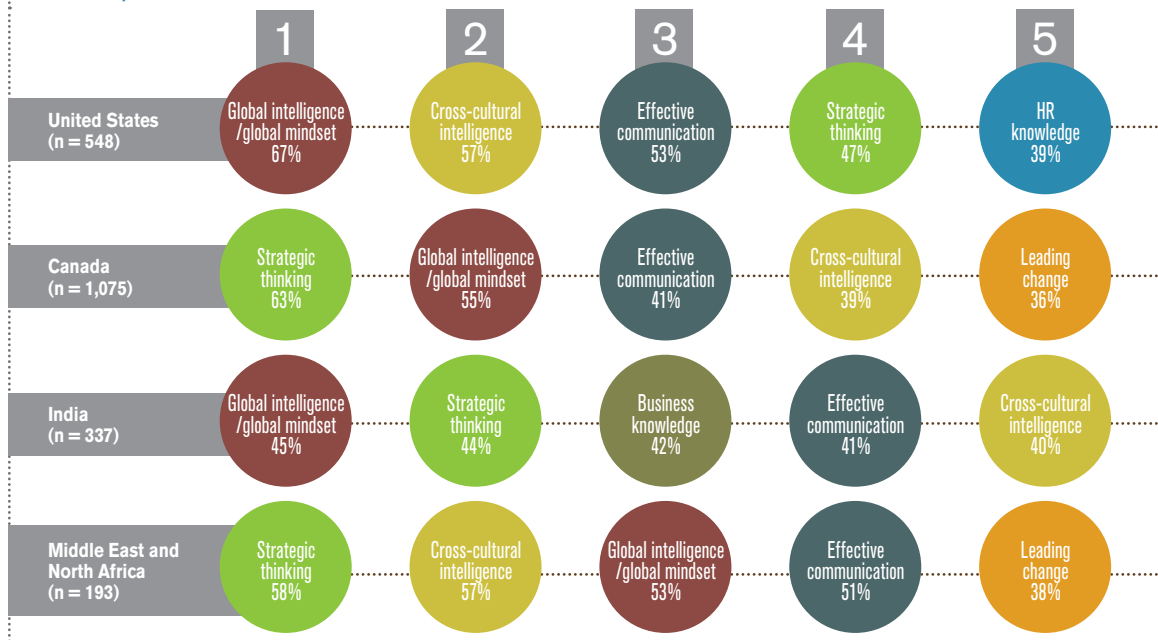
Figures 8 and 9 depict beliefs of HR professionals in India and the Middle East and North Africa regarding the possibility of cultivating each of their top five competencies for senior HR leaders. Although there was some regional variation in the percentages of HR professionals who believed that various competencies were “very possible” to cultivate, “somewhat possible” to cultivate or “impossible” to cultivate, these differences were not significant. This would suggest that HR professionals in India and Middle Eastern and North Africa have similar beliefs about the extent to which selected competencies can be taught or learned.

Leading Globally

Not surprisingly, when HR professionals were asked about the most important competencies for senior HR leadership roles in global organizations, *global intelligence/global mindset* and *cross-cultural intelligence* rated in the top five for each of the four countries/regions included in the poll. This is consistent with SHRM’s earlier research that found that senior HR leaders and the HR academic community rated *global mindset* as the

Global intelligence/global mindset and **cross-cultural intelligence** rated in the top five for each of the four countries/regions included in the poll.

Figure 10 | Top Five Competencies for Senior HR Leaders in Global Organizations



Note: Percentages do not total 100% due to multiple response options.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

most important competency for senior HR leaders in global roles and anticipated that having *global intelligence* would become even more salient for this advanced and influential group of HR professionals in the future due to increasing globalization. The top two overall competencies for senior HR leaders also made the top five global competencies list for each of the four countries/regions. These data are shown in Figure 10.

