

HR MOST

INFLUENTIAL 2017

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HR Most Influential
Interviews ebook



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Ashridge Executive Education has been the research partner for *HR* magazine’s HR Most Influential ranking for many years and closely involved in developing the methodology of the rankings.

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Editor’s note

It’s been a huge privilege as *HR* magazine’s new editor to this year oversee our HR Most Influential (HRMI) rankings.

Now in its 12th year, HRMI is designed to identify and celebrate those individuals who contribute to the profession as a whole, challenging people’s thinking and sense of what’s possible, and freely sharing ideas and experiences.

Hearing about what each of the individuals making the practitioner rankings have achieved in their businesses has been inspiring. Even more rewarding in some ways was hearing about all the great work our listed individuals do to share ideas and best practice, and champion the wider profession. If I was ever in doubt about how generous those in HR are with their time, and how passionate about their work...

But I wasn’t the only one lucky enough to hear about, and scrutinise, all of this good work as part of the HRMI process. Each year an expert team of headhunters helps us to determine who should achieve what ranking. I’m delighted to say, thanks to these individuals, that HRMI still represents the go-to ranking of HR director movers and shakers and of course influence.

The process behind our rankings was made even more rigorous last year. Off the back of research by Ashridge Executive Education, and research carried out with a group of HR directors, *HR* magazine devised eight factors of influence, covering not just track record of successful outcomes, but external influence, other responsibilities besides HR, developing others and sharing with the HR community.

These criteria were last and this year forensically applied to a long-list of FTSE 100



and non-FTSE HRDs, to produce our HR Most Influential Sector lists. From these lists the overall top 40 practitioners were chosen based on scores against each of the eight criteria.

It is these criteria that we dive into in depth in the interviews over the following pages. Special

thanks must go to Ashridge Executive Education’s senior research fellow Viki Holton for conducting and compiling these.

HR influence can of course mean slightly different things to different HR directors. So it’s fascinating to gain insight into exactly what achieves impressive bottom-line results at a financial services firm, say, and what at a huge public sector body or local council; and into the work done by each of our 2016 practitioner interviewees, to bring the profession the respect it so deserves in the boardroom and beyond.

All of these five 2016-listed individuals feature at the top of our practitioner list again this year (see hrmagazine.co.uk/hr-most-influential for the full rankings), showing true HR influence isn’t about one year’s worth of good results, or a few appearances on the conference circuit. Real HR influence is about proving time and again just what can be achieved through commercially-, innovation- and ethically-focused people leadership. And I’m delighted to help celebrate and showcase those who do the HR profession proud.

Jenny Roper
Editor
HR magazine

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Sandy Begbie

Interview with Sandy Begbie, global head of people and integration at Standard Life

HR has an enviable track record at Standard Life, both in terms of its contribution across the group and in winning external awards. Creating an HR team capable of winning the respect of any business requires good policies and initiatives, but it's also about hard work, great planning, a clear strategy and an ability to create a vision of exactly how HR adds value across the business. Sandy Begbie is global head of people and integration (previously chief people officer) at Standard Life, and our number one HR Most Influential Practitioner 2016. In this interview he shares insight into creating business impact, along with practical advice about ways HR can make a difference.

HR influence and impact

Asking how much influence HR has within an organisation is generally a good health check on whether HR achieves business impact. Begbie assesses the level of HR influence at Standard Life as nine out of ten.

One factor is the involvement of HR in key places and at different levels. "I would say it's crucial that we're sitting round all the right tables at plc level," says Begbie. "For example, it's my role as chief people officer to work in partnership at the most senior levels with the CEO, the chairman and then also along with the board. I'm involved in board meetings on a regular basis, and also I participate in some of our board level groups such as remuneration. Not every HR director takes such roles in a business, but I think they should as it's an important contribution we can make at that most senior level.

"Succession is another key area in my view," he adds. "We really push the people agenda and talent discussions up to board level here and that helps focus senior attention on the people and HR issues. I also run our joint venture business – Heng An Standard Life – which is based out in China."

Not every HR director will lead a joint venture part of the business. But Begbie says this is part of a jigsaw

that demonstrates where HR is commercial, and where it can create business impact and add value. Every HR director needs to find ways to do this. Indeed finding such opportunities has been a strong theme throughout Begbie's career.

"I've always either stepped outside of HR or taken responsibility for other non-HR issues," he says. "It's been a great help in broadening my own business knowledge and demonstrating how HR is adding value to the rest of the business."

An example is Begbie's role at the Scottish government as a non-executive director and as chair of its remuneration committee – appointments he held for nearly ten years. "I was one of the first people to take on one of these non-executive roles when they were first offered, and it was particularly valuable as it was a non-HR role," comments Begbie. "So, at the age of 37 it provided me with an opportunity to learn about government and in particular about the complexity of resourcing and budgets at government level. It would have been hard for me at that time in my career to gain such valuable experience from within the private sector."

Begbie's willingness to step outside of what is sometimes still quite a rigid perimeter fence around HR careers has included, "taking an MBA, leading IT projects as well as two big transformation programmes... in addition to the joint venture in China." "I think it's really important to push yourself beyond HR-only skills," says Begbie.

When Begbie joined Standard Life it was to lead a major transformation of the group, moving the company and employees from demutualisation

in 2006 where the group had around 2.4million policyholders. (Each year policyholders could attend the annual general meeting and elect the board of directors. In exchange policyholders received company shares.)

"We were changing the culture and mindset of our long service workforce from a group with policy holders over to a very different environment where

“**Part of the reason for the banking crisis was that HR wasn't then the eyes and ears to hear what people thought**”

... *Three* key qualities for effective HRDs ...

1 Judgement – Essentially this is the ability to assess a complicated business situation and provide good, sound advice to the CEO, board or chairman. It’s a skill that often comes from experience or sometimes is acquired by working closely alongside others who have that ability to unpick a problem and pull out what is important. Some people can do this exceptionally well, but some never acquire what it takes in terms of the thinking processes. As Begbie explains: “you need to be able to think through complicated people issues and be able to provide clarity for those involved.” An example at Standard Life is where his judgement was sought first during the transition between CEOs in 2015. “The chairman consulted first with me – which does not always happen in a business – and together we had two or three discussions to help refine both what the business needed and what the process might be so that he could then set this out before the rest of the board, and share this with the current CEO,” says Begbie. “A change of CEO is always a tricky moment as the share price invariably rests on the achievements of the current CEO and so any hint of change ahead of a named successor may upset that balance. And a nervous market usually is bad news as it means a downwards, negative impact on the share price.” As it turned out the process was seamless, as the board, the current CEO, and the successor, who was already within the business, all felt comfortable with what was planned, and more importantly, why the change was needed.

2 The ability to be a business leader – This sounds like a deceptively simple idea and yet it’s a key skill missing from some of the most senior HR CVs. But this business awareness permeates through the HR team at Standard Life. “I spend a lot of time with my immediate team, and the extended HR teams in the business, to regularly discuss and explain what’s going on across the group, looking at key issues,” says Begbie. “I think that’s really important to keep them informed about what’s happening and that helps us as HR ensure we can deliver impact.” Begbie also takes an active role in cascading business information more broadly: “It’s valuable for me when the business results come out to run information sessions for our employees – I think that if you want to be an HR director you must be able to present business results and cascade that information across the business to accountants, actuaries and IT people. In my view it’s not good enough to present only on HR issues.” A key issue is an expectation at some organisations that HR should deal only with ‘pay, recruitment and rations’ and take orders, says Begbie. This invariably creates a negative and self-fulfilling prophecy that limits HR’s business impact.

