

conversations on leadership

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# The Group HR Director — Navigator of New Worlds

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*Reflections from Chairmen and HR Leaders*

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In a business environment characterised by rapid change and high levels of ambiguity and uncertainty, where the ability to mobilise talent is perhaps the greatest differentiator of corporate performance, the role of the Group HR Director has become more critical than ever before.

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To reflect on the challenges facing the role — and what it now takes to succeed in it — we spoke to six of Britain's most senior business leaders. Two of them, Sir Peter Gershon (National Grid) and Robert Swannell (Marks & Spencer), are Chairmen of their companies. The remaining four, Elaine Arden (RBS), Tom Maddison (Xerox), Mark Taylor (Burberry) and Diana Breeze (Land Securities) are themselves Group HR Directors.

A number of important themes emerge from the interviews:

**Leader of change.** Companies are undergoing transformational change in response to globalisation, new technology and the demands of a new generation of talent and consumers. The Group HR Director must be front and centre of leading this change — including restructuring organisations to adapt to new business models, building and staffing operations in new markets, reshaping corporate culture, nurturing diversity and taking a long-term perspective on how to attract and engage talent for new times.

**Thought partner to the CEO.** The HR Director must, more than ever, be a peer and thought partner to the CEO and the rest of the executive team — playing a core role not just in talent strategy but in business strategy too; understanding how to translate strategic priorities into robust people processes at speed and scale; and bringing the same analytical rigour to HR and organisational performance as their peers do in finance, marketing or R&D. Only by taking his or her full place at the top table can the HR Director be a true confidante and counsellor to the CEO.

**Bridge between technology and people.** As the social media revolution transforms the way people communicate in their personal lives, HR Directors must imagine and implement bold new ways to employ technology to create conversations, connectivity and community in the workplace. Some of those we spoke to are driving internal social media platforms that represent a giant leap beyond corporate email. Yet, just as important, they see their role as nurturing authentic human connections through face-to-face communication — something too easily forgotten in the technology age.

**Master of many worlds.** Finally, the interviewees spoke about the personal leadership qualities that great Group HR Directors now bring to the role. Given the breadth of demands on them, today's HR Directors must be extraordinarily agile. At one moment they must master the technical domain of executive remuneration; the next, they must translate the subtle nuances of the Board's language to the executive team. This calls for a high degree of insight, emotional intelligence and adaptability — and the comfort to perform in a great variety of environments. It is no surprise that many leading Group HR Directors, including those interviewed here, have played a diversity of roles in their careers, ranging from finance to operations.

As business leaders are called upon to manage an unprecedented degree of complexity, and respond faster than ever before to changing markets, technologies and regulation, the Group HR Director is pivotal. It is he or she who must make the connection between strategy and organisation, and between technology and people. Those with the courage and capability to step up to the role stand to make a tremendous difference.

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## Sir Peter Gershon

*Chairman*

*National Grid*

After graduating from Cambridge University, Sir Peter started his career at ICL and worked in the computer industry for seventeen years, before holding senior line managerial positions in the telecommunications industry between 1987 and 1994. In 1994 he was appointed the main Board Director of GEC plc, where he had responsibility for the company's worldwide defence business. Sir Peter joined the Civil Service in April 2000 as the first Chief Executive of the Office of Government Commerce. He moved into a portfolio role four years later and is currently Chairman of National Grid, Tate & Lyle and the Sutton Trust.

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**Egon Zehnder:** *To what extent is the role of HR changing, and do you think it is becoming more difficult?*

**Sir Peter Gershon:** It has certainly changed, but whether it has become more difficult I can't really say. It is easy to forget just how difficult the industrial relations environment was back in the 70s and early 80s. When I started work we had considerable problems that seemed intractable at the time. There were an extraordinary number of lost working days and I think the challenges the HR Directors of the period faced were enormous. I think today's problems are just different.

In fact, in almost every aspect of their work, the HR leader has to change. There are different expectations of employees and shareholders, the regulatory environment is more constrained, external legislative practice is different, and the expectations of Non-Executive Directors have evolved. For example, there are, rightly, expectations about transparency and fairness that did not exist 40 years ago. HR Directors have to be wary about appearing in front of an industrial tribunal these days in a way that they never did in the past.