As depicted in Table 2, responses to the question of competencies required of senior HR leaders in global roles varied sharply by country/region. The only competencies for which differences among countries/regions were not identified were *integrity*, *organizational knowledge* and *critical/analytical thinking*. Among the key differences: HR professionals in the United States were more

likely than their counterparts in the other three regions, and HR professionals in Canada were more likely than HR professionals in India, to rate *global intelligence/global mindset* as a top competency of senior HR leaders in organizations that operate globally. Interestingly, HR professionals in Canada and the Middle East and North Africa were more likely than those in the United States or India to place *strategic thinking* among the top competencies required for senior HR leaders to be successful in global roles. It is possible that the understanding of the magnitude of the knowledge and skills shift required of HR leaders to go from domestically focused to globally focused operations may be a factor in how respondents from each of the countries/regions rated the importance of various competencies for global roles.

Table 2 Top Competencies for Senior HR Leaders in Global Organizations

	United States (n = 548)	Canada (n = 1,075)	India (n = 337)	Middle East and North Africa (n = 193)	Differences by Country
Global intelligence/global mindset	67%	55%	45%	53%	United States, Canada > India United States > Canada, Middle East and North Africa
Cross-cultural intelligence	57%	39%	40%	57%	United States, Middle East and North Africa > Canada, India
Effective communication	53%	41%	41%	51%	United States > Canada, India
Strategic thinking	47%	63%	44%	58%	Canada, Middle East and North Africa > India Canada > United States
HR knowledge	39%	27%	23%	31%	United States > Canada, India
Business knowledge	29%	28%	42%	33%	India > United States, Canada
Ethical behavior	24%	17%	19%	17%	United States > Canada, India
Flexibility/adaptability	22%	21%	31%	25%	India > United States, Canada
Shaping organizational culture	22%	29%	28%	21%	Canada > United States
Integrity	21%	19%	18%	19%	
Organizational knowledge	21%	20%	16%	19%	
Credibility	20%	29%	16%	18%	Canada > United States, India, Middle East and North Africa
Critical/analytical thinking	19%	17%	18%	18%	
Leading change	19%	36%	34%	38%	Canada, India, Middle East and North Africa > United States
Persuasiveness/influencing others	12%	35%	23%	11%	Canada, India > United States, Middle East and North Africa Canada > India
Results orientation/drive for performance	11%	12%	28%	19%	India, Middle East and North Africa > United States India > Canada
Coaching/developing others	10%	10%	25%	15%	India > United States, Canada, Middle East and North Africa
Technological savvy	7%	2%	11%	8%	United States, India, Middle East and North Africa > Canada

Note: Columns sorted in descending order by U.S. data. Percentages do not total 100% due to multiple response options.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

HR Leadership in Times of Economic Crises

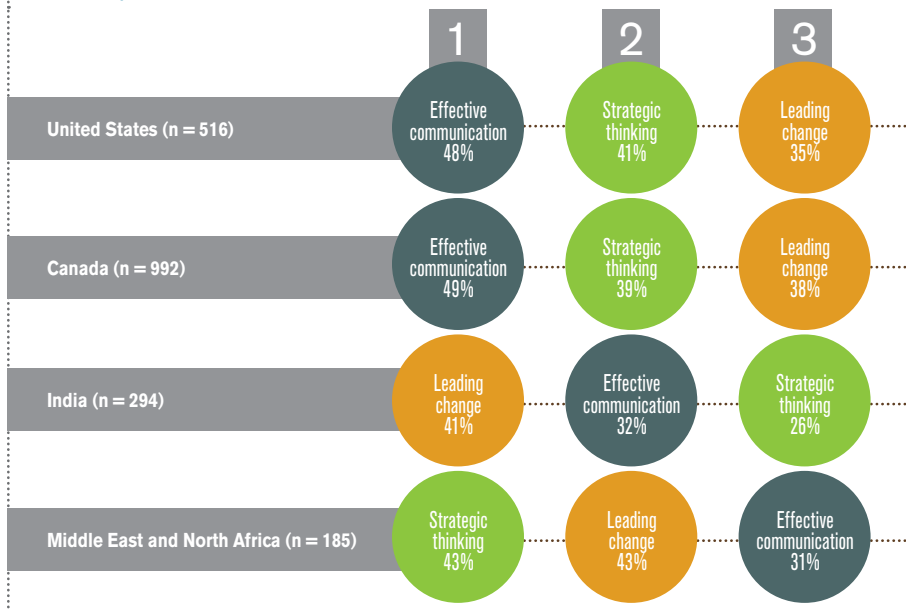
Recent years have seen a worldwide economic downturn. According to a recent SHRM publication, “In today’s business world, the interconnectedness of the global economy means that economic struggles in one part of the world inevitably reverberate to other countries. Nearly four out of 10 companies indicated that the volatility in the world financial markets directly affected them.”³⁷ Although the financial outlook is improving as countries’ economies begin to recover (and indeed, there is prevalent belief that India’s economy has already recovered), there will be lasting effects on how organizations around the world conduct business. The impact on organizational revenues and funding for staffing, HR initiatives and operational strategies as a result of the sudden and severe economic decline created many challenges within organizations, but it also provided valuable lessons about successfully leading organizations through lean financial times. Which knowledge, skills,

