



CRITICALEYE

The peer to peer Board Community

HUMAN RESOURCES DIRECTOR RESEARCH 2021

NEW MODELS OF PERFORMANCE

“This research, conducted at our Human Resources Director Retreat 2021, unveils some interesting findings around the challenges HR leaders are facing in a post-pandemic environment. Although the theme of this event was *New Models of Performance*, our data shows that HRDs are still occupied with operational challenges created by COVID and are not yet focused on longer-term strategy.

It’s clear the lack of time and energy dedicated to strategic debate is playing on HRDs’ minds. Over a third (35%) recognised the primary reason for management team failure was a lack of time spent on strategy, and just 23% felt fully confident in the ability of the senior team to navigate strategic uncertainty. HRDs also told us that building senior team alignment needed improvement, perhaps recognising the need for renewed strategic focus in the months ahead.

Indicative of the role HR leaders have played over the last year, ‘diversity, inclusion and belonging’ was the top priority for this group. Similarly, the workforce is the HRD’s most challenging internal stakeholder, demonstrating the vital importance of attracting and retaining the best talent as organisations rebuild.

The need for leaders to have access to external reference points is recognised by HRDs, with 90% agreeing that mentoring improves the performance of senior executives. Sixty percent of HRDs say they now plan to focus more on leadership development. They also told us that both CEOs and CFOs need to work on building alignment around the top table.

Along with the data collected at our Retreat, this report includes comments from leading HRDs about their approach to strategy, leadership and stakeholder management, and some of our latest leadership podcasts.”



Jamie Wilson
Managing Director, Group Services
Criticaleye

Findings from Criticaleye's HRD Retreat Research 2021



Improved organisational agility is the biggest change occurring in organisations



Leadership teams need to **improve the quality of debate on performance**



90% of HRDs agree **mentoring improves the performance** of senior executives



Diversity, inclusion and belonging is the top priority for HRDs



83% of HRDs say management teams are **too inward-looking**



60% of HRDs want more focus on **leadership development**

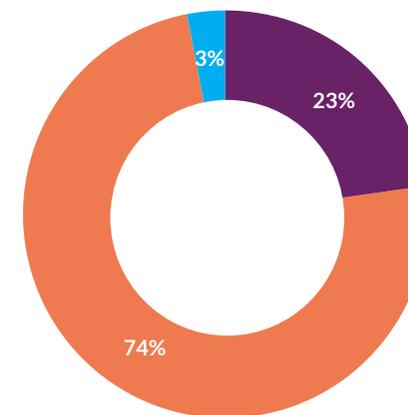
Strategy

Criticaleye offers senior executives a unique opportunity to discuss and reflect upon strategy with peers and experts

“We have been able to make more rapid decisions during the crisis and align across what was previously a siloed organisation.”

HRD Research Participant

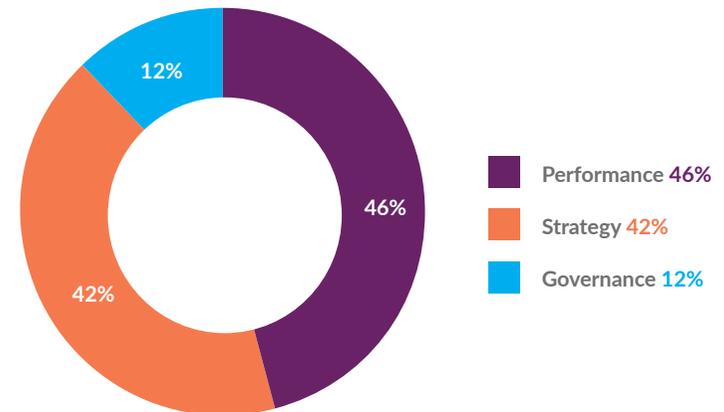
Does your senior leadership team have the ability to navigate strategic uncertainty?