***So what do you look for in a Group HR Director, and what contribution do you expect them to make?***

I'm really looking for people who have agility and flexibility. If I think about National Grid, the group is going through a very deep transformation in all aspects: its business model, where it operates and even its culture. We have a wealth of talent in the group but one role for HR is to ensure that it helps to inject the right amount of external expertise. This needs to be done very carefully, but if this does not happen, there is always a danger that business cultures become self-perpetuating. Ensuring there are some external hires who bring a fresh perspective, even from outside of the sector, can be very helpful.

Another critical task is to ensure broader organisational health. National Grid had a comparatively young workforce at the time of privatisation but it is now ageing. It is hard to predict precisely when people will choose to retire or leave the business. HR has a very important role in helping to manage the broader capability of the group and to predict when skills shortages will emerge.

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Planning ahead for some of these needs requires an even broader perspective. For example, in our group it is particularly important to think about how we are going to attract even young kids to study the subjects at school and college that are so important to us. HR can play a role in collaborating with UK engineering on a broader basis, with the government and with engineering institutions to keep the talent pipeline flowing.

## *What is your perspective on the diversity debate?*

For the longer term, I am concerned that we do not have sufficient numbers of women in our senior ranks or ethnic minorities. Finding a way to ensure that we attract, retain and develop a sufficiently diverse range of people is also an important consideration.

Part of this involves creating the right type of environment to help us be more responsive to the needs of our diverse workforce. In North America, for example, we have established an employee group for our Native American colleagues.

## *Compensation issues appear to be more sensitive today than ever; is this likely to change?*

Executive pay remains a significant feature and a challenge for senior HR professionals. The gap between senior executive pay and average pay has become very large, and until the gap narrows that particular genie is not going to go back into the bottle. It is going to be a source of political and media attention for a considerable length of time. Understanding the sensitivities around that is critical.

## *What role do you think the HR Director should play in CEO succession?*

I think the HR Director can play a role in helping at the outset of the process. Specifically to ensure an aligned understanding of what challenges the CEO will face in the future and then, working from there, to help advise on the characteristics and the type of person you need to meet those challenges. Getting real clarity amongst non-executive directors is very important to the start of the process, otherwise you can get tripped up later on. The HR Director can be both a partner and a facilitator.

In order to achieve this, and also in view of the matter of compensation, the HR Director should not see themselves as just a direct report to the Chief Executive. In the same way that the Finance Director has a dotted-line report to the Chair of the Audit Committee, the Group HR Director has to work closely with the Chairman of the Remuneration Committee and the Chairman of the Board to help navigate the tensions that can emerge.

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**Elaine Arden**  
*Group HR Director*  
RBS

With a BSc in Economics and Biotechnology from the University of Strathclyde, Elaine joined The Clydesdale Bank and worked her way up to become Group HR Director of RBS in 2010.

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**Egon Zehnder:** *In your view, how has the role of the Group HR Director changed in recent years?*

**Elaine Arden:** One of the most significant challenges that I have faced at RBS is managing the considerable change required as a result of the financial crisis and the new regulatory environment. For example we had to rethink what the design should be for the top 200 roles, and 70 per cent of the top 100 are new or in changed roles. We also had to take a holistic look at our culture, our strategy and our ways of working. For us it's important not just to change the culture but to demonstrate externally that we have enhanced it.

**What does this new world mean for the next generation of HR professionals?**

In terms of developing the next generation of HR professionals, one of the things that worries me is whether those starting out get the same breadth and type of experience as my generation benefited from. The apprenticeship model and the breadth of experience we received just don't seem to exist anymore. It was much easier to do a bit of everything.

You also need to attract the right calibre of individuals into HR. You need a variety of types of intelligence, but one of the things I always look for in HR professionals is a sufficiently strong level of numerical reasoning. The most talented individuals are always also highly numerate in my experience. That's partly why I always like to look for breadth of experience and those who come up through an unusual route, for example accountancy.