3 Relationship skills – This is not just about the general connections with people across the rest of the business but, “appreciating the need to balance the needs of key stakeholders,” Begbie says, adding: “Building really strong and deep relationships at senior levels is important.” He spent two and a half years as executive assistant to the Royal Bank of Scotland’s HRD. “This was such a valuable experience,” he says. “I had the opportunity to see how decisions are made at senior level; it showed me just how important influence is at an executive level.” impartiality is also critical and Begbie uses the word “apolitical.” He emphasises how essential personal integrity is. “If you are seen to be driving a personal or a particular agenda then you lose your credibility in the business,” he says. “During succession discussions you have access to many, many confidential views. Your ability to safeguard this confidential information is also something that builds your reputation of behaving with integrity.”



policyholders were replaced with a group with shareholders,” says Begbie. “It was a critical project, as well as being a big cultural change for everyone involved.”

The transformation programme addressed four key areas: customers and brand; performance management and communication; driving talent; and changing the organisational design into a commercial (rather than a mutual) business.

HR and line managers

Begbie says that HR undoubtedly played a contributory role in the banking crisis. The new regulatory framework that has emerged since has necessarily created a very different environment, he says. It is now a place Begbie explains, “where HR professionals must take account of the regulatory framework and be able to challenge others in their business. There can sometimes be tensions between these areas.” Indeed HR across all sectors should be able to challenge the business, he adds. Though this remains a testing area for some in the profession.

“For the past twenty years the HR profession has grappled with how to develop these types of skills but the traditional professional route in HR means that the majority who follow this do become commercially business-aware people,” says Begbie. “It’s no good for an HR person to be technically strong, that’s not enough because then you will have business partners who act merely as order takers and can’t challenge the business. It’s so important to create a different mindset, one where HR can challenge and be an equal as a ‘business partner’.

“Post-2007 means that the role of HR in the banking sector has changed,” he continues. “Now it has additional areas to think about, including governance and oversight, and the way that we are held to account by the regulators.”

This strong regulatory framework for the financial sector now forms a major part of the financial business world. An example of how onerous this can be is at ClearBank, a new clearing bank in the UK, where the company’s submission document to trade was a weighty three kilograms – the equivalent of three bags of sugar.

“These regulatory areas do not always sit well with line managers and there can be a tension on

occasions,” says Begbie. “We do have business facing teams but they must be able to support business alignment as well as keeping a watch to oversee risk, legal issues and plc alignment.” Begbie explains that while “this means we [the HR team at Standard Life] still has a good relationship with line managers, I would expect them to rate HR lower, perhaps as a seven or eight out of ten. If the score is any higher in a company, say a nine out of ten, then it probably means that HR are not fulfilling their role with regard to oversight, that the relationship between line managers and HR is too cosy.”

An important distinction is made at Standard Life between how HR is perceived and the language used to describe its role to others in the group. While HR is a business partner, Begbie and his team are very clear that the rest of the business is not their ‘customer.’

“The idea of engaging and delighting customers is not the right approach for us and so the business is not our customer,” comments Begbie. “Yes of course we do want to engage and act as a business partner, but HR also has this stronger, more critical governance and oversight role. And so it’s important to understand the different types of behaviour likely to be involved in that process.”

Building relationships and staying in touch matters. To business partner, HR must be in tune with what people are thinking and saying across the business. “Being the eyes and ears of the business is such an important role for us in HR,” says Begbie.



Advice to others

Begbie offers the following advice about valuing relationship skills – something he advises those he coaches. “I say: make sure you take people along with you and if you want to go faster, you need to go slower first and build good relationships along the way. Then you will achieve what you want.” Building these means a great network to call on in difficult times, he adds. It’s not about offering and returning favours in a transactional way. But rather building strong relationships that ultimately create stronger connections, supporters and a broader network of people across the business.

A good example from the 1990s is when Begbie was head of training for treasury and capital markets at the Royal Bank of Scotland. “All my colleagues in HR complained that it was difficult to get any time with the people in that business area, it was a real problem,” he says. “I decided to start my day a bit earlier and would catch the 5.50 train. I’d meet up with some of the guys and go into breakfast with them. Our conversations of course were much more general and we were not just talking about HR, but gradually over time I built better relationships. You have to grow yourself into their lives and this I think is an important quality if you want to improve relationships. However, I was the only one who did something different at that time – other HR colleagues who had complained wanted to know ‘how did you do that?’ but didn’t make any similar moves.”

Other advice includes:

- **Get a mentor or coach.** This should be “someone preferably based outside of HR. Having access to a broader set of skills is great and will give you valuable knowledge, a new dimension to what you know and how you influence others around you. I’ve had umpteen different coaches during my career and am still in touch with many. You have to be a bit pushy and get out there and ask people to help you.”
- **Take opportunities.** Look for as many opportunities as you can. These can be either within, or external, to your organisation. “Push yourself hard in order to seek these out as they will give you new experience and different skills that will help you to build your HR career and to achieve business impact with HR,” says Begbie. His own investment in taking an MBA was an opportunity and that also, “taught [him] a good deal of the business language terms that are important.”
- **Look beyond ROI.** While ROI is seen by many in HR as of paramount importance, “proving the value of HR to everyone else in the business,” Begbie caveats that “no other business function pins everything it does on ROI; you don’t see this obsession in any other function...” He also points out that ROI has many limitations, not least that “showing the financial ROI of a training programme is not in my view a useful way of demonstrating impact.”
- **Be clear about what you are trying to achieve.** Begbie says that the acid test of any business (or HR idea) is to apply the following three questions:
 1. Clearly define what the problem is. What’s the commercial impact? Think about the strategic issues rather than personal impact and make sure it can be summarised in as few words as possible.
 2. What are the risks involved?
 3. Is it do-able? Otherwise you risk taking up a problem that is virtually impossible to resolve.

There are formal mechanisms for this, such as employee engagement surveys. But there are many other more informal ways to create a conversation which are often superior, feels Begbie.

“There is a real need in every business to be in tune with what people are saying,” he says. “Part of the reason for the banking crisis was that HR wasn’t then the eyes and ears to hear what people thought on different topics such as remuneration. I also see that collecting and listening to these views means I can be a vehicle to communicate between staff and the board. One of the reasons why the CEO often invites me to attend board meetings is because of the valuable feedback from these staff employee sessions.

.....**HRMI** Eight factors of influence
.....

Eight factors of influence were used for the 2016 judging process of *HR* magazine’s HR Most Influential (HRMI) ranking. Begbie says a few factors stand out. The three most important for him are numbers one, two and eight (see below).

Begbie explains: “I think that taking on additional responsibilities is by far the most important area that helps an HR director to build influence in an organisation... As you move beyond HR expertise you have far greater opportunities to learn, and contribute to, other business areas.”

Number three, internal board involvement, is also relevant Begbie says to the organisation “but is not critical”, while external board involvement he says would be “at the bottom of the list,” together with number five: invitations to get involved in external or government campaigns. This is something that’s far more likely to happen to you later on in your career, once you reach senior level, he says.

Similarly, numbers six and seven are less relevant for Begbie: “While in itself these are a valuable contribution to HR they are not as important to the business,” he says. However, Begbie created an HR career framework when he was HR director at Scottish Power (from 2000 to 2007), something that had not previously existed. More recently, over the last two years, he has been coaching a number of career journeys for younger HR professionals. He has also been involved with Scottish government initiatives not least as chair of the new Regional Developing Young Workforce group set up to tackle Edinburgh and Lothian youth unemployment.