abilities and other qualities stand out for successful senior HR leaders in turbulent economies? The top three responses were shared across all four countries/regions, although there were differences in position within the top three competencies. According to HR professionals in the United States, Canada, India and the Middle East and North Africa, the three most important competencies for senior HR leaders during a financial crisis are *effective communication*, *strategic thinking* and *leading change* (Figure 11).

Table 3 shows the numerous differences among the four countries/regions in perceptions of the competencies that stand out most for senior HR leaders during an economic downturn. *Leading change* was the only competency of the top three most important competencies for which differences among countries/regions were not identified, with more than one-third of respondents from each area placing this competency among the most important for senior HR leaders in turbulent financial situations.

The three most important competencies for senior HR leaders during a financial crisis are **effective communication**, **strategic thinking** and **leading change**.

Figure 11 | Top Three Competencies for Senior HR Leaders During an Economic Crisis



Note: Percentages do not total 100% due to multiple response options.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

Table 3 Top Competencies for Senior HR Leaders During an Economic Crisis

	United States (n = 516)	Canada (n = 992)	India (n = 294)	Middle East and North Africa (n = 185)	Differences by Country
Effective communication	48%	49%	32%	31%	United States, Canada > India, Middle East and North Africa
Strategic thinking	41%	39%	26%	43%	United States, Canada, Middle East and North Africa > India
Leading change	35%	38%	41%	43%	
Flexibility/adaptability	25%	28%	19%	29%	Canada > India
Ethical behavior	22%	12%	13%	12%	United States > Canada, India, Middle East and North Africa
Integrity	21%	18%	15%	12%	United States > Middle East and North Africa
Business knowledge	20%	15%	20%	24%	Middle East and North Africa > Canada
Credibility	20%	24%	16%	15%	Canada > India, Middle East and North Africa
Critical/analytical thinking	18%	14%	21%	23%	India, Middle East and North Africa > Canada
Results orientation/drive for performance	10%	10%	24%	24%	India, Middle East and North Africa > United States, Canada
HR knowledge	8%	5%	2%	6%	United States > Canada, India
Organizational knowledge	8%	8%	5%	9%	
Persuasiveness/influencing others	7%	20%	16%	10%	Canada, India > United States Canada > Middle East and North Africa
Coaching/developing others	6%	4%	13%	4%	India > United States, Canada, Middle East and North Africa
Global intelligence/global mindset	6%	8%	20%	15%	India, Middle East and North Africa > United States, Canada
Shaping organizational culture	6%	10%	10%	9%	Canada > United States
Cross-cultural intelligence	1%	0%	4%	1%	India > Canada
Technological savvy	0%	0%	4%	1%	India > United States, Canada

Note: Columns sorted in descending order by U.S. data. Percentages do not total 100% due to multiple response options. Blank cells indicate that statistically significant differences were not found.

