



Influencing the Business as an HRD

To exert influence, today's HR Director needs to be a functionally agnostic leader. **Emma Carroll** explores what this means

HRDs should be integral to the strategic decisions a business makes. To fulfil this role, they must support the CEO while also providing sound commercial input and encouraging healthy dynamics in the leadership team.

It's a tricky path to navigate. Particularly in view of Criticleye's latest Research which reveals that both CEOs and NEDs say the top two areas where HRDs need to improve are providing strategic thinking and driving alignment within the leadership team.

At Criticleye's Human Resources Director Retreat 2019, which was

held in association with [IBM](#), business leaders explained how they are approaching these challenges.

For **Sally Cairns**, who at the time was Chief People Officer at Paddy Power Betfair, it's about remaining "functionally agnostic" where necessary. She described how the strategic review that took place following the business' recent merger was a joint effort by the whole Executive team.

"There were eight of us globally, and my role in that group was the same as everyone else's. With leadership hats on, we were asking: 'How should we think

about the market?'; 'How should we think about our overall ambition?'; and 'How do we make some of the really difficult decisions about where to invest?'" she said.

Alongside that, **Sally** had to assess the way the other execs were interacting and whether enough challenge was taking place. "I was doing that in the background, looking at how we were going to work together as an effective team," she said.

Periods of fast growth are another time when what is needed from an HRD can shift. **Brian Stringer**, former CEO of >



Survitec Group, found that the strategic demands on his HRD increased as the survival solutions business expanded rapidly. “The HRD role evolved from a more tactical one to being more strategic in nature; more of a business partner to the CEO. It became about making sure all of the different threads of the business were hanging together,” he said.

Establishing that core ‘partnering’ relationship between the CEO and HRD is critical, and being able to think like a business leader is key. **Sally** said, “If you can pre-empt where the issues are going to be, that helps you build credibility and produces better outcomes. You can’t just turn up and give them what they want; you must have thought through what you would do as a CEO in that situation.”

Building those relationships can take time, but **Kerrigan Procter**, CEO of Legal & General Capital, and **Emma Hardaker-Jones**, Group HRD of Legal & General, found an intense period spent working on the due diligence surrounding L&G’s acquisition of CALA Homes set things on a fast-track.

“Having that opportunity to work so closely together really became an accelerant to a relationship that might otherwise have taken a year or so to build,” **Emma** said. “It really speeds up the trust piece as well, and that means that things happen at pace – not without real thought and consideration, but it helps to move things forward.”

Recently, there has been a lot of people-change in the business and **Kerrigan** has drawn on his Group HRD’s input. “Knowing each other really well has made those conversations so much easier. I can really share with **Emma**

what I think of somebody and she’ll tell me quite frankly whether there are other things to consider. It speeds up getting to the point where we discuss what we could do and pick through the options.”

Getting the Board Onside

To really make a difference in the business, an HRD’s reach needs to extend further than the ExCo. This is where some fall short, according to **Matthew Blagg**, CEO of Criticleye. “The ability of an HRD to influence beyond the CEO and up to the Chair is key. To do that they need to see the strategy from the perspective of the Board and grasp the implications of business decisions on the shareholders or investors.”

He continued: “Once an HRD can do that, then their capacity to have meaningful conversations with the CEO, CFO and the rest of the ExCo is also transformed.”

This wider stakeholder piece is something **Emma** had to navigate when reporting back to L&G’s Board on their due diligence. There were the formal meetings in the boardroom, but also informal interactions that took place outside. “I spoke to my Chair and SID privately, outside the formal cycle of the meetings, and said: ‘This is my level of confidence about the deal, what are your concerns?’ It was easier to do that outside the set-piece meetings. It creates another channel, and I genuinely think it is a good thing to do.”

Gareth Davis, Chair of Ferguson, has seen the role of the HRD evolve massively since stepping into his first role in industry back in 1972. The remit has expanded, and the HRD’s influence

increased, particularly as stakeholders are now taking much more interest in how the workforce is treated, rewarded and developed.

Gareth recounted the arrival of an HRD who came with “a broader, strategic approach, and transformed the culture of the company and Executive team within two years”.

In the end, it’s about providing commercial input and building relationships. “A really great HR Director understands the vision, numbers and the messages you are sending out to the market. They get around the business and monitor its heartbeat. The more an HRD can do that, the more you want them around the table,” **Gareth** said. ■

Featuring Commentary From:



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