HR practitioner *eight factors of influence*

- 1. Delivering significant outcomes in their own business
- 2. A track record of successful outcomes
- 3. Internal board involvement
- 4. External board involvement
- 5. External influence e.g. government department bodies, Engage for Success, Business in the Community campaigns
- 6. Influencing the wider HR profession
- 7. Developing others in the HR function – within and beyond their organisation
- 8. Depth and breadth of experience e.g. responsibility for other areas beyond HR

“All of our directors get involved in these meetings, I’m not the only one, but I try to do more. Often I simply invite 20 or so people to come along for coffee. It’s always an open meeting and I’ll start with what’s going on in the group, an update for everyone’s interest, and then it will just be a chat about general themes, whatever the issues might be, and then it will be about whatever people want to discuss and comment on.”

These sessions were particularly helpful leading up to significant changes made to the company’s defined benefit pension scheme. “Although the DB pension had been closed for some time to newer staff, closing the scheme for all of our staff, for a long-service group, was initially controversial,” he explains. “The company reasons were clearly stated, not least the fact that the group wanted to align our own pension scheme with the way we advised professionally to other employers. But still it was hard for many people to accept the changes. We also needed to get everybody on board as every member of staff had to individually sign and agree the new scheme. In the end almost everyone did but giving people that space to discuss the changes and letting them vent about how they felt did help a lot. There were some strong views.”

“ You don’t get into the room only because of HR skills and knowledge, that’s taken for granted by others ”

Clearly, it was an emotive issue and the discussion groups helped provide a safe place for people to talk frankly. It was a brave decision too, as often companies will deliberately avoid such difficult topics, says Begbie. But his experience proves that it’s far better to open up an honest, ‘adult to adult’ dialogue between employer and employees, so that emotive issues are not closed down. It’s a situation which needs a good partnership between HR and senior executives to jointly run such discussions.

Public versus private sector

What, then, are the key qualities, skills and attributes that HR directors need in order to deliver business impact? While this is the underlying bedrock, it certainly has to go beyond HR technical expertise, says Begbie.

“The technical ability of any HR director is a given,” he says. “You don’t get into the room only because of HR skills and knowledge, that’s taken for granted by those around you. The critical competencies that will make a difference to your reputation – and how likely you are to deliver business impact – include what I call ‘judgement’, being a business leader and thirdly, your relationship skills.” (See box page six.) All of these Begbie says can



either add to, or detract from, someone’s brand and reputation.

Regarding the differences between public and private sector HR, Begbie says that “the public sector ethos is fundamentally different.

“People often work there for the value of what they are doing for society – it’s certainly not for the level of rewards they receive,” he says. “I think that years ago before working closely with the Scottish government I’d have been one of the first to say the public sector simply needed to be more commercial. But it’s not that simple. It’s a complicated environment, far more complex than in the private sector, dealing with what can be difficult employment legislation rules and regulations. So I take my hat off to HR directors who operate in the public sector.”

Being self-aware and taking constructive criticism on board has been key for Begbie. He shares the comments of a previous boss who bluntly told him that although he looked from the front like a smooth cruise ship, behind him was a trail of debris. It was good direct advice that highlighted that it’s not only what you do but how you do it that matters.

Key to the success of any HR team is undoubtedly the ability to be more business-like. Not only to speak the same language – using less HR jargon – as the rest of the business, but to be fully integrated into the commercial mindset that every organisation needs. There is no doubt that Begbie’s own values and skills fit perfectly into such an environment, and he is clear that a business mindset is critical for any HR director who wants to achieve impact.

Begbie has that valuable ability (and willingness) to try to view the function as others elsewhere in the group do. This reality check means that an HR director is open to hearing the bad as well as good news, he says. Asking key questions such as: ‘what do



line managers say about us?’ and ‘is HR helping or hindering the business?’ often creates a more nuanced, balanced view of HR’s contribution and shortcomings, he says.

Begbie’s own shrewdness and clarity of thinking about what HR can, and must, do for the business has created a great environment for his team across the group. They understand the value of being responsive, innovative, reliable, flexible and focused on delivering what the business needs; all of which is a great recipe if HR wants to demonstrate business impact. But Begbie is also leading opinions in terms of key people issues – which is exactly what a business should be able to depend on. His own reputation as a valued advisor and counsellor at the most senior level of the group also contributes to the business impact that HR has. **HR**



CV

Education
MBA,
The University of
Edinburgh

**August 2017
– present**

Global head of
people &
organisation
integration
Standard Life

2010 – present

Chief people
officer
Standard Life

2007 – 2010

HR director
Aegon UK

2000 – 2007

HR director
Scottish Power

1983 – 2000

Various roles,
including in
reward, training
and leadership
RBS

Valerie Hughes-D'Aeth

Interview with Valerie Hughes-D'Aeth, group HR Director at the BBC

Most of us have grown up with the BBC—whether the *Magic Roundabout*, the *Sky at Night*, *The Archers*, *Doctor Who*, *Strictly Come Dancing* or *Question Time*. But while the experience of radio listeners and television viewers is pretty much the same as ever—apart from of course the advent of iPlayer and downloads—there have been significant changes behind the scenes to ensure the BBC delivers the very best content and services while providing value for money for licence fee payers.

Alongside this, the corporation has begun a new 11-year Royal Charter (from the start of 2017) which sets out its mission and public purposes. It included a change to its governance, with a new BBC board replacing the BBC Trust, and Ofcom taking on external regulation for the first time. Valerie Hughes-D'Aeth joined the BBC as group HR director in August 2014 and is also a member of the executive committee.

In terms of delivering HR business impact her role is, in some respects, deceptively simple.

The starting point is always: “What does HR need to deliver in order to help the BBC be successful, or to be more successful and more efficiently run.” But other aspects have added complications, such as the recent restructuring and reduction of senior management roles and transforming the HR function.

HR business impact in the BBC

To understand the reasons why HR needs to achieve business impact in the BBC, it's important Hughes-D'Aeth says, to first appreciate the big picture: what is the BBC trying to achieve and how can HR create a working environment that enables 19,000 people to be innovative and able to perform at their best? HR has four key strategic priorities. First, to work with

the business to provide simple, efficient and effective organisation design models. Then: attracting, developing and retaining the most talented people. Providing an engaging culture—a great place to work—comes next. Finally it's: ensuring HR systems and services are effective and easy to use. Fortunately, it's the kind of challenge that Hughes-D'Aeth enjoys. Not every HR director would feel ‘at home’ with the scale and scope of what needs to be done. It's a long list and a complex one which includes restructuring divisions, simplifying processes, improving culture and engagement and implementing changes across the HR department.

One example of the scale of changes is that, “the licence fee has flat-lined over the last 20 years while other costs have increased. We support four times more TV channels than before so have to keep looking for ways to do more for less,” says Hughes-D'Aeth. She describes the level of influence and impact that HR has in the BBC as nine out of ten. “HR is an integral part of the success of any

organisation, but particularly one like the BBC where creativity and innovation in our services and content is all about the individuals we employ,” she says. “We need really great people who feel they are working in an environment where they can do the very best work of their lives.”

Key is a good relationship between Hughes-D'Aeth and the executive team, which meets weekly. There is also a good, solid partnership with director general Tony Hall who joined the BBC four years ago from the Royal Opera House.

“The relationship between the HR director and CEO in any organisation is always critical because if it is not open and honest then not much can happen,” says Hughes-D'Aeth. “The HR director is often in a privileged space as a confidante of the

“**What we do can make a difference and I think all of us in HR are incredibly fortunate to have such an opportunity**”



CEO and sometimes the chairman.” She explains that in some organisations “you may be the only person who they [the CEO] can talk to in complete confidence. Other colleagues around the executive table may be vying for the top job, but with no hidden agenda and no aspiration for this, you can provide valuable advice in an objective, independent way.”