Source: What Senior HR Leaders Need to Know: Perspectives From the United States, Canada, India, the Middle East and North Africa (SHRM, 2010)

Conclusions

In order to successfully meet the demands of their roles, senior HR leaders must not only be keenly aware of the knowledge, skills, abilities and other qualities required of them now, but also have an understanding of how those requirements may change in the future. This research found that *effective communication* and *strategic thinking* were the top two competencies for senior HR leaders across all of the countries/regions that participated in the poll. Moreover, these competencies are expected to become increasingly salient five years into the future. Senior HR professionals and those who aspire to advanced HR positions should take measures to cultivate and enhance the competencies expected of elite levels of HR.

Further, as the workplace becomes increasingly globalized, senior HR leaders must develop the competencies required of advanced HR roles in other countries and regions of the world. According to HR professionals in each of the four countries/regions that participated in this poll, *global intelligence/global mindset*, *cross-cultural intelligence*, *effective communication* and *strategic thinking* were among the top five competencies for senior HR leaders

operating in global organizations. This bodes well for senior HR professionals who are moving to multinational corporations or expatriate assignments, as it suggests that acclimation to these roles may not require dramatic shifts in paradigm since there are commonly understood expectations and commonly held views about HR leadership in businesses operating in other countries or regions. Future research into senior HR leadership competencies should focus on obtaining the perspectives of additional countries/regions, especially emerging markets where HR and/or industrialization are just starting to take root.

The substantial overlap of views about competencies among participants in this research indicates that despite any differences among countries/regions in the tactical side of HR functions, there is consistency about how high-level HR positions are viewed in terms of the competencies required for success. The business community and HR professionals worldwide may be coming to a global consensus about standards for senior-level leaders of the HR profession.

Methodology

The 2009 SHRM HR Leadership Competencies Poll was conducted among HR professionals employed by organizations operating in the United States, Canada, India, and the Middle East and North Africa. SHRM partnered with CCHRA, an HR organization in Canada, to collect survey data from HR professionals employed by organizations located in that country. SHRM India, a wholly owned subsidiary of SHRM, organized data collection among HR professionals in India. The survey instrument for HR professionals in each of the countries included questions regarding the most important competencies for senior HR leaders and beliefs about future importance and cultivability of these competencies. The survey instrument for French-speaking HR professionals in Canada was provided in French by CCHRA.

A sample of U.S.-based HR professionals was randomly selected from SHRM's membership database, which included approximately 250,000 individual members at the time the poll was conducted. Only members who had not participated in a SHRM survey or poll in the last six months were included in the U.S. sampling frame. Members who were students, consultants, academics, located internationally or who had no e-mail address on file were excluded from the U.S. sampling frame. In June 2009, an e-mail that included a hyperlink to the SHRM HR Leadership Competencies poll⁴ was sent to 3,000 randomly selected SHRM members. Of these, 2,421 e-mails were successfully delivered to respondents, and 566 HR professionals responded, yielding a response rate of 23%. The poll was accessible for a period of two weeks, and two e-mail reminders and a fax reminder were sent to nonrespondents in an effort to increase response rates.

The sample of HR professionals was generally representative of the SHRM membership population, although there were some differences by staff size of respondents' organizations.⁵

SHRM's partnering organization in Canada, CCHRA, sent the poll invitation through eight of its provincial associations. Members of the provincial associations were contacted by e-mail beginning in August 2009. Most of the provincial associations sent at least one e-mail reminder or follow-up mailing during the data collection phase. Further, to ensure adequate representation of HR professionals in Ontario, SHRM e-mailed the poll link to its members in that province. Overall, 1,137 HR professionals in Canada completed the poll.

