

What HR Thinks and Feels:

The 2011 HRxAnalysts Psychographic Survey of HR Professionals
The Demographics, Behaviors, Attitudes and Beliefs of HR Professionals

Abridged Executive Brief

April 2011



The 2011 HRxAnalysts Psychographic Survey of HR Professionals

ABOUT HRXANALYSTS

HRxAnalysts is the first company to treat the HR Industry as a mature marketplace teeming with brands and customers. Our mission is to quantify the people who work in HR, their needs and ambitions. Simultaneously, we quantify the elements of the brands of the companies that serve those HR workers.

HRxAnalysts is the only company in the world that measures and reports on the psychographics of the HR profession. We have just completed the largest-ever survey of the attitudes, demographics, lifestyle choices, politics and attitudes of the people of HR. From us you can learn about the career choices they make, the way they spend their time, and what turns them on.

We are also the only company that measures the difference between a vendor's intention for their brand and the way that buyers and users perceive it. Our surveys range from customer satisfaction to an apples-to-apples comparison of functionality in the various HR silos.

In all communications, there is an inevitable difference between the message that is sent and the message that is received. This is really true in the HR marketplace. The story the vendor tells and the narrative the HR customers get are always going to be different.

We help vendors understand how they fit in the market and what customers think of them. The brand that matters is in the mind of the customer or potential customer. We help vendors see their brand and understand what the market is asking.

We give voice to the desires and realities of life in the HR work world. Vendors benefit from having a clear, projection-free, quantified picture of the real world. People who work in HR benefit from a market that more clearly understands their needs and requirements. The HR profession benefits from having a single-source quantified narrative about its work and values.

Mostly, we "Mind the Gap." We've taken this everyday caution on British subways and applied it to our work. We mind the gap between brand promise and performance. We mind the gap between stereotype and reality in the HR workforce. We mind the gap in the HR industry.

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INTRODUCTION

When it comes to sales and marketing, vendors of software and other solutions for Human Resources and related business initiatives face several critical challenges. First, an HR solutions (HRS) vendor must establish an effective brand. An effective brand is one that drives recognition, recall and positive reputation in the marketplace. Second, the vendor must create a simple, compelling and consistent message that clearly communicates the vendor's position and differentiation among an ever-increasing field of category and non-category competitors. Third, the vendor must develop an effective communications strategy, including demand generation and branding programs, to build access to the target market and establish a dependable channel of communications. Without an effective communications strategy, killer brands and solid messages are merely trees that fell in the forest. Finally, The HRS vendor must develop a mature sales function to convert awareness, interest and desire into revenue.

Over time, the brand becomes seasoned, like a cast iron skillet. User experiences, word of mouth, competitive crosstalk, customer service policies, product functionality and interface design all become elements of the brand as experienced by the market. As the brand matures, it is less and less under the control of the company. A mature brand is a relationship that includes all experience, internal and external.

These are the five pillars of effective revenue generation in the HRS market segment:

- Brand
- Message
- Communications Strategy
- Sales Process and Infrastructure
- Incorporation of the Mind and Voice of the Customer

Without them, HRS vendors will not operate efficiently; they will not realize the profit margins or ROI on sales and marketing they should, because they must overspend to meet their revenue goals. These pillars of revenue generation become more important every day as our market expands, matures and fragments, creating disequilibrium among the HR professionals who lead solution evaluations.

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It's often difficult for HR professionals to figure out where they should start when it comes to finding a solution for their business needs, because the brands and messages created by vendors are so conflicted and confusing.

As the HR Marketplace continues its rapid maturation, the distinctions among brands become blurred. The combination of competitive marketing rhetoric, the changing role of HR and shifting technology make for a cluttered marketplace. There is nearly uniform agreement that one brand is often mistaken for another.

Creating the essential elements of sales and marketing that help buyers overcome their skepticism, confusion and fear is hard work. And it requires a lot of information about the buyer. Unfortunately, information about the HRS buyer has heretofore been hard to come by.

Only the shallowest demographic information has been available to sales and marketing professionals to help them craft strategies that appeal to buyers on both a professional and personal level. Consequently, our sales and marketing departments make important decisions about brand, message, communications strategies and sales based on opinion and anecdote.

When the HRS market was in the early stages of maturation, excellence in sales and marketing was not as critical as it is today. Unfortunately, it is no longer acceptable to create important sales and marketing strategies without an intimate understanding of the demographics, attitudes, behaviors and beliefs of our primary customer – the Human Resources professional.

