



The Global HRD

Criticleye's first Human Resources Director Retreat, in association with EY and Warren Partners, found that addressing business issues around global culture, performance and organisational design calls for a new breed of HRD

In Association with



The HR Director maintains the rhythm of a company, ensuring that the way business is done remains consistent regardless of geography. This requires strong leadership and a commitment to values which employees, customers and suppliers buy into. Within this, a HRD must have the courage to both challenge the CEO and the board over decisions which aren't in tune with the long-term interests of the organisation.

These are just some of the out-takes from our Human Resources Director Retreat 2014, held in association with Big Four firm, EY, and executive search firm, Warren Partners. Over the course of 24-hours, our Members discussed the major issues facing the profession, looking at global culture, performance, organisational design and the pressing need for HR Directors to see themselves as leaders.

Doug Baillie, Chief HR Officer for consumer goods company Unilever, said: "When I came into this role three years ago, the first thing I did was to get key senior business leaders into a room together and ask them what they expect from HR.

"From this, the choice that came to me was clear: do we, as HRDs, want to be the ones laying the road for the journey ahead or are we content to fill in the ▶



cracks as someone else lays out the path? Actually, I don't differentiate between a HR Director and a business leader."

Steve Varley, Chairman and Managing Partner for UK&I at EY, said: "A key benefit of the HR Director is to help leaders understand the link between the inputs and outputs of an organisation. Effective ones do two things: they understand the business model – how the business makes money – and, secondly, they work hard to build relationships with the CEO and the board."

“I don't differentiate between a HR Director and a business leader”

"If you want to have big change, you need big relationships. In reality, it's often the people and the talent agenda that is much harder to tackle than the numbers."

Stephen Catling, CEO of food manufacturer ABF Ingredients, said: "Strategy is a cascading series of choices and I've always believed that

HRDs need to be at the table with me... Organisations need to make better use of the HR Director at the 'where to play' point, especially where there are people implications. If they are brought in only at the implementation stage, then that is too late in my book."

HIGH IDEALS VS BUSINESS REALITIES

During the course of the HRD Retreat it became apparent that companies are grappling with the complexities posed by the notion of a 'global culture'.

Nandani Lynton, Criticaleye Thought Leader and Adjunct Professor of Management at the China Europe International Business School (CEIBS), commented: "A chief requirement for achieving a global culture is ensuring that while core elements are the same across the organisation, it can also adapt to local circumstances. The first step on this journey is deciding what the DNA of the organisation is and what those core elements are that you simply cannot lose."

According to **Lucy Dimes**, Chief Operating Officer for business process services provider Equiniti Group and former UK & Ireland CEO of telecoms concern Alcatel-Lucent, there has to be a "zero tolerance approach to certain non-negotiable standards or ▶

Tweets from HRD Retreat 2014

There is going to be a revolution around performance management. Most current thinking is 20-30 years old.

As a CEO, you want your HRD to be a sparring partner. They can't just be a support function.

Leaders in the future will be great systemic thinkers, where networks and partnerships will be the way to do business.

Organisations need to develop incentive structures that encourage risk management rather than risk avoidance.

HR Directors should try to create a culture in which people can contribute to the agenda.

If you want to influence you have to be credible and have a good reputation.



practices, such as health and safety, compliance and financial processes”.

She explained: “Everyone in the organisation must know that, regardless of local cultural differences, there are codes of conduct or business processes that can’t be flexed at a local level, and they rely on leadership, not just documentation and training, for them to be properly understood and adopted in the mindset of the people.”

Don Schneider, Group Human Resources Director for financial services group Old Mutual, commented: “I don’t see that there’s incremental investment in culture and values anymore, it’s more a discipline of embedding the culture and values in all our management and HR practices.

“HR is about judgement. Where people aren’t living the values, we’ve got to be brave enough to call it out as a problem and address it. HR Directors need to get people in the HR team that have the confidence to make that judgement and take a risk.”

This continues to be – and perhaps always will be – a work-in-progress for companies in terms of application.

