About Ashridge

Ashridge has contributed to the success of thousands of individuals, teams and organisations by helping to develop their leadership capabilities. As part of Hult International Business School, one of the world’s truly global business schools, Ashridge has an unrivalled international platform to deliver teaching across the globe. Ashridge Executive Education attracts clients from every continent and is in the 1% of providers globally to be accredited by all three major executive education bodies: AACSB, EQUIS and AMBA.

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.

Editor’s note

It’s been a huge privilege as HR magazine’s new editor to this year oversee our HR Most Influential (HRMI) ranking. 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 an expert team of headhunters helps us to determine who should achieve what ranking. I’m delighted to say, thanks to these...
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 2.4 million 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
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 unpack 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 experience and professional wisdom, says Begbie. “You need to be able to think through complicated people issues and be able to provide clarity for those involved.” An example of Standard Life is where HR had to deal with a situation during the transition between CEOs in 2013. 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 the message to 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, but you’ve got to set 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 creates another risk factor 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 it’s really important to keep them informed about what’s happening and that helps us as HR ensure we can deliver outcomes that are achievement-driven.” 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 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 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 information more broadly.”

3. Relationship skills—This is not just about the general connections of HR: “You need to be able to network within your own 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 years as 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 “apocalyptic.” He emphasises how high-level 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 plays a contributor 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. 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 international professional routes in HR means that the majority who follow this do become commercially aware people,” says Begbie. “I’ve argued for a long time that HR directors need to 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 to line managers. The information has to be broadened out across the organisation and HR professionals must take account of the regulatory framework and be able to challenge others in their 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 regulator.”

This strong regulatory framework for the financial sector now forms a major part of the financial business world. An example of how onerous this has been in the retail sector: “There was a significant challenge to ensure that everyone in the organisation had a clear understanding of what they were responsible for. I believe that HR directors need to consider and develop frameworks and processes that ensure that HR professionals are prepared to challenge others in their business.”

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 said. “I decided to start my day a bit earlier and would catch the 5.50 train. I’d meet up with one of the guys and go into breakfast with them. Out of conversations of course were much more general and we were not just talking about HR, but gradually over time built better relationships. You have to grow yourself into their lives and they think it’s important that you 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. “Bring the eyes and ears of the business is such an important role for us in HR,” says Begbie.

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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 has to be “at the bottom of the list”, together with number five: invitations to get involved in external or other more informal ways to create a conversation. But there are many other more informal ways to create a conversation which are often superior, he says Begbie.

“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.”

All of our directors get involved in these meetings, I’m never asked only one, but 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, 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 HR 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 everyone 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 backdrop, it certainly has gone 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 will that 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 we have to do more. Often I think that a public sector HR director is open to hearing the bad as well as good.”

“Many more people are being granted by those around you. The critical ability to be more business-like. Not only to speak of key people issues – which is exactly what a business should be able to depend on. His own reputation as a valued advisor and a person at the most senior level of the group also contributes to the business impact that HR has.”

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. 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 a person at the most senior level of the group also contributes to the business impact that HR has.”

Sandy Begbie

HR director

Standard Life

2000 – 2007

HR director

Scottish Power

1983 – 2000

Various roles, including in reward, training and leadership

RBS

The University of Edinburgh

October 2017
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 they can’t happen,” says Hughes-D’Aeth. “The HR director is often in a privileged space as a confidante of the CEO and understands the CEO’s needs and the strategic priorities of the business, and uses the expertise of HR to make it happen.”
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 throughout 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 Ipos-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.”

Delayering 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 1,100 posts and reducing the number of senior managers by 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 key to the organisational change.”

Transforming the HR team

HR has also been restructured. Focusing into the wider ambition to reduce overall costs, Hughes-D’Aeth was given a target of reducing HR costs by 20% – something which she 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 organisational 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 – but 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 for people to deal with change? Hughes-D’Aeth sees two major initiatives where such evidence can provide valuable advice in an objective, independent way. “You have to be persuaded” people. “You have to be people to see that standing still is not an option; you can’t just stand still and think ‘where are we going?’ ‘Where do we want to be?’ ‘where are we now?’ ‘where are we going?’, you have to be brave.”