TAKES

In the margins of this report are to be found “takes” from industry professionals. These takes are opinions based on analysis of the provided data. This report features takes from: industry consultant (and now Principal Analyst for HRxAnalysts), John Sumser; legendary HRS sales professional (and now CEO of HRxAnalysts), George LaRocque; and notorious marketing expert Bret Starr (from Starr Tincup).

Starr Tincup is the underwriter of this HRxAnalysts report.

ABOUT THIS PSYCHOGRAPHIC RESEARCH

Psychographic research is a form of analysis that seeks to identify the behaviors, attitudes, beliefs, interests, lifestyles and values of a target market segment. When combined with demographic information, psychographic variables provide powerful insight into the personalities of prospects and customers. This information can be used in several ways:

- Communicate with prospects through the channels they pay the most attention to
- Craft brands that appeal to prospects on a professional and personal level
- Create messages that tap into a prospect's business and personal aspirations
- Develop sales techniques that build credibility with the prospect
- Adopt a tone and style that resonates with buyers
- Build a customer service brand that creates a personal relationship with customers

Without this information, vendors are basically guessing about the sales and marketing approaches, product design and customer service approaches that are most likely to engage prospects and customers. These guesses can lead to forgettable brands, confusing messages, ineffective marketing campaigns and sales techniques that turn prospects off. It may also result in service delivery that completely misunderstands the drivers of customer satisfaction.

This is the first comprehensive demographic and psychographic research ever conducted about the HR professional with the singular purpose of improving sales, marketing and brand development effectiveness.

HRxAnalysts believes that effective sales, marketing and brand development springs from a deep well of knowledge about the target buyer. And not just demographics, but a comprehensive understanding of the interests, activities and opinions of the people who buy our solutions. With all this talk of increased engagement through social media and nth-degree personalization of sales and marketing techniques, isn't it ironic that most of us have forgotten the most personal elements – the personal lives – of HR professionals?

What you read here may surprise you. It is likely to challenge deeply held opinions about your target market. However, the information presented in this report is the key to developing sales and marketing techniques that resonate on a human level with HR professionals.

John's Take:

Demographics are concrete attributes such as age, race and gender. Psychographics are abstract attributes such as interests, activities and behaviors.



George's Take:

Demographics don't help the sales and demand generation efforts as much as psychographics. Psychographics tell you HOW to approach a sale and WHAT to offer.

REPORT METHODOLOGY

The 2011 HR Solutions Buyer Psychographic Report is an ongoing research project that leverages primary research (quantitative and qualitative) and secondary research to gain a broad understanding of the demographic and psychographic characteristics of HR professionals.

RESEARCH TIMELINE

- The research commenced during the fourth quarter of 2008 with a comprehensive excavation of the published research on the demographic and psychographic characteristics of HR professionals.
- The first psychographic survey was published on January 1, 2010. Tens of thousands of HR professionals were invited to participate. This inaugural survey established our research benchmark.
- The second (and identical) survey was published on January 1, 2011, to validate the benchmark and identify temporal trends.
- Phone interviews and focus groups have been used throughout the research project to validate theories and identify new points of departure for further research.

PARTICIPANTS

- The online survey consists of 188 questions and requires more than 250 clicks to complete.
- Participants may choose to participate in follow-up phone interviews and focus groups.
- To date, 975 HR professionals* have participated in the survey. The analysis in this report is based on the responses of these 975 HR professionals starting on January 1, 2010, and continuing uninterrupted until today. **For the purpose of this survey, HR includes any position involved in planning, directing or coordinating the human resource management activities of an organization to maximize the strategic use of human resources and maintain functions, such as recruitment, onboarding, compensation, personnel policies, leadership development, succession planning and regulatory compliance.*
- 100% of survey participants work in the United States.

John's Take:

HR is responsible for an enormous range of critical business initiatives. Business doesn't get done without HR. When considering the sheer number of skills an HR professional must master to advance in their career, one must be struck with a deep sense of respect for the successful executive.



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PARTICIPANTS BY COMPANY SIZE

Participants in this study are from larger companies than the national average. Table 1 below compares participants against the national averages for establishment size, defined by the number of employees working for those establishments. For example, 78.9% of establishments in the United States have fewer than 100 employees. 36.4% of employees in the United States work for companies with fewer than 100 employees. But only 24% of survey participants work for companies with fewer than 100 employees.

Conversely, the number of survey participants from larger companies exceeds the national average in every size category except for 10,000 – 19,999. This is probably due to the fact that companies with fewer than 100 employees do not generally have a proportionally developed HR department with multiple levels of management.