Gary Kildare, Chief HR Officer for Global Technology Services at IBM, commented: “Multinationals

“Where people aren’t living the values, we’ve got to be brave enough to call it out as a problem”

have been encouraged over the past decade to develop a global culture, but those getting it right are very much the exception.

“Increasingly, success depends on whether the values are shared throughout the company, developed at a local level and revisited and discussed on a regular basis.”

Gordon Headley, Chief HR Officer for Tullow Oil, said: “When looking to expand internationally and develop a global culture, organisations need to ensure that they engage early with local communities and develop their skills to ensure that they have the capability to support the organisation going forward.

“You can’t just fly in your own people; you have to invest in the local population... When building

a presence in a new territory, don’t oversell your promises or you might find the operating environment very quickly makes them extremely difficult to deliver.”

SHAPE OF THINGS TO COME

It was widely agreed by attendees that a different mindset to leadership is long overdue. **Charlie Wagstaff**, Managing Director for the Corporate & Public Sector at Criticaleye, suggested that management of people “is one of the last frontiers of the leadership challenge” as companies seek to understand the fundamentals of achieving high performance.

Rudi Kindts, Non-executive Director for technical recruiter Matchtech and former HR Director for British American Tobacco, said: “We don’t know what the future will look like, so I think increasingly the skills required to be a successful leader will be around agility, curiosity, being able to work in teams and having an acute awareness of the environment around them and themselves. What is for certain is that leaders need to build organisations that are able to adapt to the future [and be flexible].”

Ambitious, forward thinking HRDs are expanding their skill-set in order ▶



to make a valuable contribution in such an environment. **Joëlle Warren**, Executive Chairman at executive search firm Warren Partners, said that progressive HRDs “have demonstrated breadth and depth to their background; they are not just functional specialists, but are actually well-rounded business leaders who have contributed strategically and commercially to the business”.

“Leaders need to build organisations that are able to adapt to the future”

Steve commented: “A good HR Director asks the right questions: ‘What’s going on around here?’; ‘Why are we doing this?’ Commonly, they will knock me out of my performance mentality and into thinking about the long-term health and sustainability of the people within the organisation.”

HR can no longer be seen by boards purely as a support function. It is, however, incumbent on those in the profession to step up to the plate

as far too many remain, as it were, missing-in-action. **Daniele Sacco**, Chief Operating Officer for HR at Rio Tinto, said: “We need a back-to-basics approach in HR which means thinking about where we can really add value. Doing talent recruitment and leadership development is a tangible way of showing how we can drive decisions that make a real difference to business results.”

Doug commented: “You’ve got to earn your stripes as a HRD. How you build that relationship will determine whether you’ve earned their respect as well as their trust. Sometimes that means being the lone voice in the boardroom... but it starts with you and it requires a HRD to be courageous.”

In essence, HRDs must be confident in explaining why a more sophisticated and integrated approach to understanding and investing in people is necessary.

After all, it allows for a clear line to be drawn to performance, meaning that global businesses which possess knowledge around core competencies and where the leaders of tomorrow are coming from, will possess real competitive advantage. ■

© Criticaleye 2014

Featuring Commentary From:



Doug Baillie
Chief HR Officer
Unilever



Stephen Catling
CEO
ABF Ingredients



Lucy Dimes
Chief Operating Officer
Equiniti Group



Gordon Headley
Chief HR Officer
Tullow Oil



Gary Kildare
Chief HR Officer
Global Technology Services
IBM



Rudi Kindts
Non-executive Director
Matchtech



Nandani Lynton
Adjunct Professor of
Management
CEIBS



Daniele Sacco
COO, HR
Rio Tinto



Don Schneider
Group HR Director
Old Mutual



Steve Varley
Chairman and UK&I
Managing Partner
EY



Charlie Wagstaff
MD - Corporate & Public
Sector
Criticaleye



Joëlle Warren
Executive Chairman
Warren Partners

Contact the contributors through:
www.criticaleye.net