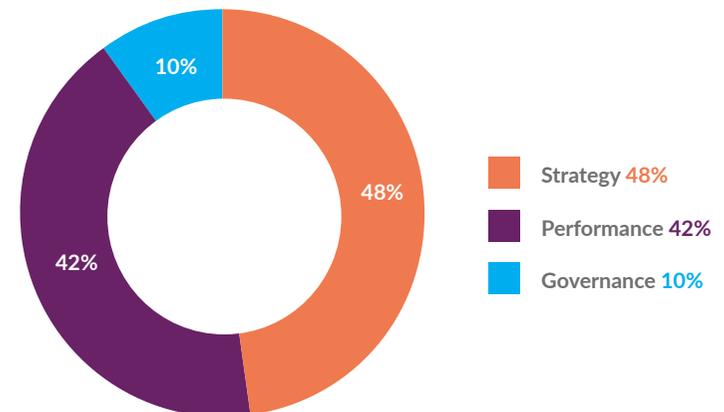
As a result of COVID, Performance has overtaken Strategy as the area in which executives most need to improve the quality of debate

In which of the following areas do you need to improve the quality of debate in the executive team?

2021

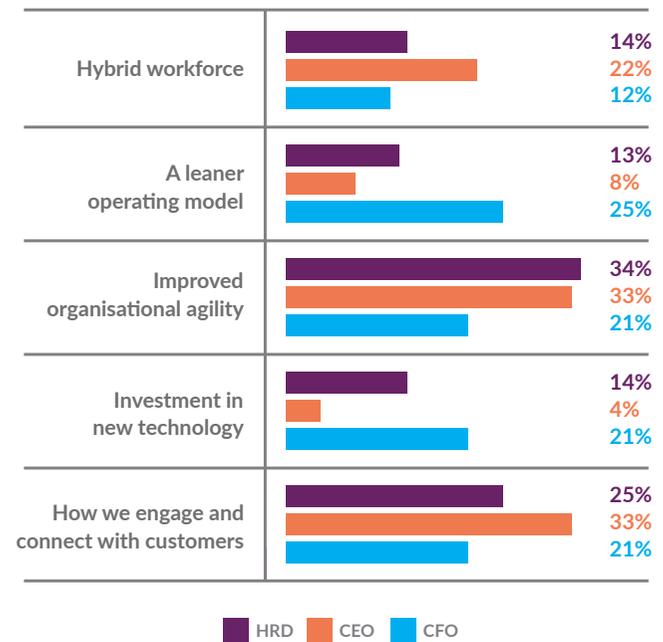


2019



In response to changing customer needs, HR Directors and CEOs agree improved organisational agility is the biggest change occurring in their organisations

Where do you see the biggest changes occurring in your organisation?



While talent remains a priority for the top team, 'diversity, inclusion and belonging' is most important to HRDs over the next year

Top 5 Priorities for **HRDs** over the next 12 months

- ✓ Diversity, inclusion and belonging
- ✓ Retaining key talent and developing skills
- ✓ Hybrid working
- ✓ Organisational design
- ✓ Sustainability / ESG

Top 5 Priorities for **CFOs** over the next 12 months

- ✓ Retaining key talent and developing skills
- ✓ Cost reduction
- ✓ Navigating COVID-19
- ✓ Organisational design
- ✓ Improved performance management

Top 5 Priorities for **CEOs** over the next 12 months

- ✓ Retaining key talent and developing skills
- ✓ Organisational design
- ✓ Sustainability
- ✓ Innovation
- ✓ ESG

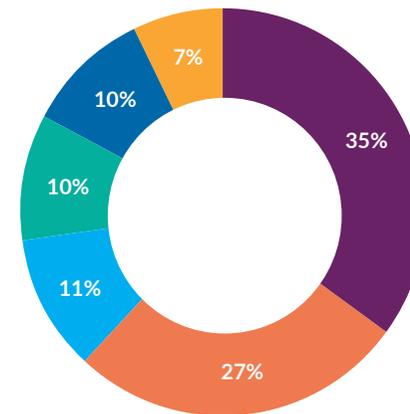
Leadership

Criticleye enables and develops great leadership with the perfect mix of peer to peer discussion and high-impact case studies

“Failure arises when focus drifts away from solutions and when growth in organisational capabilities fall behind the standard needed to continuously improve execution.”

HRD Research Participant

What do you regard as the primary reason for failure in your management team?