The proof of the pudding

One issue that often clouds the issue of business impact is the difficulty of being able to prove how, where and when HR adds value. At the BBC however the results have been crystal clear and Hughes D’Aeth describes two major initiatives where such evidence is relatively straightforward. The lesson here perhaps for other HR directors is to ensure that such measures are established early on.

The first initiative relates to simplifying the BBC and improving the working culture. Hughes-D’Aeth is pleased with the BBC’s high levels of engagement which have increased over the last three years and are now at 69% compared to the Ipsos-MORI average benchmark of 60%. Even better is the fact that 93% of staff say they are proud to work for the BBC.

In some respects, Hughes-D’Aeth says, her job has been made easier simply because of the scale of cost-savings and restructuring that the BBC has needed to make. All professional support roles for example have been migrated to centralised teams where best practice can be better shared – in the past they had tended to be split across the different divisions with little coordination. This has meant “real economies of scale and saving.”

“We now spend 94% of our controllable budget on providing great content and services for our audiences,” says Hughes-D’Aeth. “We have done this



by controlling costs and limiting spending on back office support areas with each having to prove value for money in the services they provide.”

Delaying across the organisation has also been a major task – taking everything back to a maximum of seven layers of staff from the very top to the bottom of the organisation, as well as cutting 1,000 posts and reducing the number of senior managers by almost half. All these metrics are assiduously tracked.

Another large project has been the target to move 50% of staff outside of London: “If you think about the BBC, we’re here to serve all audiences in the UK so there has been a focus on moving roles whenever we can to other parts of the UK, says Hughes-D’Aeth. “We’ve moved teams to Salford and we’ve also moved most of our own HR team to Birmingham over the past couple of years. It has been a key part of the organisational change.”

Transforming the HR team

HR has also been restructured. Feeding into the wider ambition to reduce overall costs, Hughes-D’Aeth was given a target of reducing HR costs by 20% – something which she’s exceeded by a further 10%. It was a “massive change”, deciding on a case by case basis whether different HR services should be outsourced or brought back in-house. In the last two years 60% of the HR team are new hires mostly in Birmingham in the new in-house HR service centre and specialist teams. At the start of this journey Hughes D’Aeth hadn’t envisaged building a large in-house team, but “it was absolutely the right decision to make,” she says.

Hughes-D’Aeth emphasises the importance in such a major review process of not making any assumptions. For each area the team took “a clean sheet of paper and considered not just how to make savings in the HR function but for each question, or function, standing back to ask: what are we trying to achieve for the business? And how best can we deliver that?”

Hughes-D’Aeth says: “The HR transformation has been a very challenging journey to lead, at the same time as supporting the wider organisation changes. Brave decisions had to be made.” Returning to the difficult in-house versus outsourcing debate, she

explains that, “we decided for example to outsource manager advice and guidance which is not at all what I would have expected to do.” Many people were sceptical at first but the new service has been well received by managers.

Restructuring HR has proved a case study in successful change management – where managing major change is best achieved by simply breaking it down into small “step-by-step” processes. This was the advice Hughes-D’Aeth received early on when she joined the BBC and it’s served her well. “We all know that people don’t necessarily like change and I think that’s why it’s so important to keep clear on ‘where are we going?’ ‘Why?’” she says. “The more you can clearly show people this, the better it is. And there’s always a need to keep repeating the message and communicating with staff about why, as well as how.”

Managing change well

Over the years many journal articles and books have been written about change. But many still find it exceedingly hard to do. It’s not just the gap between theory and practice – which does create problems – nor the fact that the ratio between senior support and success is neither a simple nor straightforward process. Any sign of a divide among those on the senior team will impact across the business.

So what approaches or structures have made it easier and simpler for people in the BBC to get on board with change? Hughes-D’Aeth’s answer is not perhaps what would be expected. She’s less concerned about setting out policy detail, and much more focused on the need to demonstrate a clear vision. For Hughes-D’Aeth it’s having a ‘burning platform’ that people can understand that helps people to see that standing still is not an option; something has to change. The role of HR she says is one of “persuading” people. “You have to be passionate with a clear vision if you want to get people behind the changes that are needed.

“You will always get resistance and often people feel unwilling to join in with a big programme of change, but if you break it down step-by-step then it seems far more manageable,” she adds.

One aspect that helps an HRD deliver business



impact and, crucially, see why this matters, comes from what’s learn in earlier career stages. Hughes-D’Aeth is clear that her own broad background – gained across different industry sectors and working in international roles in the Netherlands, France, India and the US, and with large numbers of staff – has all widened her outlook. Dealing with mergers and acquisitions has been great experience and a series of jobs that offered a good solid background of detailed HR expertise has also helped her, and means she is comfortable in dealing with the complexity of her current role.

There is a view that HR directors do not necessarily need to know the detail of HR policy and practices. But this is a mistake in Hughes-D’Aeth’s experience because, she says, there will always be times when you need granular detail just as much as the strategic overview. “You have to know as HR director when you need to dive down and get into the detail of a particular area; it’s also important that your team know you can get into this level of detail if needed,” she says.

If you can’t do this, then you are working at a disadvantage and can only rely on what others tell you, says Hughes-D’Aeth: “So, get experience in as many HR areas as you possibly can. Reward for example will be a very big part of a director’s role”.

There’s also the need for HR directors to make brave decisions, to step into the frame rather than step away from controversy and difficult conversations. Taking on the HR role at the BBC after the previous director was held to account and criticised by a Parliamentary Select Committee, and taking on the challenge of reinstating HR’s reputation at the organisation, was certainly a brave move.

The past few years have certainly been exciting, challenging and most of all Hughes-D’Aeth says, rewarding. She loves the job and relishes the chance to ‘make a difference’. Integrity, honesty and thorough hard work are part of what makes Hughes-D’Aeth tick. “You should ask yourself every week if you have brought value to your organisation,” she says. “What we do can make a difference and I think all of us in HR are incredibly fortunate to have such an opportunity.” **HR**



Advice to others

1
Understand the business context in which you’re working.
“You come to the table as a member of the executive first and foremost and as the HR director second.”

2
Look outside the company.
“I wish I’d looked outside of my own organisation more often in my earlier years, to network and learn about great practices. I had three young children and worked part-time for a number of years so my focus was purely internal. But with hindsight, I’ve realised the benefit you can get from so many great ideas.”

3
Look for, and use, toolkits.
As she didn’t come from a consultancy background, Hughes-D’Aeth’s HR knowledge was built up through the role itself. “I tended to arrive at solutions pragmatically, thinking what is the right thing to do, but sometimes it would have been more helpful to have a bit of a toolkit or methodology,” she says. “It would have been helpful for structure.”

..... **HRMI** Eight factors of influence

Of the eight factors of influence that are used in judging the HR Most Influential (HRMI) ranking (see full list p9), Hughes-D’Aeth says that the most important are, coincidentally, those at the top of the list:

1. Significant outcomes in their own business
2. Track record of successful outcomes

“You can’t be credible without a track record of success which in turn is linked in with numbers three and four, because if you can’t work with your board you can’t deliver outcomes,” she says.