**How would you like to see the profession change?**

The HR profession could do more by understanding and creating interventions based on empirical data about human behaviour. There is a lot of research in the field of occupational psychology that I don't think HR professionals are using. There is a great deal of empirical data about how humans respond under certain scenarios. For example, in preventing another financial crash, it is vital that we understand the human behaviour that was in play at the time; not just tighten up some rules. I think too many HR Directors just rely on their instinct or gut feeling. They could and should do more to connect the technical and psychological aspects of work to construct interventions.

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I also want HR Directors to feel the confidence that they could do any of the other jobs around the executive table. There seems to be this sense that somehow we are not good enough to be at the executive table. The calibre of HR Director I want at the top table could have been in any other position; they just chose a different professional path. After all, every business Exco member needs to have a grasp of every element that is important to the group; financials, strategy, brand, marketing and so on.

### *Is the way you communicate with employees changing?*

One of the problems in communicating these days is that you have different generations in the workforce. This can make it hard to get into each other's heads. Partly this has always been the case but partly it is because of changing media and evolving communication channels. It seems to me that some of the more traditional management ranks have forgotten how to talk to people. It's not just because the tools have changed, moving from verbal presentations to emails and digital platforms. It is also because people are not sufficiently confident as communicators. I think there is a risk that people are losing the art of managing. There is almost a fear of the workforce and a fear of really thinking deeply and connecting personally.

### *What advice would you give a new Group HR Director joining the Exco?*

One of the key roles of the Group HR Director is to be a really effective thought partner to the CEO. When you think about the power invested in a single individual as Chief Executive, few personalities can really cope with that power effectively. Most people would be crushed by it. It is a lonely role and the Group HR Director has to be a partner and guide.

However, it's not all pressure! I have now been on the Exco for four years and I've seen a number of the Exco members arrive and depart. One of the refreshing aspects of having new members of the Board join is their terrific optimism about how they can change the world and their belief in their ideas. One of the roles of HR is to help support that ambition and optimism and build on past achievements.

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## Mark Taylor

*ex-Group HR Director*

**Burberry**

With a BA in Politics and History from the University of Lancaster, Mark briefly joined the Civil Service before moving to British Aerospace. He continued his career at GSK and Kimberly-Clark before joining Burberry in 2006, where he became Group HR Director in 2010. Mark left Burberry in Spring 2015.

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**Egon Zehnder:** *What differentiates the great from the good Group HR Director?*

**Mark Taylor:** For me the stand-out element is their level of emotional intelligence as well as IQ. They also need to have moral and emotional courage. Great HR Directors have the intellect to figure out what is going on, understand the root cause of a problem and have the courage to say what is required, whilst maintaining a deep understanding of the other person's agenda and a positive connection with them.

*How has the way you communicate with employees changed?*

I think the way we communicate with our employees has changed considerably over the last decade. My experience of Burberry was interesting in that Angela, our CEO, saw the digital tsunami before any other CEO in retail, I think. It's an important part of who we are, and one of the magical components of Burberry is the fact that we've created a culture which allows people to connect. We really encourage creativity and connectivity in the company.

As an example, we were one of the early adopters in setting up our own internal social media platforms. HR also has an important role to play in helping to shape the look, the feel and the branding of all communications. So we moved to a world where a lot less was done on email and a great deal was done on the social media platforms. We managed to achieve a level of connectivity that I think it's hard for most corporates to obtain.

However, I think HR also needs to be wary of doing too much remotely. If I think about my own life and experience, on a Saturday morning I love going to the butcher, I love going to the bakers, I love going to have my hair cut with the local barber, I love that personal connection and I think people are seeking that from work too. So you need to generate real authenticity in how you create connections at work. You can duplicate that authenticity online to a degree but I think employees want honest one-on-one conversations.

