

Creating Value as an HRD

HRDs, who reach outside their function and take an organisation-wide perspective, play a crucial role in ensuring business success. **Emma Riddell** reports on how HR can best contribute to strategy implementation, decision-making and anticipating external disruption

Long gone are the days when all that HR could aspire to was to run a back-office admin function. Today's HRDs are expected to have a real impact on their organisations, focussing on those activities that add most value and reprioritising those that don't.

To do this, business acumen is a prerequisite, according to **Phillippa Crookes**, Senior Relationship Manager at Criticleye. "Understanding the business model, commercial objectives and how the organisation is actually operating on the ground is essential," she says. "HRDs need to be able to speak the language of business if they are going to contribute to strategic discussions at the top table."

When sitting at that table, it's critical that the HRD takes an organisation-wide perspective. **Beverley Eagle**, HRD at Veolia Water Technologies UK and Northern Europe, says: "My place at the board table isn't just representing my HR function, it's about representing the whole business. I think that's where HR has changed over the years; it's not just about running the people part of it, but being involved in the whole business strategy."

And when it comes to making business decisions, the HRD can also provide a valuable sounding board for the executive team, particularly the CEO. **Beverley** explains: "We help them formulate their ideas, with neutral input or questioning,

in a safe and trusted environment which isn't available elsewhere."

Gary Kildare, Chief HR Officer at IBM Europe, builds on this, characterising a successful HRD as both a "supporter" and "sparring partner" of the CEO and board. "What's most valuable is to be a person who has independence of mind, objectivity, an opinion – to be able to offer a voice and challenge," he says.

Once the strategy is agreed, an HRD should then be able to convert it into an actionable plan that motivates people.

Mike Regnier, CEO of the Yorkshire Building Society, explains: "What you're looking for, in a really good HRD, is >



someone who can take all aspects of the business model and strategy, and help you translate that, via a target operating model and some organisational design principles, into an organisation that's fit for purpose – one that you can build the target culture around.”

He continues: “There are some HRDs that can translate what the business needs into those requirements and some that lean on others, like the CEO, to help them define and execute it. The best ones are more autonomous and can work this out themselves.”

Businesses in general, and HR functions in particular, can come under fire for being too inward-looking, and **Beverley** thinks this is somewhere HR should be adding more value.

“HR has got to be one of the leaders – maybe along with IT – in what’s happening in the outside world, so it is asking questions like: how are changes to skills and technologies going to affect the business? Then we have to become the drivers – not necessarily the doers – in helping the business deal with all these changes.”

Common Mistakes

While there are many ways a good HRD can contribute to organisational success, there are also some common pitfalls to avoid.

There can be the temptation to fix things directly, rather than coaching or mentoring managers to deal with their people issues. **Lewis Doyle**, NED at Sussex Partnership NHS Trust, has seen HR falter when they focus on day-to-day issues and backfill for operational staff.

“HR has got to be one of the leaders... in what’s happening in the outside world”

“HR tend to pick up the things that busy operational managers don’t do, or choose to ignore, such as exit interviews, leaving-paperwork and payroll cut-off. They should provide guidance – for example on long term sickness – but operational managers should be coached and supported rather than having HR deputise for them,” he says.

Lewis also observes that the talent and leadership training HR provides can sometimes lack ambition and fail to consider what an organisation needs to grow. “I’ve often seen – and this is frustrating – instances where the offering from HR is limited by the in-house skills in the HR team, with little, if any, reflection on the strategic picture.”

Another pitfall is providing data to the business, such as on staff turnover and talent gaps, but without any value-adding commentary or suggestions. **Gary** has seen this done more successfully: “The modern HR function is focused on using and monetising data and information to predict what the future should be, and to offer interventions that would make a difference.”

To contribute fully to the success of their businesses, HRDs need to focus their resources, and those of their teams, on where they can add most value. And in order to prioritise this, they need a clear understanding of the business strategy and how they can help deliver it.

Gary sums up such an HR function as one that is, “practical, helpful, progressive and predictive. The leader needs to have strategic ability, business acumen, and also be able to get things done”. ■

Criticaleye’s Human Resources Director Retreat, which is being held in association with Personal Group and Legal & General, will take place on the 22nd to the 23rd of February 2018. You can find out more about the event [here](#) and see the full agenda [here](#).

Featuring Commentary From:



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