Next come numbers six and seven: external board involvement and external influence. “As a profession, we have struggled with our credibility over the years,” says Hughes-D’Aeth. “There are some fantastic examples of great HR, but there are still some organisations where there is a way to go before HR is seen to be a real business partner and not just the department that administers payroll and contracts. HR is much more complex than that. I do personally feel the responsibility to do my bit with mentoring and speaking out for the profession.”

Jacky Simmonds

Interview with Jacky Simmonds, group director, people at easyJet

When easyJet began in 1995 with its promise of low cost flights, few people could have predicted how fast it would grow. The first operations were modest, travelling north from Luton to Glasgow and to Edinburgh. Now there is a fleet of 272 planes operating over 700 routes in 30 countries, with a workforce of 11,387. Since March 2013, the company has also been listed among the FTSE 100. In 2016 easyJet carried 73,137,826 passengers, up from 5,600,000 in 2000. But while it is a story of growth, the airline business also presents tough challenges. The industry is affected by many exogenous factors like air traffic control strikes, geopolitical issues and currency fluctuations.

Jacky Simmonds joined the airline early in 2016 as group director, people and leads an HR team of 90. Her previous role – as group HR director at TUI Group – was obviously ideal. One of Simmonds' priorities when she joined was to review HR to ensure it was aligned to the business strategy. Her starting point was: "what is the business strategy? And once this is clearly stated then what will we in HR do to help the business?"

"Sometimes it's about providing solutions or interventions, other times it will be HR advice and support for line managers that's important," she explains. "We are a very people intensive business with staff employed in eight European countries. Apart from our unrivalled European network, what sets us apart from other airlines is if we can get the right people with the right attitude. Recruiting the right people and engagement are critical for us and some of these areas – such as turnover rates and cost of recruitment – are easy metrics we use to measure the impact of HR. Other 'softer' measures though are more complex, for example intangible issues such as culture and values are hard to measure.

Another is the impact of management development programmes. While you know that the programmes do add value it's a complex area with many different factors in the mix."

Coincidentally, those early discussions included future planning, including for the possibility of Brexit. But she explains that "at the time for the HR team this was seen as something extra in the mix that would create uncertainty. Like everyone else at that time we thought the chances of this happening seemed remote."

Levels of HR influence at easyJet

Simmonds explains that HR at easyJet exerts a high level of influence and impact. "I would say it's probably around nine out of 10, and the same would be true for the links between HR and managers," she says. "There is a strong relationship with line managers who rely a good deal on HR for advice and support. We're in a complex business not only in terms of operations and people who are employed and based in different countries, but for other reasons as well. We also have geographical differences to consider and are operating in a unionised environment. We often talk here across the business about HR being a 'business partner.' I think that everything we do has to be about helping easyJet to deliver, being more effective and efficient."

The relationship between HR and the senior executive team is also first-class. "There is a really close relationship with the CFO and with Carolyn McCall our CEO, who understands exactly what HR can contribute to the business. I think this is really important and when a CEO gets this about the value of HR, then they really do 'get it.' We're fortunate in the way Carolyn has re-focused the business to emphasise the value of providing high

“**You have to think of yourself first and foremost as a business person who happens also to be an HR director**”

RAPID decision making

R is to **recommend** an action or decision
A is to **agree** once a decision has been made
P is who is accountable for **performing** once the decision has made
I is for **input** and
D is identifying who the **decision maker** is.

Making these elements clearer has helped with team performance. “We also encouraged each team to identify their ‘Top 10’ RAPIDs which has been a useful way to help people identify what the tricky issues are for their team,” says Simmonds.

levels of customer service. At the same time, she has always been very clear about the need to make all the ‘people’ dimensions much more important. She’s definitely a ‘people’ person who works closely with the operations side of the business. At the end of a flight for example she’s there with the crew helping to turn around the plane, collecting up rubbish and clearing the cabin.”

One example of that people dimension are the annual easyJet Spirit Awards. Each month individuals are nominated for outstanding customer service, followed by different rounds of awards, with a special celebration and annual awards event, with plenty of razzamatazz, hosted by the CEO and other senior executives. Simmonds observes that the awards are high profile across the company. “People across the business who are nominated do feel special and they enjoy being recognised. All their colleagues will get to hear about the award and so it counts quite a lot in terms of motivation and morale.”

Arriving in the business 18 months ago, Simmonds made a few changes to the HR team. “It had been organised in the traditional Ulrich model but I realigned roles slightly to help us to deliver more impact,” she says. Organisation development for example was a new area. Improving digital and technical skills and the whole area of resourcing crew and pilot availability across the different countries, were quickly identified as key areas. “Getting these two areas right and making sure we were as good as we possibly could be has helped improve our efficiency levels.”

But it wasn’t just about imposing new policies and procedures. This was part of the ‘Next Generation easyJet’ programme which is reviewing the working environment. “With the help of some external consultants and in consultation with unions as well as surveying staff and holding focus groups with crew members, we asked staff to tell us what was good about what we did – what should we keep – but also what wasn’t working, what needed to change,” says Simmonds. “I do think this type of information



is really powerful when you share it back with others in the business – it’s like holding up a mirror – and I think that it’s very hard for people to argue against a message that’s coming through loud and clear from lots of your staff. We did hear plenty about what was working well but it also helped highlight problem areas. One of the issues highlighted for change was that because of our collaborative, co-operative working environment people felt decision making could be slow and so working on this is helping to improve efficiency.”

One obvious challenge was central decision making in Luton. The HR team identified different roles in the process and used the model of RAPID decision-making, developed by Bain & Company, to make things more efficient.

The key to this model is that people can clearly understand, and therefore talk about, the various different key roles that are involved in decision-making. Explicitly talking about these means that everyone becomes clearer about where there’s a block or barrier. The framework – briefly outlined to the left – has been a powerful tool in focusing everyone on how to make decisions faster and more effectively.

Getting people to understand any new framework or model can be challenging, however, never mind getting them to use it on a daily basis. So it’s understandable that one of Simmonds’ recent highlights was a conversation overheard among a group of staff which showed they’d fully adopted the model’s language and way of working. (The colleagues were asking: ‘well, who has got the D on this?’)

HR as a business partner

Simmonds designed the HR team framework so that HR would become more influential. “I wanted HR to be a strategic partner, to help easyJet as a business to deliver. It’s not something that’s necessarily so difficult to do but it is important for the HR director to be commercially aware,” she says. Establishing and maintaining links at the most senior levels – between the HR director, the CEO and the CFO– is also an essential part of the recipe for HR impact.

Simmonds explains that it is financial and commercial awareness that helps HR to appreciate the big picture of business costs. In other words, having a strong commercial awareness means that, “you are financially aware of what for example an HR initiative might cost to the business – what resources will be involved – and so you need to get the CFO on board. In other companies where I’ve worked it might be about getting divisional managing directors on board but essentially it’s about building close ties between HR, finance and senior line managers.

“You have to think of yourself first and foremost as a business person who happens also to be an HR director. The business part always should come first in my view,” adds Simmonds.

.....**HRMI**Eight factors of influence.....

Of the eight factors of influence that are used in judging the HR Most Influential (HRMI) ranking (see full list p9), Simmonds says the most important centre around ‘outcomes’, so numbers one to four:

1. Significant outcomes in their own business
2. Track record of successful outcomes
3. Internal board involvement
4. External board involvement

“Achieving significant outcomes in the business is quite important I would say – you can’t achieve anything if you don’t do this and you must have board level involvement as well. Working closely with the senior team is important – but also having a track record of achievements is quite high on the list of what helps to make HR influential,” says Simmonds. What happens at board level is a key indicator: “Whether the board listen to you is a major factor in assessing whether or not HR is influential in a business.”

