



New Models of Performance

The profile of the HRD has risen rapidly over the past year due to the crucial role they have played in business resilience and recovery. With that in mind, Criticaleye community members tell **Emma Carroll** how a flourishing relationship between the HRD and the Board is vital for delivering future growth

The Human Resources Director has a crucial role to play in supporting CEOs and senior executives as they make tough calls over the coming 12 months. It's evident that the pressure on performance is going to increase and there remains a huge amount of uncertainty around models of working within organisations.

Matthew Blagg, CEO of Criticaleye, explained: "Leadership teams came together during the crisis over a shared sense of purpose – that was a high point for alignment. Now we are heading into a new phase that will be about strategic change with a focus on growth."

Speaking at Criticaleye's recent [HRD Forum](#), held in association with [Accenture](#), he added: "Stakeholders will demand a faster pace of delivery, which creates new challenges and fractures are likely to appear."

This test comes at a time when many leadership teams remain unable to meet in person. **Orna NiChionna** is a non-executive on Boards including FTSE 100 fashion house Burberry, where she is also Remuneration Committee Chair. She explained the difficulties of leading remotely: "It's enormously challenging to work virtually as a Board, because you're not building the social capital and you're not picking up on the usual subtleties.

"Board dynamics changed [during the pandemic] and could have fallen apart if you didn't have a very strong Chair and hadn't already invested in understanding each other well. We had done that in the Boards I was on, but that wouldn't be true everywhere."

This challenge is set to intensify as many Boards start to revisit their strategy. "It is much harder to develop strategy virtually, just with written materials and screens," said **Orna**, who is also SID and Chair of the Risk Committee at Saga Plc.

"One difficulty lies in asking the killer question without it sounding too aggressive. With most successful Boards, you are saying supportive things on the one hand, which creates the trust, and perhaps challenging on the other hand. It is difficult to get the balance right and create a genuinely stimulating discussion without body language and the other normal clues that signal your intentions."

The HRD and the Board

A strong relationship between the HRD and the Board can be instrumental in creating and preserving alignment at the top.

Chris Jones, UKI HR Strategy & Consulting Lead for Accenture, referred to the Modern Boards research the organisation carried out in 2020 to understand how top teams are recalibrating in light of recent events: "We found that Boards perform better when they take an increased role and more oversight of workforce >



strategy, and specifically things like the performance of talent attraction, learning and development programmes, I&D [inclusion and diversity], talent retention and wellbeing.”

He cautioned that this change can be difficult to get right, but the benefits are significant: “When the full Board takes on that regular oversight and monitoring of performance, plus the accountability for workforce strategy, then that plays an important part in enabling it to outmanoeuvre the current uncertainty.”

He emphasised the need for clear accountabilities: “It’s absolutely essential that HR develops those initiatives and the workforce strategy, but the execution of that strategy is most effectively owned by the full Board. This is the changing relationship between HRDs and the Board.”

While HR directors will no doubt welcome greater sponsorship of the people aspects of their businesses, there needs to be a boundary between the operational and governance roles of execs and NEDs. **Helen Bradley**, EVP for Group Human Resources at Bureau Veritas, the revenue testing, inspection and certification company, said that misalignment can result from a lack of clarity around roles and responsibilities:

“At the climax of the crisis, it was necessary for Boards to ask for a lot more information in order to better understand what was going on operationally and support the management with tough decisions. Now we are a year further on and uncertainty is part of this new reality. Progressively, we see a return to a natural balance of roles between

“Boards perform better when they take an increased role and more oversight of workforce strategy”

Board and management for the benefit of all stakeholders,” she said.

Helen also highlighted another crucial partnership on the leadership team: “If the relationship between the CFO and the CHRO works well then they are like the left and right hand of the CEO. If Finance and HR aren’t able to work together then misalignment can occur quickly.”

She explained what a good partnership looks like in practice: “I am fortunate to work and collaborate with a great CFO who understands the importance of people in our business. We worked a lot together on getting the balance right between financial performance and the impact on our people. Then we took our proposals to the CEO as a team, before going on to the extended executive committee. That relationship has been extremely important.”

Jamie Wilson, Managing Director for Group Services and leader of the HRD programme at Criticaleye, said, “Open dialogue, trust and strong debate – whether in person or remote

– are all crucial to create alignment at the top of the business. HRDs have a key part to play in helping the business to achieve this.”

But what if things have already drifted irretrievably apart?

“If there is a lack of alignment in the executive team then it is the HRD’s role to engage with the CEO on how to deal with that,” **Matthew** said. “The same goes for a lack of alignment between the CEO and Chair.

“Ultimately, if there is disagreement around strategy at the top of the business then someone will need to leave. Leadership is not a right, and you must have the best person for the current scenario.” ■

For more information or to attend our HRD Forum in September please click [here](#)

Featuring Commentary From:



Matthew Blagg
CEO
Criticaleye



Helen Bradley
EVP
Group Human Resources
Bureau Veritas



Chris Jones
UKI HR Strategy
& Consulting Lead
Accenture



Orna NiChionna
Independent NED
Burberry



Jamie Wilson
Managing Director
Group Services
Criticaleye

Contact the contributors through:
www.criticaleye.com