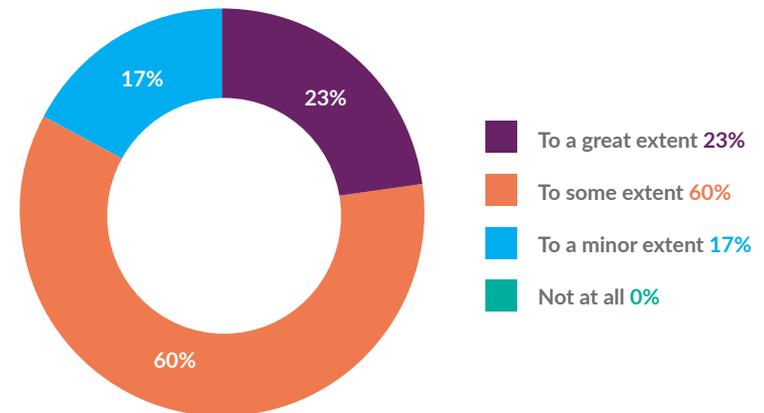


- Not enough time spent discussing strategy 35%
- Afraid to challenge and speak openly 27%
- Substandard internal controls and reporting 11%
- Lack of trust 10%
- Poor communication and people skills 10%
- No alignment on key commercial objectives 7%

“The pandemic has exacerbated management teams being too inward-looking and focused on the day-to-day.”

HRD Research Participant

Is your management team too inward-looking and focused on the day-to-day?



Why do management teams become too focused on short-term goals?

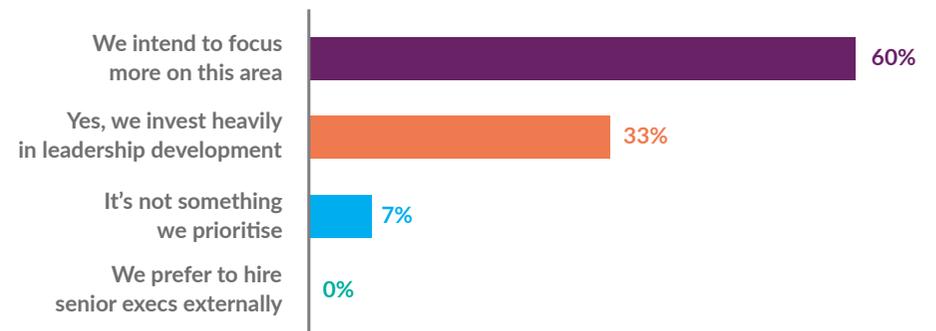


60% of HR Directors say they need to focus more on leadership development, with 33% waiting over 12 months to raise it with their Board

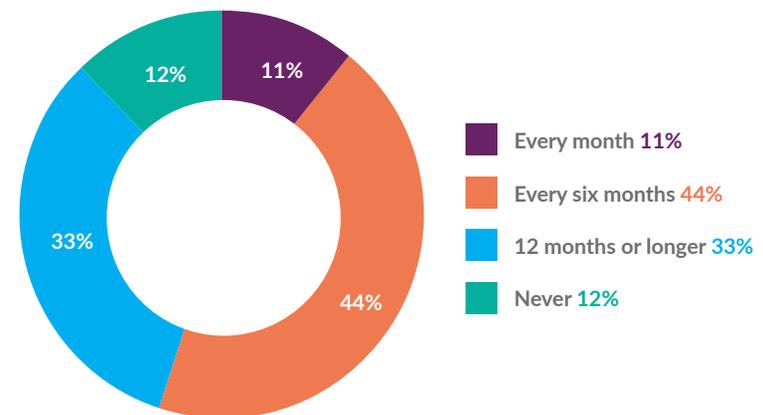
“We’re redesigning our leadership development curriculum to focus on new capabilities, including change.”

HRD Research Participant

Is leadership development for senior executives a priority within your organisation?



How often do you meet with the Board to discuss the leadership development needs of senior executives?



**Almost all HR Directors
believe in the value of a
trusted and impartial
mentoring relationship**

Does external mentoring improve the
performance of senior executives?

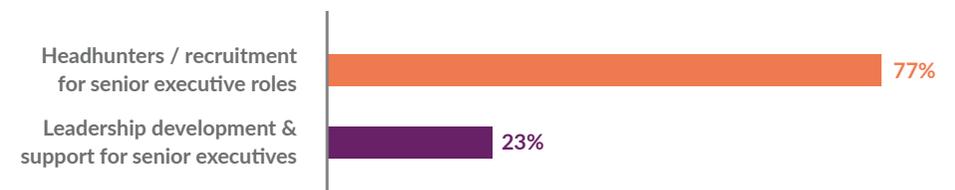


All HR Directors agree more should be spent on leadership development, but 77% report that organisations still spend more on headhunters than developing internal talent

In your view, should more be spent on leadership development and support for senior executives, as opposed to headhunters?