This approach will ensure HR isn’t in a silo at the periphery of the business. A great example of how to get HR at the heart of an organisation is the ‘Next Generation easyJet’ programme.

‘Next Generation easyJet’

Simmonds explains that one of the key ways HR can be at the heart of any business is by taking a lead on issues that will be important in the future. The Next Generation programme asks: What’s on the horizon for the business? Where do we need to improve the ways we work or our skills and behaviours? And what are the key skills, or policies or issues, that need to be addressed? One focus of the programme has been about ways of working looking at: “How do we as leaders need to change? And how do we engage line managers in that process? How do we develop the skills of our line managers?”

“There’s a lot in that about helping managers to identify and model the behaviours and attitudes which will help their teams be more effective,” says Simmonds. “We also spent a lot of time providing tools to help managers, such as the decision-making model, and getting them to talk about ‘micro-battles’ where a team can identify small but important ways to tackle problems. It’s been really helpful. Other questions we wanted to address included how do head office roles work to help everyone across our business to deliver great customer service?”

A key part of assessing the current business environment in easyJet came from the extensive staff survey mentioned earlier. The survey results highlighted four key areas: Customer service and operational excellence; Data and digital skills; Strategy and network; and Cost.

As Simmonds explains: “Once we had identified this list of four key ‘spikes’ as we called them, it was about setting out detailed action plans for each area. Our senior management team were on board and

clear about the principles as well as understanding all the practical implications of what we were aiming to achieve with the programme. Getting people for example to understand that this was not just an HR project but was all encompassing and would improve all our different business areas.”

Making that distinction of a programme that is ‘not just an HR project’ highlights how valuable it is to be clear on how to ‘brand’ such a programme. Backing by the CEO and the senior team is also clearly essential.

Now, six months into the programme it’s evident that a great communications strategy has also played a role in helping to demonstrate the benefits. The strategy has been to create an engaging and active (rather than passive) approach with communications. “Every company needs a forward looking focus to identify what future challenges are on the horizon for their business, and needs to look at how to improve ways of working,” says Simmonds.

All in all, it’s been a busy time and Simmonds’ achievements have been both high profile and delivered business impact. “Everything should be about a focus on the business; what do we need to achieve and how exactly can HR help in that process?” she comments.

But is it harder for HR to deliver impact in the public as opposed to the private sector? Simmonds’ view is that while the levers involved may differ, the issues HR must focus on are essentially the same: it’s about “how to help the business move forward to be more efficient and effective.” There are, says Simmonds, key differences between a national business as opposed to a multinational. The scope of operations, managing an international workforce and working across different counties where legal and union frameworks differ, inevitably creates greater complexity for HR. **HR**

Advice to others

1
Keep close to the business. A breadth of business knowledge is critical. “Understand your business really well and how to apply that thinking around people issues,” says Simmonds. “For instance, you can’t achieve success without the right people so you want to create an atmosphere where you listen and understand people; where people are really engaged with what they are doing. Making life easier for your staff – as opposed to putting more burdens on them – is a key way that HR can help.” A related issue is avoiding HR jargon: “I will always pick up on people in my team if I hear this and say we need to use words that managers, that everyone across the business, will understand.”

2
Beware of following HR fads and fashions. “It’s less about going with the latest HR fad and more about keeping your focus on what the business needs are. If you keep that principle in mind, then I don’t think the role of an HR director is particularly difficult.”

3
Keep HR simple. “There’s always a danger, or sometimes it’s a temptation, to over-engineer things. Be careful that you don’t fall into that trap; it’s far better to keep HR simple.”

Gillian Quinton

Interview with Gillian Quinton, executive director, resources,
Buckinghamshire County Council

Running a county council is a vast undertaking. It covers key areas such as children's social care, transport and planning, schools and libraries, street lighting, as well as more prosaic issues such as disposal of the rubbish- all essential parts of modern living. There are other requirements on top of this from time to time too, such as organising the staff and polling stations needed for local elections.

And the past few years have been anything but settled for those working in the public sector. National austerity has meant severe cuts to local (and national) government. In Buckinghamshire it has meant a 50% cut in the resources available to the council, and the same reduction for staffing levels. Dealing with this has been challenging and not an easy environment for the council or for the HR team, led by Gillian Quinton.

Quinton is executive director (resources) and a member of the senior executive team of the council. In addition to HR she also leads legal, customer services, IT, property, finance and business continuity. This role has given her a broad perspective of the changes that have occurred in recent years. The scale of the challenges the council has dealt with have required new models of working, and it seems certain that the cuts are likely to continue into the future. While 'doing more with less' is never easy or simple, some of the changes introduced have meant different ways of working for staff, as well as transforming HR policy, practice and delivery.

HR influence and HR as force multipliers

Quinton says that the level of influence HR has across the council is somewhere around an eight out of ten. "We have managed to keep quite a strong

presence in HR across the organisation despite the changes in staffing levels and the fact that as a council we have less resources," she says. "People do see it as an enabling service that is focused on helping others to do their job well."

Quinton describes this model of HR as a 'force multiplier'. "By this I mean that for every £1 we invest in HR then that's an investment in the bottom line; putting this investment into HR means we can create a strong support structure for managers and staff alike. Everyone here can therefore see a strong alignment between financial issues and the value of HR," she says. This model also applies to the other support services such as finance, IT, customer contact, property and legal.

Another factor in this high level of HR influence is what happens at the most senior levels of the council. Quinton describes a very supportive environment. "As a member of the executive team I can be influential and that's really helpful, but also I believe it's a lot to do with the type of senior team

we have here," she says. "It is collegiate and a very collaborative culture and makes us different to some senior teams in the public sector. You can always count on the support of other directors and the most likely question between us during our meetings is 'how can we support each other?'"

It is very much a model of shared responsibility: "There is no room for personal ego here – we can't tolerate that – and so when we are making senior level appointments we take a good deal of care to ensure that the people who join understand the value of collaboration and cooperation between different departments and among their colleagues. We want people to work corporately and so focus on the leadership behaviours that will help to build a good team."

“We have managed to keep quite a strong presence in HR across the organisation despite the changes”





managers. My mantra is let's make it easy and as simple as possible for managers.”

These important changes have come as part of a wider review looking for ways that can help deliver a step change for the council. One part of this wide-ranging initiative has been removing compression in decision-making, aimed at improving effectiveness and at stopping managers at different levels simply duplicating decisions that someone above, or below, their level is also taking. A related project is redesigning the role of the manager so they focus solely on managing rather than delivering on numerous other KPIs as well, which means these managers can then run larger teams. It's early days but it seems to be making a big difference, creating more efficiency across the council and helping deliver significant cost-savings.

This will help ensure the council is future-proofed when more cuts are made to local government spending. “If you don't think ahead all the time and just salami slice the budget all the time then this will not be sufficient,” says Quinton.

“
We don't follow fashions here and we are definitely bucking the trend compared to other councils
”

The public versus the private sector

The difference between working in the public sector compared with a private sector environment is often discussed. Quinton's view from her own experience also having worked in retail is that “the two are not that different despite the perceptions out there that – certainly in the public sector there is less resource to play with and we also have a different working environment as we are working closely with our local councillors.” Understanding the political aspect is something that Quinton says is often hard in the early days when people join from the private sector. “But essentially there is the same legislation in both sectors and so I do think that the difference is overstated,” says Quinton. **HR**

Advice to others

1 Evidence-based HR.

Using business intelligence to understand trends and accessing predictive analysis is extremely valuable, says Quinton. “Looking back, I would definitely put a stronger emphasis on evidence-based HR as it has so much value. We're currently using this to look at sickness absence and finding it really useful as a tool to predict when people may be susceptible to being off sick.”