Hughes-D’Aeth ticked. “You should ask yourself every week if you are getting the level of detail, the experience because, she says, there will always be times when you need granular detail just as much as the strategic overview. “You have to be an 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 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. “You should ask yourself every week if you have brought value to your organisation,” she says. “What do we can make a difference and I think all of us in HR are incredibly fortunate to have such an opportunity.”

Advice to others

1 Understand the business context in which you’re working.

“You cannot do both as a member of the executive task and form the role of 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 ideas. 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 be prepared for, mentoring.

As she didn’t come from a consultancy background, Hughes-D’Aeth’s HR knowledge was built up through the tough learning curve to arrive at solutions pragmatically, thinking what she could 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.”
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.” Coincidently, 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**
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’d there with the crew helping to turn around the plane, collecting rubbish and clearing the cabin.

One example of that kind of 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.”

That 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 who their’s a’s and b’s 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 overhead 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 in easyJet should become more influential. It has 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 – if we’re going 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 – if we’re going to be a strategic partner, to help easyJet as a business to deliver.

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 a union as well as surveying staff and holding focus groups with crew members, we asked staff to tell us what was good, what we should keep – what we should keep – and also what wasn’t working, what needed to change,” says Simmonds. “To do this type of information

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 asked 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 of the programmes has been about ways of working looking at: “How do we as leaders need to change? And how do we engage line managers, for example, so we do develop the skills of our line managers?”

“There’s a lot in that about helping managers to identify the best behaviour of how they work 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-issues 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; or, “Where are the great financial initiatives in the business and how do I make sure our people have as much access to them as possible?”

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 financial cost.

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

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. Board level involvement.
4. External board involvement.

“Achieving business outcome 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 at achievements is quite high on the list 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, combined with other factors, scores can lead to 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, 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 customers and employees. “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? For 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 effective and efficient.” There are, says Simmonds, key differences between a national business as opposed to a multi-national. “One scope of operations, managing an international workforce and working across different counties where legal and union from different countries will differ, inevitably creates greater complexity for HR.”
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, practices 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.”
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 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 now? 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.”

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

By 2015 it was clear 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.

**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 been of 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.”

**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 constant improvement of things 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.”

**Advice to others**

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3. **Focus on the top three issues.**

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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.”

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.)

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

Ann Pickering

Interview with Ann Pickering, HR director, Telefónica UK (O2)
There is a strong emphasis on talent management which is supported by HR at O2. It is the company culture with high levels of motivation. This is evidenced by the recent 2017 employee engagement survey, which are at the highest ever levels – “we are amazingly good and considering we are coming through to the end of the three year business plan and had the recent uncertainty with the 2016 bid from the company which is supported by HR creating a company culture with high levels of employee engagement.” Getting such high scores is not easy to do in any business. But it is something that Pickering highlights for HR directors as a key factor in building a successful business. This ethos of motivation is found across every part of the business. It is a key factor which directly connects HR into bottom line issues. It provides a business benefit to the organisation and ensures this pervades the different teams in retail, finance, data and analytics, commercial strategy, technical, digital, marketing, human resources, 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 considerable. “It’s about helping to reposition relationship between HR and line managers.” “If I asked my boss (CEO Mark Evans) then I think he would say we are 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.”

Pickering is clear that with such issues there is a key advisory and supporting role for HR, in helping to prepare line managers for difficult discussions. “I’m a great believer in practical support, and helping ‘role play’ the kinds of conversations 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 key issues’ at the meeting.”

Fit for the future?
Talent management is key and that’s just as important for HR directors as it is for line managers. One of the key areas Pickering highlighted as her role as HR Director is about ensuring we 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 are managing to integrate the business – our all sit in their director’s teams so that they are well placed and can ‘add value’.”

This means I have nine business partners in the team who have that crucial commercial acumen to understand how they can be ‘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 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 are managing to integrate the business – our all sit in their director’s teams so that they are well placed and can ‘add value’.”

HR Most Influential
Ann Pickering

Advice to others

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

2 Challenge the status quo. “Develop the confidence to challenge conventional thinking 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. “Not every new idea that’s available will be a good fit so it’s important to choose what’s going to be valuable in the business and which areas you want to focus on,” 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.”

Ann Pickering • HR Most Influential