In your experience, on which of the following do organisations spend more?

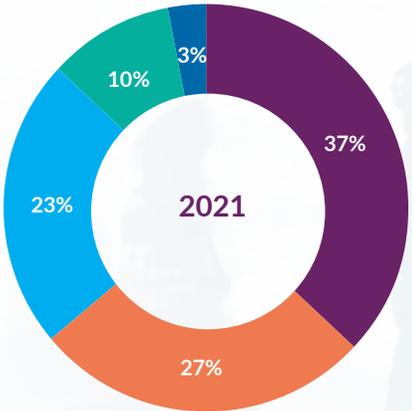


Stakeholders

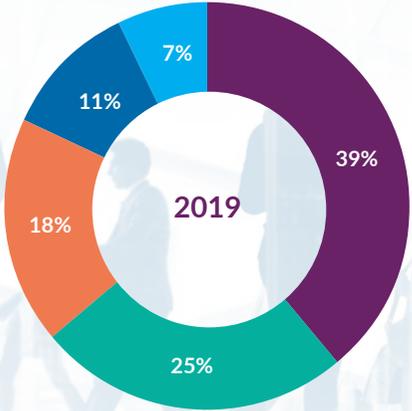
CriticalEye provides the right reference points to manage and navigate increasingly important stakeholder relationships

Customers and the workforce remain the HRD's most challenging stakeholders

Who is your most challenging internal stakeholder?

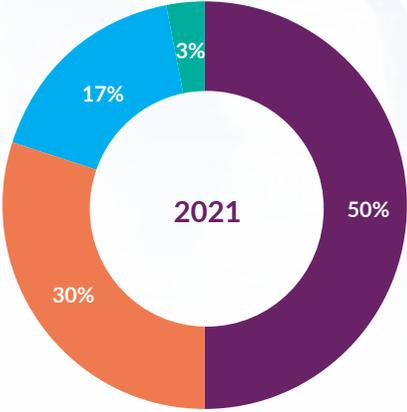


- Workforce 37%
- Senior leadership team 27%
- Board 23%
- CEO 10%
- Chair 3%

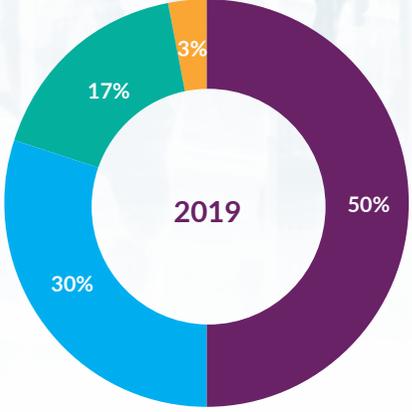


- Workforce 39%
- CEO 25%
- Senior leadership team 18%
- Chair 11%
- Board 7%

Who is your most challenging external stakeholder?



- Customers 50%
- Investors / Shareholders 30%
- Regulator/s 17%
- Government 3%
- Lobbyists 0%
- Suppliers 0%