2 Measure impact and ROI.

Both of these help demonstrate the impact of HR. “If you can prove something in figures then this is so much better for others to understand it. Intuitively I may believe that something is worthwhile, but having that supporting data really builds the case to everyone else.”

3 Focus on the top three issues.

“Often it's important to have a scattergun approach, you'll need to keep lots of things going in HR. But I also have learnt over the years there is considerable value in keeping yourself focused by selecting the top three issues that are most important. This helps you and the team as well to focus on action and move things forward at a fast pace. It's always easy to lose focus when so much is happening at the same time.”

This means the senior team appreciates the value of HR; there are no battles about HR being involved in each and every part of strategy, recruitment, succession planning, training and development and in ways of working.

Quinton also highlights an ability to create a fast pace. “You definitely need to be someone who can move quickly and push things through the organisation quickly,” she says. However, she also emphasises the other part of the director's role: depth. “You must be able to go very deep in your understanding when necessary,” she comments.

Quinton says “a strong leadership that helps to move everyone around you in the direction of travel and positivity is a great asset.” She adds: “If you believe in the excellence of what you and your team are doing then this will help build the team's self-belief. You also need to be flexible, practical and creative in the ways that you use the resources you

have available to you. I think pragmatism is a great asset.”

There is also something here about the value of longevity in a senior role. Quinton joined the council in 2005 and those years in between have given her many great opportunities to build relationships with people at all levels of the organisation. Creating a ‘map of HR connectivity’ might be an important first step when an HRD joins any new organisation, advises Quinton. It's asking: Where are we weak? Where do we have strong connections and how can we maximise the potential of those relationships?

Radical change for HR roles and policies

Not only have the number of HR policies been scaled back dramatically at the council. The role of HR as ‘business partner’ has also been redesigned and improved. The aim of the ‘business partner’ role across the council was always to create closer synergy and provide stronger, more targeted support to departmental directors across the organisation.

The idea of HR as ‘business partners’ was already established. But by 2015 it was clear that in practice the system was not delivering enough of what was needed. A review indicated that because these ‘business partners’ were also responsible for managing their own teams, this sometimes got in the way of working closely with their departmental director. Despite the best intentions, the business partner role got somewhat neglected, as people gravitated towards managing the detail of HR within a team of colleagues, “which was everybody's comfort zone.”

Quinton's solution was to totally split the two roles, taking away the team management role to allow people to concentrate on the partner role. These two roles often need different skillsets, attitudes and behaviours and while some people felt confident taking them on, not everyone wished to.

Another major change has been boiling down the number of HR policies into a more manageable

collection for managers. The team reduced 45 policies down to the five statutory policies that each County Council must comply with.

As might be expected with such a major change there was considerable debate at senior level. Some people thought managers would find their jobs impossible to do without detailed information on all the policies being removed. But “we need to treat our managers as adults and if we treat them as adults, then they will act as adults,” says Quinton. Indeed “providing managers with discretion and guidance where necessary” has proved a great success.

Buckinghamshire Council is certainly leading the way here. “We don't follow fashions here and we are definitely bucking the trend compared to what other councils are doing,” comments Quinton.

“Rather than following fashion, we've always looked at what is it that will help the organisation deliver its business objectives and this change is definitely something that will make life easier for our



.....**HRMI** Eight factors of influence
Of the eight factors of influence used in judging the HR Most Influential (HRMI) ranking (see full list p9), Quinton highlights three. The first is number one: HRDs ‘being able to achieve significant outcomes in their own business.’ She also cites number eight: gaining responsibility for other areas beyond HR. Quinton has led the council's major transformation programme over the past few years which has delivered £35 million in savings. When Qunitin joined in 2005 she was director of HR and OD (organisational development); now she is a member of the senior executive team and executive director of a far bigger range of resources, including finance, legal, property, customer contact and IT.

Number seven on the list ‘about developing others in the HR function’ is also “really important”. Whether it's about helping people within her own HR team or elsewhere across the profession, Quinton is keen to share her experience. She recognises that this is something that can help raise skills levels for the HR profession overall. Quinton also supports professional networks; for example she was president of the Public Sector People Managers Association (PPMA) 2009/10.



Ann Pickering

Interview with Ann Pickering, HR director, Telefónica UK (O2)

Telefónica UK is a major telecommunications services provider owned by the Spanish multinational Telefónica. O2 is the commercial brand in the UK and probably the company name which most of us are more familiar with; there are around 450 retail stores on many of our high streets. O2 also operates O2 wifi and owns 50% of Tesco Mobile, not to mention iconic conference venue The O2 in London's Greenwich. The company has over 25 million customers in the UK including business and personal accounts. One of its latest innovations was installing wifi on the Coca-Cola London Eye (in August 2017) – the world's first free high density wifi network on a continually moving structure.

O2 is also innovative in terms of HR, where a team of over 100 people based in the UK and Dublin is led by HR director Ann Pickering. Pickering joined the firm in 2004 and was promoted to the main board in 2008.

Despite her position on the board, Pickering's view is that the HR profession should simply call a halt on the perennial debate of how to get a seat at the table. "After all this isn't a question you ever hear from marketing," she comments. Pickering believes that the key is whether HR is influential within an organisation. "I may not have a P&L account but I know that I'm there on equal terms with everyone else," she says regarding her position on the board.

Integrating HR with the business

Only when you understand the business can you exert true HR influence, feels Pickering. "Make sure you really understand your business as only then will you have impact," she advises.

It is not merely that this helps integrate HR with the business and will mean that it can be influential; it means both will then be operating with a single

mission. This is not about simply having a broad brush and superficial knowledge or understanding a few details about divisions and departments, or of some operating constraints across the business. Rather, it must be a detailed and well-informed picture that can drill down into every area of the business – what is sometimes described as having a business mindset.

For Pickering, this is a 'must have.' She explains that this means the HR team are strongly aligned with every part of the business and at those critical decision-making levels. "We [HR] are always integrated into business decisions – I would hate it if this was not the case."

I don't know what future skills the business will need, but I do know there will be a demand for different skills

Pickering's own career journey clearly has helped her perfect such business acumen. She worked first as a graduate HR trainee with Marks & Spencer (M&S), then enjoyed a short stint in the City with an investment firm before working for over a decade at technology firm, Xansa as a close

ally of the chief executive Dame Hilary Cropper, someone who she admired tremendously.

"I learnt so much from Hilary about doing business at a senior level, understanding what key decisions needed to be taken and getting things to happen across the business; she was definitely a great influence on me," says Pickering. "For a while I was literally the bag carrier as they say, and as the business expanded and grew I learnt so much from working with Hilary."

Another strong influence is her early career at M&S, watching how well managers were trained to deal with customers. (She recalls a particularly fraught occasion when two shoppers at Christmas battled it out in a store over who would get the last remaining turkey.)

Comic image aside, the serious lesson Pickering ▶

.....**HRMI** Eight factors of influence
.....

Of the eight factors of influence used in judging HR Most Influential (HRMI) ranking (see full list p9), Pickering highlights two in particular.

2. A track record of successful outcomes

6. Influencing the wider HR profession

Establishing a track record in the organisation is about “being able to execute and deliver what’s been planned.” Partly this ability is something which builds with time so that a HR director is capable of being a confidante to the chief executive. This was certainly true of Pickering’s relationship with previous CEO of O2, Ronan Dunne, and over the past year (since August 2016) with Mark Evans.