Table 1: Research Participants by Employee Size Compared with National Average

EMPLOYEE SIZE	PARTICIPANTS	U.S. ESTABLISHMENTS	U.S. EMPLOYEES
Fewer than 100	24.60%	78.9%	36.4%
100-499	25.58%	5.0%	14.6%
500-999	11.14%	1.6%	5.0%
1,000 - 2,499	11.38%	2.0%	6.8%
2,500 - 4,999	6.73%	1.6%	5.2%
5,000 - 9,999	6.73%	1.8%	5.5%
10,000-19,999	13.83%	8.9%	26.5%

Source: U.S. Census Bureau Statistics about Company Size (2004), <http://www.census.gov/epcd/www/smallbus.html>

PARTICIPANTS BY INDUSTRY

Survey participants are from a wide range of industries, but a disproportionate number of participants (compared with national averages) are from:

- Professional, Scientific and Technical Services (18.48%)
- Healthcare and Social Assistance (15.06%)
- Other Services (except Public Administration) (13.22%)
- Manufacturing (11.02%)

John's Take:

In general, industries exhibiting growth or transformation are overrepresented and industries in decline or without stalwart commitment to best-practice HR are underrepresented (mostly due to the fact that there are fewer HR people in these industries to participate).



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Conversely, based on national averages, these industries are underrepresented in the survey:

- Public Administration (4.16%)
- Retail Trade (3.18%)
- Arts, Entertainment and Recreation (2.69%)

Table 2 shows respondents by industry compared with the national average.

INDUSTRY	PARTICIPANTS	U.S. AVERAGE*
Professional, Scientific and Technical Services	18.48%	11.8%
Health Care and Social Assistance	15.06%	10.5%
Other Services (except Public Administration)	13.22%	4.2%
Manufacturing	11.02%	8.9%
Finance and Insurance	8.2%	5.4%
Educational Services	4.9%	2.0%
Information	4.77%	2.0%
Public Administration	4.16%	14.9%
Retail Trade	3.18%	10.2%
Arts, Entertainment and Recreation	2.69%	8.9%
Transportation and Warehousing	2.45%	3.0%
Utilities	2.33%	0.4%

*Source: Bureau of Labor Statistics: Employment by Industry Sector, http://www.bls.gov/emp/ep_table_201.htm

Other industries represented in the survey, but by fewer than 2% of participants, include:

- Agriculture, Forestry, Fishing and Hunting
- Real Estate Rental and Leasing
- Mining, Quarrying and Oil and Gas Extraction
- Management of Companies and Enterprises
- Construction
- Administrative and Support and Waste Management and Remediation Services
- Wholesale Trade
- Accommodation and Food Services

DEMOGRAPHICS

Demographic information helps marketers target brand, messaging and communications strategies. A deep understanding of target market demographic variables, such as gender, age, race and education can also help executives staff their sales team appropriately and build rapport with prospects. Below is some important demographic information to keep in mind when formulating sales and marketing strategies. For more granular insight, we have broken some demographic information down by role: Generalist, Manager, Director and Executive. More granular analysis is available from HRxAnalysts.

HR IS A WOMAN

Women outnumber men by a large margin at the generalist level (82% women, 18% men). But the gap shrinks at the manager level and above (women still hold a significant majority of management positions, but only 64% on average – a 22% drop from the ranks of generalist). The bottom line is that men are promoted in greater proportion than women, from generalist to manager. Table 3 shows the distribution of gender by role, along with other demographic variables.

Table 3: Demographic Variables by Role

	GENDER	AVERAGE AGE	WHITE	POSTGRADUATE	CONSERVATIVE
ALL	67% Female	47	92%	46%	51%
Generalist	82% Female	45	87%	36%	44%
Manager	55% Female	45	96%	40%	57%
Director	64% Female	47	94%	55%	47%
Vice President	69% Female	51	93%	41%	55%
Chief Officer	67% Female	53	78%	78%	44%

John's Take:

While there does tend to be some male bias for promotion at lower levels, it cannot be disputed that HR is a paragon of success for women, who dominate the ranks at every level. Also, workers at every level tend to be more mature. At 47, HR professionals are in their peak earning years, likely to be career focused and clear about roles and responsibilities.



George's Take:

Consider staffing your sales team in a manner that reflects the composition of HR departments along gender lines. And though HR is not ethnically diverse, it is the primary champion for diversity (which should also be considered). Given that HR professionals are generally older than other departments, your sales folks should be experienced in the market.

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HR IS MIDDLE-AGED

The average age across all ranks is 47. Generalists are slightly younger, at 45. And average age goes up by rank to top out at 53 for chief officers.