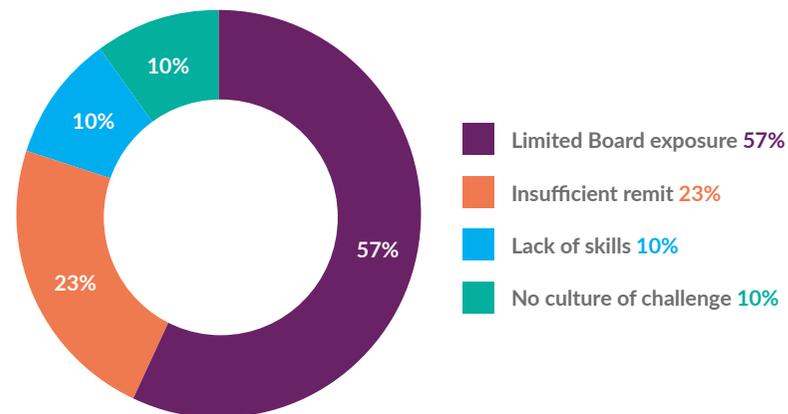


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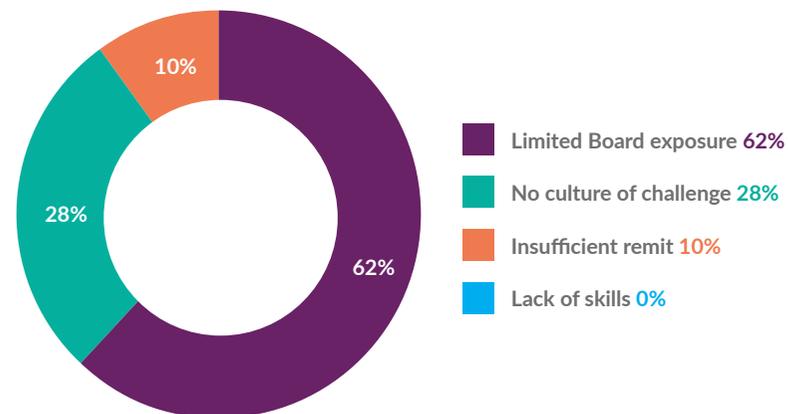
Limited Board exposure remains the No.1 barrier for HR Directors when it comes to influencing their Board

What's the biggest barrier to you being able to influence the Board?

2021



2019



HRDs revealed the top three areas of improvement for their colleagues

CFOs

1. Building alignment in the senior leadership team

2. Seeking inspiration / fresh thinking from other sectors

3. People skills and communication

CEOs

1. Building alignment in the senior leadership team

2. People skills and communication

3. Seeking inspiration / fresh thinking from other sectors

HRDs

1. Building alignment in the senior leadership team

2. Ability to influence the Board

3. Seeking inspiration / fresh thinking from other sectors



“At Criticaleye, we believe that great leadership creates positive outcomes and enables powerful legacies. Whatever the strategic direction of your business, it’s essential to have an effective, cohesive leadership team in which there is complete trust and alignment.”



Charlie Wagstaff
Managing Director, Criticaleye

CRITICALEYE PODCASTS

LEADERSHIP WITH NEW HORIZONS

EPISODE 1

This podcast kicks off our new series. Featuring Criticaleye's CEO, Matthew Blagg and Director of Content, Marc Barber, it covers key themes for leaders and senior executives in 2021, plus our latest CEO Research.

(January 2021)

EPISODE 2

This episode with Criticaleye's CEO, Matthew Blagg and Director of Content, Marc Barber, takes a deep dive into our CEO Research, including the challenge of aligning people, strategy and culture in 2021.

(February 2021)

EPISODE 3

Featuring Criticaleye's CEO, Matthew Blagg and Managing Editor, Emma Carroll, this episode covers some of the key outtakes from our HR Director Forum 2021. We look at HR Director sentiment in the current climate.

(March 2021)

EPISODE 4

In this podcast, Criticaleye's CEO, Matthew Blagg and Managing Editor, Emma Carroll, discuss some of the key outtakes from our recent Growth Company, NED and Asia Leadership Forums.

(April 2021)

EPISODE 5

Covering some of the key outtakes from our recent HR Director Retreat, Criticaleye's CEO, Matthew Blagg and Managing Editor, Emma Carroll, review the role of the HR Director and how it has evolved as a result of the pandemic.

(May 2021)

EPISODE 6

Criticaleye's CEO, Matthew Blagg and Director of Content, Marc Barber, cover some of the key outtakes from our recent CEO Retreat, including board dynamics, customer focus, agility and purpose.

(June 2021)

To listen to any of Criticaleye's podcasts, please visit: www.podcasts.criticaleye.com

We Inspire Leaders to Succeed



Our bespoke solution supports leaders with personal, strategic and team development.

Our unique strength lies in our ability to bring together a wide range of leadership and industry experience.

We invite leaders into a trusted environment, where executives and their teams get access to the insight they need to enhance their performance.

We enable senior executives to address key questions around leadership, strategy and stakeholder management.



Achieve
Better
Performance

Inspiring Leaders to Succeed

Our Values

Respect: an appreciation for diverse and varied views and experiences is crucial to high-performance leadership

Collaboration: working together to share knowledge and expertise is a defining characteristic of effective executive teams

Challenge: strategies and ideas need to be constructively challenged to reach the best outcome

Trust: leaders need to trust their colleagues and peers in order to work effectively and drive results

Integrity: we inspire leaders to succeed by providing a closed and confidential environment where Members can share openly

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