

the **HRDIRECTOR**

THE ONLY MAGAZINE DEDICATED TO HR DIRECTORS

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Susannah Clements -
Group HR Director, Anglian Water Group
Accenture
Alfred McAlpine
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Deutsche Lufthansa AG
Hampshire County Council
Serco



Pictured: Jonathan Croucher
Director of HR, Taylor Wessing

DON'T MISS NEXT MONTH'S ISSUE WHERE WE LOOK AT: FORUM: MERGERS & ACQUISITIONS; EMPLOYING WORKERS FROM OVERSEAS; COMMUNICATION; HEALTHCARE & THE BOTTOM LINE... AND MUCH, MUCH MORE

INTERVIEW

THE HR DIRECTOR'S ROLE WITHIN STRATEGIC MANAGEMENT

WE PUT SOME KEY QUESTIONS ON STRATEGIC ISSUES TO SUSANNAH CLEMENTS, GROUP HR DIRECTOR OF ANGLIAN WATER GROUP.



HOW CAN HR DIRECTORS BE A KEY PART OF STRATEGIC DIRECTION? Firstly, it is essential to have a thorough commercial understanding of business. It is critical to have something to bring to the table and a large part of that is to stop thinking as an HR director and to think as a businessperson and a member of the executive team. Being seen out in the business, understanding what makes it tick, means that people start having different sorts of conversations with you.

Secondly, build a team that will deliver all the requirements of an effective HR function, and upon which you can rely. This builds credibility – delivering a fantastic service gets you the seat at the table. I am really proud that I am supported by an enthusiastic and highly competent team, which allows me to step away from the day-to-day. I have also built some strong relationships with a few excellent external consultants – such as cda – who act as a sounding board and provide impartial advice.

Thirdly, the HR director must understand the key drivers of their particular business - for example, the regulatory cycle, the essential aspects of finance, compliance and operational practices - so that when you do contribute you know what you are talking about. Positively supporting the ideas and initiatives of other colleagues (provided you pick the right ones!) also builds that broader role of executive, rather than 'the HR person'.

WHAT PART DOES MEASUREMENT PLAY IN PROVIDING THE EVIDENCE OF THE HR DIRECTOR'S VALUE AND INFLUENCE IN SUCH STRATEGIC DEVELOPMENT? It is key that any measurement is of a nature which is useful not only to HR but to the rest of the business as well. For example, there can be significant emphasis placed on producing Human Capital Reports and Human Talent Reports, but I have seen a number which are lovely glossy reports and are of no practical use to anyone.

Any measurement has to pass the 'so what?' test. Measures such as employee turnover may be important in, say, call-centres, or retail, but in businesses like AWG it is measuring more difficult factors such as what effect reward levels and incentive schemes have on ensuring we retain the right people, that are most valuable.

We have made the strategic change, for example, to shift from measuring headcount to measuring the cost of labour. It's much more difficult to do, but actually tells you how much the work you do, costs. And it has the advantage that that the business uses it.

HOW CAN HR DIRECTORS BALANCE THE DIFFERENT SHORT AND LONG-TERM ISSUES THAT COULD EITHER UNDERMINE BUSINESS PERFORMANCE, OR HELP TO GUARANTEE ITS SUSTAINABLE SUCCESS? At the outset it is important to think through all the implications of a three to five-year strategy, and produce a plan of action to deal with any variances that may occur. It's easy to put the strategy on the shelf and then get on with 'real life'. I have had a lot of tough conversations about some of the more – shall we say – aspirational parts of our strategy, asking "Do we really mean this? How much are we prepared to pay for it?"

Many companies have standard corporate phrases built into their strategies such as 'people are our greatest asset'. And as soon as something goes wrong, they behave in a way which demonstrates that those are just words. We have tried to work through 'what if?' scenarios now, before the crisis hits – it's much easier to take a long-term decision now, rather than in the heat of the moment.

WHAT DO YOU SEE AS THE PARTICULAR CHALLENGES TO ACHIEVING THIS GOAL? Firstly, an HR director is only as good as their team, and it is imperative to spend time building one that you can trust implicitly. If they do not deliver on day-to-day operations you will be unable to fulfil a strategic role.

Secondly, it is vital that the HR director builds credibility with his or her executive team colleagues and has a full understanding of the relationships amongst this corporate group. This means that people will listen to you when you are contributing to strategic decisions. Work with like-minded colleagues to take small, positive steps that demonstrate the value of your proposition.

Finally, you must have something to say about non-HR issues, and be willing to engage positively in the discussions around the boardroom table.

HR is in central position within many companies, although this is not always understood by those within HR, never mind their colleagues! All the 'raw material' that HR controls, including reward strategy, performance management, the recruitment process, competence frameworks – all this actually is fundamental to the effectiveness of a company's strategy. Understand this, and use it to ensure that all these HR tools align individuals to strategic goals, and you are already halfway there – you are at the table having the strategic discussion because you hold the key to implementing it.

For further information:
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