



Strengthening the Executive Team

At Criticaleye's 2016 Human Resources Director Retreat, the focus was on how to improve top-level leadership capability. Marc Barber reports



The HR Director mustn't shy away from assessing the capabilities of the top team. They should hold candid conversations with the CEO about skills, succession and whether senior executives are genuinely aligned, or if they are just a loose collection of individuals with competing agendas.

At Criticaleye's [Human Resources Director Retreat](#), the focus was on how to strengthen the capability and cohesiveness of the leadership team. After all, unless senior executives are working together, how else are they going to create an organisation that's customer-focused, agile and driven by a clear sense of purpose?

Here are some highlights from Day One of the Retreat:

Don't Get Comfortable

The steady build-up of silos, bureaucracy and legacy-thinking will inevitably result in a business slowing down and becoming estranged from the customer.

Andy Griffiths, Non-executive Director of electrical heating concern Glen Dimplex and former President for the UK & Ireland at Samsung Electronics, was unequivocal about the need for businesses to quickly adapt to changing markets.

He explained: "We tried to bring Samsung together as one big organisation, but how do you do that when you've got nine big silos? We decided to talk about the externalisation of the business as it's a common mistake for companies to be too inward-looking.

"This entailed talking to the end users and distribution partners to get their

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perspective. The danger, when it comes to assessing performance, is to just keep looking at the numbers again and again.”

People must have the space to understand the context they're working in, **Andy** noted. "The atmosphere, in some ways, has to be one of organised chaos so people don't get comfortable – complacency is a killer. Each year, you need to tear up the previous business plan and start again," he added.

Matthew Blagg, CEO of Criticaleye, agreed: "It's increasingly important for leaders to not be insular. If they're going to successfully navigate a fast-moving and complex business environment, they must have external reference points in order to draw on a diverse ecosystem of skills, expertise and experience.

"It's this that will shape the talent agenda of the future and it is why, as a leader, you need to accept that you don't have all the answers.”

The notion of organisational purpose is increasingly on the

radar of employees, customers and other stakeholders.

Stephen Pain, Vice President of Sustainable Business and Communications at Unilever, commented that it stems, in part, from a loss of trust in big business. Now, there is greater pressure on organisations to be more inclusive and to act with transparency.

"People are much more aware of sustainability as an issue and this is also amplified through social media," he commented.

It's up to the senior leadership team to respond to these expectations and not just focus on business as usual. **Steven Cooper**, CEO, of Personal Banking at Barclays, noted that "creating a sense of purpose galvanises people and enables them to overcome a shock to the organisation”.

Devise a New Purpose

At Equiniti, there has been a concerted effort to create a new story for the business as it's grown. **Nicky Pattimore**, HR Director at the payments provider, described two attempts at establishing such a narrative: "We devised a new purpose for the organisation to bring the different elements together.

"HR focused on internal engagement, and marketing concentrated on communicating to external stakeholders; it was quite a powerful message in terms of being a more solutions-based business.”

However, **Nicky** explained that the leadership at the time didn't give the >



support that was required. “In 2014 the business underwent refinancing,” she continued. “After that, the leadership team were reviewed and this resulted in about 70 per cent of the top 40 leadership roles being changed. That was a catalyst for transformation.

“The new team that came in was aligned and we created a clear purpose that was supported by the business’ strategy.”

Don't Just Pay Lip Service to Succession

Current frameworks for top-level succession planning tend to be inadequate at best, especially when it comes to the chief executive role.

Simon Laffin, Chairman of airline parent company Flybe Group, said: “Succession planning for the CEO is difficult. For one, corporate governance puts pressure on boards to look externally, at least to benchmark.

“I have seen as many issues through external candidates being appointed as I have internal ones promoted.”

According to **Matthew**, boards often assume that the answer to CEO succession lies externally, rather than internally: “There tends to be a view that the external person is bright and shiny and will solve all of the problems within an organisation.”

It remains a difficult area for HRDs and boards. In many instances, an organisation’s appetite for succession planning at the top level depends on the CEO’s attitude and openness to discussions about tenure.

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“Most organisations pay lip service to succession,” **Matthew** warned. “From the point of view of the board, they need to be strong in dealing with succession – sooner or later it will be an issue they have to confront.”

Put the Business First

If a HRD is to behave as a true business partner to the CEO and other senior executives, they need to speak the language of the board.

Simon urged HRDs “to put the business first” when talking with executive and non-executive directors. “If you’re describing people development, that means describing it in the context of the business need,” he explained.

He added that it was important for HRDs to bear in mind that boards, out of necessity, tended to be task-oriented. “There is a lot of time pressure at a board meeting and it’s not often a place for much emotional intelligence,” he said.

“I would suggest a HRD tries to talk to directors in advance, particularly the remco chair who is often, in effect, the non-executive HRD.

“Also speak to people afterwards and get feedback, not so much on how they thought you did in a board presentation but how they think you should move forwards.”

At the same time, HRDs shouldn’t be overly deferential. “One of the problems is that CEOs don’t always recognise the importance of the HRD,” said **Matthew**.

“Allied to that, I’m not sure HRDs always understand the power they have, or that they’re unwilling to wield it. After all, it’s easy to forget that they have the ability to fire the CEO.” ■

Featuring Commentary From:



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