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## *Does that extend to how you manage performance?*

I think the HR function has a vital role to play in changing the language and the way the corporation helps its colleagues do their best. I really hate the whole lexicon around performance management, reward, recognition and talent identification. This is the language that we have all grown up with in HR but it does not inspire or motivate. Companies need to move to using words that resonate with everyone's everyday vernacular, stop being so corporate and create a culture that inspires, energises and celebrates success.

I also think that the world is ready for a change around performance management, which today demotivates the vast majority of people. Having a performance weighting, particularly at the senior levels, is complete nonsense in my opinion. The process in which you recognise contribution has to be much more subtle and the language of the appraisal conversation needs to completely change. I think the notion of an annual appraisal is also complete nonsense. There's no reason for it to be this big annual event. HR creates this huge industry around the annual appraisal and pay review, which absorbs the function for 90 per cent of its time for a number of months. That really needs to change. I'm a great believer in ongoing feedback, ongoing dialogue and salary adjustment during the course of the year if necessary.

## *But is that really possible with the sensitivity around compensation these days?*

I think we are in a very interesting place socially and politically. Burberry retained talented people for a long time for a variety of reasons, but part of it was the opportunity to make money over the longer term. In our case we had modest base pay but a very generous share allocation, which incentivised people to grow the share price.

However, in terms of skills, I think the days of the generalist HR Director being able to manage this effectively may be gone. This is a very niche skill set, and it needs to be managed with precision and care. With so much governance and noise around it, compensation needs to be understood as a complicated art that requires specific skills.

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## *How else can HR motivate a business?*

A big one is around what language and approach you use in all aspects of your work. For example, the language and approach to HR shared services in most businesses is dismal. There may be rational reasons for setting up a focused office in a lower cost region, but why can't these colleagues feel connected with the brand and the culture? Why can't they deliver their service with the same degree of warmth that you would expect in person?

Another apparently minor area is around how the office space is used, the layout and even the catering arrangements. One little example: we started providing free lunches at Burberry. It was a massive hit. We gave people very healthy meals. For young colleagues it was a big financial saving to them and it meant we created a lot more personal connections between people.

HR can always help create more of a family environment. Often it is put into the position of being a policeman or auditor, particularly around human behaviour. However, I believe that people are fundamentally good. Whilst they can occasionally go astray for all sorts of reasons, often all that is required is a bit of caring humanity. This can be so much more helpful to getting people back on track than being the judge and jury. Management and HR needs to create a sense of forgiveness to build a culture that feels less corporate and more creative.

## *Does HR have a role to play in the wider community?*

Great brands definitely have responsibilities to their local communities. Creating a connection can also create a multiplicative effect internally. For example, we have a program where underprivileged people would come to Burberry and when they leave we give them a trenchcoat. Not only are they delighted with their presents but it helps us to metaphorically as well as physically protect them from the elements. It has also created a sense that we have respect for individuals regardless of gender, sexuality, ethnicity, religion, creed and so on.

## *Is what you achieved at Burberry replicable?*

I think you can do what I've described in almost any business.

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## Robert Swannell

*Chairman*

*Marks & Spencer*

Until 2010, Robert spent over 30 years in investment banking with Schroders/Citigroup. He was formerly Vice-Chairman of Citi Europe and Chairman of Citi's European Investment Bank. He was appointed a Non-Executive Director of Marks & Spencer in October 2010 and became Chairman in January 2011. Robert was appointed a Non-Executive Director of the advisory board of the Shareholder Executive Board in November 2013 and in May 2014 appointed Chairman. He is an Advisory Board Member of The Sutton Trust, a founder and Trustee of the SpringBoard Boarding Bursary Foundation and a Trustee of the Kew Foundation.

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**Egon Zehnder:** *To what extent is the role of HR changing, and do you think it is becoming more difficult?*

**Robert Swannell:** I think the role of HR is becoming more interesting, given that all organisations are having to adapt and change much more quickly. The role of HR in implementing change in organisations and cultures is key. As a result, I guess their job is more difficult but more important.

