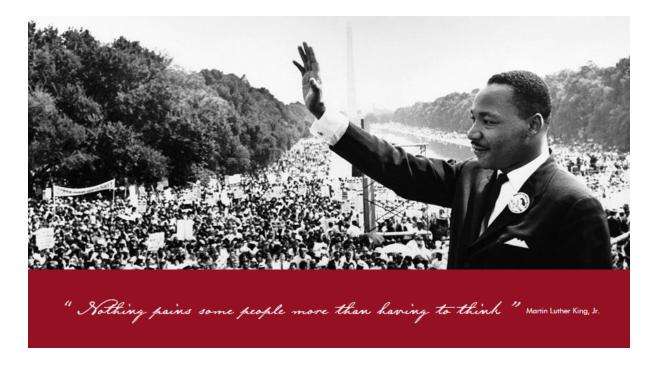


Executive Search & Board Advisory

CAN I GET A HR DIRECTOR WHO HAS HAD OPERATIONS EXPERIENCE – THAT WILL BE DIVERSITY OF THOUGHT!



I was reflecting recently on a meeting I had some time ago with a Chief Executive Officer (CEO) where we talked through the requirements to conduct a search for a Head of Human Resources.

The CEO outlined a significant transformation plan for the business that included a heavy weighting on business improvement and innovation to help the company compete in global markets. The CEO was clear in their vision and articulated a well thought out plan that had the endorsement of the Board and the support of the executive team.

The CEO, who had extensive international experience, made it very clear that change was on its way and that standards were going to improve significantly. They then discussed how they needed to appoint a HR Director to help with the transformation. They said the HR role was vital to the success of the company and in supporting the change. Therefore hiring the right person was critical.

They had already met with some of our competitor search firms and wanted an assurance that for such a role they could partner with a company with few to zero off limits. They

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needed to source candidates from the full market, not just a subset of the market that the search firm could access. They did not want to miss out on acquiring the best talent because of conflicts. We gave the CEO that assurance.

The CEO then said the following, "Can I get a HR Director with operations experience? That will be diversity of thought! I have looked at the market and there seem to be very few HR Directors who have actually had P&L experience — I want someone who has been there and done it and can relate to and genuinely support the business leaders implementing the change. Your competitors talked through HR executives who have only ever been in HR. I worry that this production line of creating support people with only support backgrounds cannot deliver what I want. Jack Welch's HRD was always an executive who moved into HR from an executive role. They were able to provide Jack and his executive team the cut through he needed to get the job done. Jack also said if your CFO is more important than your Head of HR, you are nuts." It was an interesting discussion as the CEO was a person on a mission and Rome was burning.

After two hours of learning about each executive's role the CEO said: "So you can see why I value the HR role, but not in terms of peripheral support but robust engagement". We then discussed the title of the role. The CEO said "Human Resources Director ... pretty simple, I am not having the title of Head of People and Culture ... since when has HR led the People or the Culture? That's my role, that's what I am paid for. I have shareholders who are paying me to get them the very best, and that's what I want and just so you are clear I am not fussed if the person is male, female, green or blue as long as they can deliver. I don't care if they are over 55 or 45 as long as they can deliver. What I want is someone who has the ability to think, make decisions and has the courage to make the tough calls. That is diversity, diversity of thought and judgement is what is needed. This will not be an easy assignment because I want the search firm to also think and not serve me up the obvious and politically correct names. We have a lot of peoples' futures at stake here, and I want the best".

I thought it was an interesting meeting at the time and since. It raises many questions regarding how companies are thinking through their appointments compared to this CEO. This CEO was determined that experience was key and the best candidate in the market was essential. The successful candidate would have to bring a background of diverse experience covering industry, P&L, international and turnaround experience.

The postscript is that the CEO made the decision with the shareholders and their employees' interests at heart. The CEO did not waiver. The CEO, who will remain nameless, had an impressive track record of success, was prepared to be the contrarian but firmly believed in surrounding themselves with people with different backgrounds, experiences and personalities. Importantly they held the HR Director role in incredibly high regard but felt that HR Directors that came with operations or P&L experience brought more to the business. This was a CEO thinking deeply about the market dynamics, the frail situation of the company and what they felt was needed to succeed. It would be fair to say that the CEO delivered, the HR Director delivered and whilst elements of the transformation were painful, the business has since flourished and the individuals involved have gone on to bigger and better things.

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I have remained in touch with the CEO and appreciate that this person was prepared to not follow the stream of consensus. I learnt many things from this experience, but two stood out for me. Firstly that diversity is essential, but it has a broader definition than is generally held in this country, encompassing a range of factors that can include skillsets, exposures, international, local industry or non-industry experience to name just a few. The second thing that struck me was the need for the alignment of our education and training practices to develop individuals so that they can better perform in their roles. Regarding HR, it makes one question how specialised degrees that produce HR graduates that stay within the HR stream with no exposure to what this CEO would call the business, can actually add any value! To change this, early career HR professionals and the companies they work for may need to consider placements in revenue and operating business units outside of HR to bring the operational and pragmatic experience that deliver what the CEO above is looking for in a future HR Director.

As a HR Professional, it would seem that if the opportunity arises for operational business unit experience, seize it. It may help you in your HR career, as well as open other potential leadership roles in your business.

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