SHRM India provided contact information for 3,355 HR professionals in India who had relationships with SHRM through membership, event attendance or other contact with SHRM India operations. Beginning in August 2009, this population was contacted by e-mail with an invitation to participate in the online poll, and 1,018 e-mails were successfully delivered. Five e-mail reminders were sent during the data collection phase, which lasted 11 weeks. Further, SHRM India placed a link to the online poll on its web site and distributed hard copies of the poll instrument to attendees at two HR events in October 2009. Overall, 383 HR professionals in India participated in the poll.

The population of Middle East and North Africa-based HR professionals was drawn from SHRM's membership database. This sample included members who reside in countries including, but not limited to, Saudi Arabia, the United Arab Emirates, Kuwait, Jordan, Oman, Libya and Egypt. In February 2009, an e-mail that included a hyperlink to the SHRM HR Leadership Competencies Poll was sent to 674 SHRM members in Middle Eastern and North African countries. Of these, 630 e-mails were successfully delivered, and 196 HR professionals participated, yielding a response rate of 31%. The survey was accessible for a period of five weeks, and four e-mail reminders were sent to nonrespondents in an effort to increase response rates.



Notations

Differences: Conventional statistical methods were used to determine if observed differences were statistically significant (i.e., there is a small likelihood that the differences occurred by chance). Therefore, in most cases, only results that were significant are included, unless otherwise noted. It is also important to note that in some cases, data may be discussed in the text of this report but not presented in an accompanying figure or table.

Tables: Unless otherwise noted in a specific table, the following are applicable to data depicted in tables throughout this report:

- ◆ Percentages for a question or a response option may not total 100% due to rounding.
- ◆ The sample size is based on the actual number of respondents who answered the question using the response options provided.

Figures: Unless otherwise noted in a specific figure, percentages for a question may not total 100% due to rounding.

Generalization of results: As with any research, readers should exercise caution when generalizing results and take individual circumstances and experiences into consideration when making decisions based on these data. While SHRM is confident in its research, it is prudent to understand that the results presented in this report are only truly representative of the sample of HR professionals responding to the poll.

Number of respondents: The number of respondents (indicated by “n” in figures and tables) varies from table to table and figure to figure because some respondents did not answer all of the questions. Individuals may not have responded to a poll question because the question or some of its parts were not applicable or because the requested

data were unavailable. This also accounts for the varying number of responses within each table or figure.

Confidence level and margin of error: A confidence level and margin of error give readers some measure of how much they can rely on survey responses to represent all SHRM members. Given the level of response to the survey, SHRM Research is 95% confident that responses given by responding U.S.-based HR professionals can be applied to all SHRM members in the United States, in general, with a margin of error of approximately 4%. For example, 59% of the responding U.S.-based HR professionals reported that effective communication was among the five most important competencies for senior HR leaders. With a 4% margin of error, the reader can be 95% certain that between 55% and 63% of SHRM members in the United States would rate effective communication as an important competency for senior HR leaders. It is important to know that as the sample size decreases, the margin of error increases.

Demographics

Organization Staff Size				
	United States (n = 510)	Canada (n = 954)	India (n = 292)	Middle East and North Africa (n = 180)
Small (1 to 99 employees)	29%	24%	24%	17%
Medium (100 to 499 employees)	41%	36%	29%	31%
Large (500 or more employees)	30%	40%	47%	52%

Organization Sector				
	United States (n = 515)	Canada (n = 984)	India (n = 308)	Middle East and North Africa (n = 185)
Publicly owned for-profit	24%	21%	21%	19%
Privately owned for-profit	46%	48%	68%	58%
Nonprofit	19%	8%	2%	7%
Government	8%	18%	3%	10%
Other	2%	6%	5%	5%

Multinational Operations				
	United States (n = 510)	Canada (n = 981)	India (n = 303)	Middle East and North Africa (n = 182)
Single-country operations only	68%	63%	40%	30%
Multinational operations	32%	37%	60%	70%