HR IS WHITE

On the whole, HR professionals are 92% white. HR is slightly less white at the generalist level and the chief level (87% and 78% respectively), but managers and directors are white in greater proportion than the national average. For example, the U.S. Census Bureau projected that 79.5% of the U.S. population was white in 2010. Only the “chief officer” rank reflects the national average. This trend is especially significant when political views that impact diversity are considered. For example, 57% of HR professionals classify their political view of “border protection” as conservative.

As an issue, border protection gains more support with whites. Since HR professionals are overwhelmingly white, political issues such as these will not follow national averages.

HR IS WELL-EDUCATED

46% of all HR professionals have pursued postgraduate education. 16% have earned an MBA. 14% have earned some other master’s degree. And 4% have earned a doctoral degree. Postgraduate degrees are prevalent at all ranks (including generalist), but chief executives are much more likely to have an MBA, some other master’s degree or a doctoral degree than their lower-ranking colleagues. Starting at the director level, more HR professionals have pursued postgraduate education than those who have not.

HR IS POLITICALLY DIVIDED

As we’ll see in greater detail later in the report, HR is as politically divided as the rest of the country. When asked, 49% of HR professionals classify their views as liberal (51% conservative). As one marches up the ranks, there is no discernable trend toward liberalism or conservatism. However, it is worth pointing out that HR professionals tend to hold positions on certain social issues that lean more conservative or liberal than their primary political orientation.

John’s Take:

As a group, HR professionals are better educated than the general population. Where 46% of HR workers have some form of postgraduate education, the national average is 9%. And only 24% of Americans have a college degree.



George’s Take:

Sales professionals who don’t display strong intellect, listening skills and critical thinking are likely to tarnish the vendor brand with this crowd. People buy from people – so send in smart people!

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For example, HR professionals tend to be more liberal when it comes to abortion and gay marriage (64% and 66% liberal, respectively) and more conservative when it comes to “the war on terror,” gun rights, “border protection,” and the death penalty (62%, 58%, 57% and 54% conservative respectively).

HR IS MARRIED WITH CHILDREN

69% of respondents are married, and 71% of respondents have children. (16% are single, 11% are divorced, 3% are widowed and 1% are separated.) Rates of marriage are above the national norm (only 59% of adults are married nationally) and rates of parenting are below the national norm (81% of American adults have children, 14% more than the HR professionals).¹

HR IS AFFLUENT

Economists cannot agree on specific criteria that define the middle class, but the most common measure is income. Some economists describe the middle class as the middle 60% of wage earners. The 20% above middle class is often described as upper class (or affluent) and the 20% below is often described as the working class. The median household income in the U.S. in 2008 (according to the U.S. Census Bureau) was \$52,175. The middle 60% spanned a range of household incomes from roughly \$25,000 to \$100,000. That being said, 72% of HR professionals reported household incomes greater than \$90,000. And 53% reported household incomes greater than \$120,000 (with incomes between \$120,000 and \$200,000 being the single largest category reported, at 40%).

By most objective measures, including home ownership (85%) and postgraduate education, HR professionals are among the top 20% of wage-earning families in the U.S. Yet 66% of HR professionals describe their financial position as middle class. This is not surprising. In the United States, most individuals describe themselves as middle class unless they are very wealthy or very poor.

The prevailing stereotype that HR is extremely status conscious (wanting a seat at the table rather than wanting to make a contribution) is borne out by this set of statistics. Adjacency to more formalized power puts HR workers in constant contact with colleagues who are better off and more powerful.

John's Take:

Your customer is a hero. By and large, HR is the first place in the business where women have become the dominant contributors.

The HR professional is not only a career-minded player with upward ambition, she was with the first generation of women to become the majority of workers.



George's Take:

Make your customer a hero. They may not say it, but they are looking to make business decisions that will bolster their position internally. They may not see the connection between what you offer and their ability to leverage it to the C-suite. Your best strategy is to help them with this, not go around them and make that case for them.

¹ Source: Pew Research, <http://pewresearch.org/pubs/1642/more-women-without-children/Pew/Research>

CONCLUSION

Many of the dissonant attributes of the HR Psychographic stem from its overall role as the first beachhead of female enfranchisement. Here, we see the direct impact of the remaining financial disparities between the genders.

From a market perspective, a significant attribute of the HR department is clear. They are in possession of much more power and influence than they believe. Helping HR actualize its own inherent worth should be an effective strategy in the marketplace and in the organization.

Traditional male approaches to creating leverage in organizations seem to routinely fail. HR's vocal critics are predominantly male and focused on the department's seeming inability to cash in its own chips while complaining about the need for more of them. A more useful approach might be to help HR practitioners gain effectiveness in organizational politics or to help illuminate the real power that they hold.

To order the unabridged report, please visit
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