***So what do you look for in a Group HR Director, and what contribution do you expect them to make?***

I think it is contribution to people planning in all its forms both for the senior team but also right through the organisation, to ensure that you are not just getting the best talent, but also retaining and motivating the best talent. Then it is about using that talent to the best effect. It is a tall order in any organisation. In a strategic sense, HR is a very important area for the Chief Executive and one of the key appointments, with the CFO, for a CEO. I have always said Boards have three things they have to focus on: 1) strategy and execution; 2) people and succession planning and 3) values. If you look at those three, HR has a critical role to play in two and three. From a Board perspective, that is where I view their role as being very important.

***What is your perspective on the diversity debate?***

I think diversity is really important. It is obviously important at Board level but more important is the pipeline of executive talent. This is beyond male/female, it should be about all sorts of diversity. HR Directors can play a role by implementing innovative policies/solutions that will help with this, but of course they need the leadership from a CEO or Board in terms of hearing what the objectives are.

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### *Compensation issues appear to be more sensitive today than ever; is this likely to change?*

I think compensation issues are here to stay. If anything, they will not get any easier. Part of that reflects the way remuneration has moved and is perceived in terms of inequalities in society. Inevitably, that will lead to remuneration remaining a key point of interest. I think Group HRDs can play a role in that debate but they need to do it with CEOs and Boards; they need some principles to be articulated clearly.

### *What role do you think the HR Director should play in CEO succession?*

I think they should play a key role in the development of the internal talent. They should absolutely be involved in that process of assessment and development. It is part of their job to ensure that the team that is there is developed as far as possible; and if there are gaps in the individual capabilities or the team as a whole, they need to help the CEO plug those gaps. I think the relationship depends on a case-by-case basis in terms of how they interact with the Board on this.

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## Tom Maddison *Group HR Director* Xerox

Tom gained a BSc in materials engineering from Loughborough University and a MSc in industrial design engineering from the Royal College of Art and Imperial College. He joined Xerox in 1992 and held a variety of positions in finance, operations, business services, marketing and HR management. He was appointed Chief HR Officer of the group in 2012.

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**Egon Zehnder:** *To what extent do you see the Group HRD as a strategic rather than operational function role?*

**Tom Maddison:** The Group HRD must be an active voice on corporate strategy. The HR function is becoming an increasingly strategic partner and must be a real, full-time and equal member for both strategic and operational decision-making. The HRD must understand exactly how their company's products or services really create value and how business models are changing. As an HRD, you are not just responsible for influencing the people decisions — you are responsible for influencing the whole business direction and strategy.

***Is the right pipeline of talent coming into the function?***

You have to make the right investment in your people to be rewarded. There is some wonderful HR talent and, as an HRD, you have a responsibility to invest in your talent. To ensure the pipeline of talent, you have to be open-minded about moving your talent into different divisions or geographies; providing your HR talent with different experiences will ensure that your talent brings a different energy. You need to ensure that your HR people have business skills. You also have to understand the risks of not moving people, and not providing people with the opportunities that they are ready for and that are crucial for their development and their journey with you.

***What are the main global trends affecting the function?***

Technology is increasingly important to the HR function — specifically HR analytics — and it is a wonderful advancement to the function. However, we should be aware that there is a danger with technology that we start to assume everything is related to individuals as opposed to teams — we must remember to think about the connection between people. You have to watch people interact. Technology is a great advancement for HR — but only when it is used appropriately and combined with the human element to survey the broader picture.

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## *What role do you think the HR Director should play in CEO succession?*

Talent management is increasingly important and our responsibility as HR is to make the best intervention that turns potential into capacity. A big part of the HRD's responsibility is creating the next CEOs. The current assessments that we do are a bit like photography. Talent management is about how you match capability to opportunity. However, it's also about identifying at what stage in someone's career they have reached the capability for the next role level. I believe that high-challenge roles relatively early in people's careers are a real trigger for people's learning ability. Taking on mature responsibility early on is important and sets the foundations. The commonality between many senior leaders is that they were asked very early on in their careers to do something that they couldn't do — or at least felt that they couldn't do. Not everyone can necessarily judge their own capability, and the age between 18 and 25 years is a key trigger point in someone's career. Most employers overlook this, but it's arguably the most important stage. The more you do early on, the more versatile you will be. It is less about finding capabilities and more about assessing potential and fit and whether an opportunity is the right one for your employee at the right time. You have to understand people's motivations, behaviour and aspirations.