For this to work HR directors have to be “self-reliant and have a lot of self-confidence – you really do need both of these... for example the confidence at board level to ask the difficult questions about the people issues, as well as emotional intelligence and lots resilience as it can be a lonely job and there are tough decisions,” Pickering says. A key question Pickering highlights for HR directors is: ‘have you got the resilience that’s needed?’

Influencing the wider HR profession is the second area Pickering highlights. She has just joined ‘Step up to Serve’ a programme led by Prince Charles which encourages young people to see the relevance of, and to get involved with, social and community action. This fits well with O2’s own youth initiative, Think Big project, which aims to help young people bring their ideas to life and get their foot on the career ladder.

Pickering is often invited as a keynote speaker to talk at business conferences and key HR events and is always happy to share. This external influence is something she sees as integral to any HR director’s influence. “I think it’s the practical information that other people want to hear about from you. Your willingness to share company experience can really make a difference here in encouraging others to see the value of different initiatives.

“I see my role as an ‘influencer,’ for instance in areas such as social mobility and with a recent pilot programme for women returners that might then encourage others to make similar, small steps in the same direction,” she says. “It’s always important to highlight the business value of such initiatives – and to show the bottom line return to the business. Tie it to real business benefits rather than simply saying it’s something that’s nice to do. A business return for example from our women returners programme last year, is attracting high calibre people who because they had been away from work for a few years we would otherwise not have found.”

There is a strong emphasis on talent management which is supported by HR creating a company culture with high levels of motivation. This is evidenced by the recent 2017 employee engagement scores which are at the highest ever level – “the scores are amazingly good and considering we are coming through to the end of our three year business plan and had the recent uncertainty with the 2016 bid from CK Hutchinson, we’re delighted to see these high levels of employee engagement.” Getting such high scores is not easy to do in any business. But it is all the more admirable at O2, where the workforce is multigenerational and encompasses a broad range of skills, from technical to sales to retail.

This ethos of motivation is found across every part of the business. It’s a key factor which directly connects HR into bottom line issues. It provides a competitive advantage for the business and ensures this pervades the different teams in retail, finance, data and analytics, commercial strategy, technical, digital, HR, marketing, business, operations, digital, sales and service, relationship and vendor management. Pickering talks about creating a culture where there’s choice. “I like to say that it’s a hotel here not a prison, so that people are free to leave if they want to but those who do stay with us are really motivated by what they do,” she says.

It’s hardly surprising in light of all this that Pickering assesses the influence and impact of HR across the business as very high. There’s a good relationship between HR and line managers. “If I asked my boss [CEO Mark Evans] then I think he would say we are a nine or possibly a ten out of ten,” says Pickering. “The business focus is very much around our people, on the basis that it is our customer service that sets us apart from our competitors, and so our decisions will start with what will happen here for the people issues. We talk about what will be the ‘people journey’ from any decision that we are planning to make”

That’s not to say that there aren’t difficult decisions along the way. One example Pickering highlights was with the UK call centres. “It was really tough for me as I had created the call centres some years previously,” she says. “For instance, the one at Glasgow began with only a single person doing telephone recruiting from a hotel room, and when it was opened I was immensely proud of it. It really was my baby.

“So it was difficult when we finally took that decision to close the call centres. I have to say now it was the right decision; we could see that customer trends had changed and people no longer wanted someone to talk to and preferred to go online. But what we tried to do in evaluating the various options available to us – and one of these was about UK outsourcing – was to factor in what this would mean for our staff. Going with the outsourcing option meant that most of our people would then be



guaranteed work for a certain time going forward, for two years’ employment. And so that’s what we decided to do. It was very hard to make that decision and I remember lots of debate among our senior team about it before we finally agreed what was the best thing to do.

“However, when it comes to such difficult times, whether it’s a single change or transformation more generally, I do feel that as HR director you need to be honest with the people who are involved,” she adds. “This is not always easy of course but it’s so important in building trust and showing people that you are trying to do what’s best for the business.”

Pickering highlights redundancies as a key tough challenge. It’s not only about dealing with those who are leaving but thinking about “the ‘remainers’ of redundancy or from a re-organisation and whether those who stay will feel guilty about their colleagues who have left the business,” she says.

Pickering is clear that with such issues there is a key advisory and support role for HR, in helping prepare line managers for difficult discussions. “I’m a great believer in practical support, and helping ‘role play’ the kinds of conversation that are likely to happen,” she says. “Partly this may be about providing new skills for managers but also so they can be to some degree emotionally prepared for what’s about to happen. These are tough issues for managers to deal with. And although preparation can never be the same as the real event, one manager said: ‘it would have been much harder for me to cope if we hadn’t taken time out to role play and practice some of the meetings, some of the key issues.’”

Fit for the future?

Talent management, both recruiting talented staff and more importantly being able to keep them, is then a critical part of Pickering’s current role. She highlights another skill that’s just as important. HR directors must also be looking to the future, whatever it might hold – while at the same time managing the business’s current challenges. “It has to be about making sure you are fit for the future,” she says.

“While I don’t know what future skills the business will need in say five years ahead, I do know that there will be a demand for different skills, and that new skills will be needed,” she says. “And HR must be able to look ahead, to make sure that we are fit for the future. I’m always looking towards the future and trying to ensure we keep up with everything.” That speed of change is not only a feature of a fast-paced telecoms industry, adds Pickering.

HR at O2 is structured on the Ulrich model. “That means I have nine business partners in the team who have that crucial commercial acumen to enable them to work closely with the business,” says Pickering. A number of these were internal appointments, people who already had a sound knowledge to build on. Pickering says: “The calibre of who you appoint as a business partner is key as you want them to be fully integrated into the business – ours all sit in their director’s teams so that they are well placed and so can ‘add value.’ If they have that commercial acumen then they can understand the business so much better, they can challenge when necessary because that’s an important part of their role too. And then it means the best business decisions will be made.”

It’s also important for an HR director to have clear parameters when dealing with different business issues. Take for example change, which can be complex, often continuous and contentious. “If you are dealing with say a re-organisation or transformation then there will inevitably be times when a few people act as ‘blockers’. I know that some experts believe there’s more value in working ‘with’ such individuals, but that can only take you so far. If they don’t identify the need for change and engage with what it is that the business is trying to do, then my advice is that if you still see blockers then you need to remove them. The change process can’t move forward otherwise.”

Diversity is high on the agenda at O2, including of course the current discussion over pay and gender. There is also a women and leadership programme and comments from delegates are shared on O2’s careers website.

Getting more women at senior level is important to the company. O2 now has three women on the board, including Pickering. “It’s really good to have three women at board level, and I can see that this has changed the debate around the table,” she says. “There’s something about diversity and bringing those different experiences together, whether that’s about gender, nationality or any other aspect of diversity which creates better, broader discussions with more debate. However, I’m not an advocate of quotas for women. In fact, I don’t know a single woman who supports quotas; they would much rather be appointed solely on their ability to do a good job rather than helping a company to ‘tick the box’ on diversity.” **HR**

Advice to others

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1
Business knowledge.
“Make sure you really understand your business as only when you have that knowledge can you have impact.”

2
Challenge the status quo.
“Develop the confidence to challenge the business and to ask those difficult questions on the people issues.”

3
Stay on trend.
“Set aside time to see the latest thinking and to reflect on what’s relevant for your business.” Pickering also advises of the value of being selective however. “Not every new idea that’s available will be a good idea so you need to know what’s going to be valuable in the business and which ones you want to use,” she says. “It won’t be everything. We have a great person in our team who often takes on this role and will search out and find the latest articles for us.”



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