Canadian Province		Overall (n = 989)
British Columbia Human Resources Management Association (BCHRMA)		2%
Human Resources Institute of Alberta (HRIA)		1%
Saskatchewan Association of Human Resource Professionals (SAHRP)		16%
Human Resources Management Association of Manitoba (HRMAM)		0%
Human Resources Professionals Association (HRPA)		7%
Ordre des conseillers en ressources humaines agréés		67%
Human Resources Association of New Brunswick (HRANB)		0%
Human Resources Association of Nova Scotia (HRANS)		4%
Human Resources Professionals of Newfoundland and Labrador (HRPNL)		2%



Organization Industry	United States (n = 515)	Canada (n = 986)	India (n = 308)	Middle East and North Africa (n = 185)
Arts, entertainment, recreation	1%	3%	2%	1%
Association–professional/trade	1%	2%	0%	0%
Biotech	8%	1%	0%	0%
Construction, mining, oil and gas	5%	5%	6%	16%
Consulting	4%	10%	19%	13%
Educational services/education	7%	6%	6%	6%
Financial services (e.g., banking)	5%	6%	4%	10%
Government/public administration–federal, state/local, tribal	6%	9%	0%	4%
Health care, social assistance (e.g., in-home care, nursing homes, EAP providers, hospices, etc.)	13%	5%	3%	4%
High-tech	3%	3%	6%	3%
Insurance	4%	3%	1%	1%
Manufacturing	18%	14%	11%	11%
Pharmaceutical	0%	2%	2%	2%
Publishing, broadcasting, other media	1%	1%	3%	3%
Real estate, rental, leasing	1%	1%	1%	3%
Retail/wholesale trade	7%	6%	2%	4%
Services–accommodation, food and drinking places	2%	1%	2%	2%
Services–professional, scientific, technical, legal, engineering	11%	8%	15%	5%
Other services (e.g., other nonprofit, church/religious organizations, etc.)	5%	2%	0%	1%
Telecommunications	1%	2%	5%	5%
Transportation, warehousing (e.g., distribution)	3%	3%	1%	3%
Utilities	1%	2%	1%	1%
Other	3%	3%	11%	4%

Additional SHRM Resources

Leading Now, Leading the Future: What Senior HR Leaders Need to Know (Executive Summary)

www.shrm.org/Research/SurveyFindings/Articles/Pages/LeadingNowLeadingFuture.aspx

India: Building Sustainable Leadership Competency

www.shrm.org/Research/Articles/Articles/Pages/IndiaBuildingCompetency.aspx

Communication Skills Most Important Job Candidate Qualification

www.shrm.org/hrdisciplines/staffingmanagement/Articles/Pages/CommunicationSkillsMostImportant.aspx

Basic, Applied Skills Deficiencies Threaten Workforce Competence

www.shrm.org/hrdisciplines/orgempdev/articles/Pages/workforceSkillDeficiencies.aspx

Companies Doing Little to Close Leadership Gaps, Study Finds

www.shrm.org/hrdisciplines/orgempdev/articles/Pages/LeadershipCompetencies.aspx

Competencies (HR and General) Toolkit

www.shrm.org/TemplatesTools/AssessmentResources/HRCapabilityToolkit/Pages/default.aspx

Endnotes

¹ Society for Human Resource Management. (2009, March.) *Leading now, leading the future: What senior HR leaders need to know*. Alexandria, VA: Author.

² Society for Human Resource Management. (2010, February.) SHRM poll: Financial challenges to the U.S. & global economy and their impact on organizations. Retrieved from www.shrm.org/surveys.

³ Society for Human Resource Management. (2009, June.) The impact of the U.S. and global economic decline on businesses. Retrieved from www.shrm.org/Research/SurveyFindings/Articles/Pages/TheImpactoftheUSandglobal.aspx.

⁴ The SHRM HR Leadership Competencies Poll instrument is available upon request by contacting the SHRM Survey Program at surveys@shrm.org or by phone at 703-535-6301.

⁵ Compared with the general SHRM membership, more HR professionals in the sample were from small- and medium-staff-sized organizations and fewer from large-staff-sized organizations.



Project Team

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