## *Should HR be taking on greater leadership responsibility for other functions such as internal communications?*

HR needs to engage and enable talent through policy, process and practice. There is a broad scope of influence for HR. HR should be contributing to the broader leadership team and not just owning its own function — you do not necessarily have to be responsible for everything, but you must contribute to the broader picture.

## *The whole topic of compensation and benefits has become increasingly visible in recent years. Is this now starting to diminish in priority?*

There has been a spotlight in recent years on compensation and there has been a lot of research into performance-based comp. Your employees have a social and financial contract with you. If you overplay the financial contract, you damage the social one. There is less value to performance-based pay than we may think — not to mention the big risk that you may actually end up with a disgruntled performer! I think that the view on how best to reward your employees is shifting; rewarding people over both the short and the long term drives different behaviour patterns because you are rewarding over different time periods. Rewarding people now will drive a mind-set to deliver shorter-term results. I prefer to use financial measures that correlate with CSR over the longer term. This directly influences the margin improvement and CSR growth.

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## *To what extent is technology changing the nature of the function?*

Technology and HR intersect closely now, and as the HRD I feel very privileged to be working closely with technology. Technology is certainly changing the nature of the function. Social media sites have encouraged communication and forums allow employees to discuss what it is like, in their view, to work for a particular organisation. My view on this is that transparency is always a good thing. When you go and work for an organisation, there is a very high risk of cultural rejection. Anything that helps an employee to gain a better sense of culture is a good thing, and social media has a positive role to play in this. The risk is that you often see small populations making comments about an organisation from which others may draw misleading conclusions. Some of the forums where current and former employees anonymously review their companies also don't take into account a geographic or subsidiary point of view. But, overall, anything that creates transparency is positive.

HR, and particularly talent management, is also becoming more self-service. As the employer, you are responsible for operating a service delivery function for your employees. You have to look at the self-service model through an employee experience perspective. Flat and static websites are a thing of the past and you have to offer a more personal experience; something that changes over time and in response to the questions that your peers are asking. If you make the experience more dynamic, that in turn will encourage your employees to self-serve. Self-service is really a joint responsibility between self and machine and has to stand for a personal and dynamic experience.

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## Diana Breeze *Group HR Director* Land Securities

Diana has over 20 years' HR and organisational consulting experience. Before joining Land Securities in June 2013 as Group Human Resources Director, she held a number of senior HR roles at J Sainsbury plc. Prior to that, she was a senior manager in the Human Capital practice of Accenture. Diana has an MA in History from the University of Oxford.

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**Egon Zehnder:** *In your view, how has the role of the Group HR Director changed in recent years, and how would you like to see the profession change in the future?*

**Diana Breeze:** I have seen two main changes: (i) there is more Group HRD involvement at Board level; and (ii) Group HRDs now sit on the Exco more often than not. Both these shifts are important and have resulted in a higher demand from HRDs to provide a business perspective, i.e. being able to tie the business back to people issues (talent & comp) that have come to the top agenda. This is a big ask from HRDs — the role is completely different to how it was when an HRD reported to the Finance function. The role has more breadth and depth to it.

This requirement to operate at Exco/Board level does also create a difficulty in grooming future Group HRDs as it is not easy for the Group HRD's team to get that breadth of experience and exposure before an individual actually becomes the Group HRD. The only way to prepare HR professionals for a Group HRD role nowadays is therefore to expose them to the business as much as possible. I was lucky that in my previous company I reported to a commercial individual who wasn't interested in HR, which allowed me to move to Land Securities as the Group HRD.

The underlying theme is the changing nature of HRD from a "specialist function" to a "business function", which also means that the talent pool for Group HRDs has expanded to include the heads of business functions.

***What is your perspective on the diversity debate?***

Diversity is definitely important and it is one of my focus points. Diversity starts with identifying the challenges, and our challenge at Land Securities is that due to the nature of our business the talent pool is not (yet) diverse enough. At the same time we don't believe in positive discrimination and will always hire/promote the best people for a role; we therefore started at the grass roots by creating outreach programmes for schools and partnerships with universities.

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At the most senior levels, we do well on gender diversity relative to our industry peers (two out of six Exco members are female and we have a female Chair), and having role models in a female Chair and a female MD of one of our two businesses has definitely helped create the diversity agenda at Land Securities.

### *Compensation issues appear to be more sensitive today than ever; is this likely to change?*

I believe topics such as compensation move like a pendulum. Currently we find ourselves in a heavily regulated world with a lot of focus on compensation, as evidenced by the increased interest in broader compensation issues from our investors. We certainly welcome principles and transparency in relation to compensation, aligning compensation with shareholder interests etc.; however, in terms of the intense focus we are hoping that we are at the high end of a pendulum and that at some point it will normalise and discussions will become more sensible again.

### *What role do you think the HR Director should play in CEO succession?*

A key role in my opinion — I constantly think about it and take a proactive approach, continuously assessing the internal bench as well as looking at the market for rising stars in the industry and getting to know them. At Land Securities the topic is very much driven by the Board and I formally present to the Board on the CEO succession topic twice a year. Having a direct line between the HRD and the Chairman is very important nowadays, especially in relation to CEO development/succession and performance management. When looking at CEO succession it is important not to replicate the incumbent but rather try to assess what the business will look like in the future and what skills/profile are required to fit the business further down the line.

### *What advice would you give a new Group HR Director joining the Exco?*

Don't try to run before you can walk, and don't try to change things too fast — take the time to understand the business, how decisions are made and what the key drivers for the business are. Sitting on the Exco and reporting to the CEO requires you to be much more self-sufficient (especially if it is your first Group HRD role) and you can sometimes feel lonely, especially if you don't have a big team. Having an external coach can actually be very useful to keep the stimulation going and help with the challenges.

### *What differentiates the great from the good Group HR Director?*

Bravery, courage, good judgement, being commercial. Great Group HRDs understand which battles to pick and are prepared to stand up for what is right. They don't take plans to the Exco or the Board that don't make commercial sense. This isn't easy in a new organisation as it takes time to build trust and confidence.

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## *How has the way you communicate with employees changed?*

It has created an opportunity to introduce more two-way and informal communication. We recently re-launched our internal communication systems, using an internal social network (Yammer) which has made communication more accessible and informal. This was implemented just before Christmas, so it's still too early to say if it has been effective; but we are definitely starting to see fewer meetings and better collaboration, which are the measures of success for the project.

## *How else can HR motivate a business?*

HR can facilitate the articulation of the purpose and vision of the business, which together form a company's culture. It is important that employees hear key messages on culture from the CEO, but HR can help facilitate this communication process, influencing the CEO to do this properly. That said, this needs to be a two-way process whereby senior leaders in the business need to own the process and implement the culture throughout the business.

In addition HR can play a role in managing performance by developing the right performance management and development processes.

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# conversations on leadership

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### Egon Zehnder's Human Resources Practice

Egon Zehnder's global Human Resources Practice helps hundreds of organizations every year identify and recruit the leaders they need to meet new challenges in finding, retaining and motivating talent. Our more than 50 consultants are human resources specialists who work as a global, unified team to identify and share local and global market trends, executive talent knowledge and industry developments in real time. Our expertise spans all operational and strategic roles critical to our clients' success, with disciplines including: Talent Management, Organization Design, Compensation & Benefits, and Employee Relations.

Egon Zehnder is the world's leading privately held executive search and talent management consultancy with more than 400 consultants in 69 offices across 41 countries. The firm provides senior-level executive search, board search and advisory, CEO succession and family business advisory, as well as leadership assessment and development to the world's most respected organizations. Egon Zehnder's clients range from the largest corporations to emerging growth companies, family and private-equity controlled entities, government and regulatory bodies, and major educational and cultural organizations. For more information: [www.egonzehnder.com](http://www.egonzehnder.com).

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