

CHARITIES HR NETWORK ONE DAY CONFERENCE – 22 JUNE 2011

KEYNOTE ADDRESS: WHAT A CHIEF EXECUTIVE OFFICER NEEDS FROM HIS HEAD OF HR

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Good morning and thank you very much indeed for the invitation to share some thoughts with you today.

Richard Hawkes, Chief Executive of Scope, the disability charity.

Been invited to speak on the subject of what a CEO needs from Head of HR

The answer to this obviously depends on the CEO, their approach to leadership, the priority they give to HR and OD and the organisation itself. But it wouldn't make for a very interesting speech if I just said "It depends".....so I'm going to look at what I believe a good CEO should need from their Head of HR, both for the organisation and also for the CEO personally. In doing this I will suggest what a CEO does not need from their Head of HR. And I'm also going to abuse the opportunity you have given me to have this platform and offer some reflections about the charity sector overall and the approach to people and HR.

I hopefully bring a lot of experience and a range of different perspectives to these issues. I have worked in this sector for almost 20 years.....and in a number of different roles I have always been interested in people issues and committed to knowing more about HR and OD, to investing in them and to striving to have the strongest possible people strategies in place.

My roles have included being CEO of a small international NGO.....International Programmes Director of a large NGO, responsible for 600 staff, 2,000 volunteers in more than 40 countries.....range of non-exec roles, including currently being a Trustees of Skills Third Sector (the sector skills council for third sector).....and current job....CEO of Scope.

For those of you who do not know Scope – we exist to drive change in society....we have a vision of a world in which disabled people have the same opportunities to fulfil their ambitions as non-disabled people.....we aim to ensure that everything we do contributes towards achieving these changes. This means we have to be a dynamic organisation, driving change.....and to achieve these changes we are very aware that we need great people doing great jobs.

- relatively large charity.....turnover of £100m, employ 3,500 staff, 7,500 volunteers.....hugely diverse range of roles.....5 schools (teachers, care staff, caretakers, kitchen staff)....range of adult services (residential and supporting people in on home).....Fundraising....Policy....Communications....250 shops (shop managers, shop volunteers)
- Absolutely essential that all of those people, whatever their role, know what Scope is about, what we're trying to achieve.....and how their role contributes to that. Not easy and not there yet....but getting there.

When it comes to our approach to people I would suggest that there have been some huge changes in our sector over the last 20 years.

I started one job in 1994 and my induction programme lasted five minutes. I had no objectives, no pay scale, no training and development plan – and when I was introduced at a Board of Trustees meeting they all looked surprised and one of them said that they hadn't realised that such a post had even been created!

At that time I would suggest that concepts such as performance management, appraisals, talent management and succession planning were almost non-existent across the sector.

Jumping forwards to 2011 a lot has changed for the better. But I believe that there continue to be some substantial areas of concern:

- There continues to be a tendency for charities to see HR as “back-office”, a support department....rather than taking a strategic approach to HR and ensuring that it drives the business.
- As a result of that point, I think there are too many charities that don't budget enough for HR.....and that, when faced with difficult financial periods, will often cut HR.....rather than seeing investing in people as a way to get through difficult periods.
- As a sector overall I think we are still not great at managing performance – and, especially, managing poor performance. We're obviously very values driven, but too often the sector allows that to be an excuse for tolerating poor performance. I think many organisations forget that they are here for their beneficiaries and not for the staff they employ.....surely we have moved on from the days of “he's such a nice person so we have to keep employing him”. We're not here to pay nice people to do bad jobs.
- I still hate it when people say “the charity sector has a lot to learn from the private sector when it comes to managing people”.....and I hate it even more when it is people within the charity sector who say it!

We have to be better than the private sector – we're about building a better society and to do that we need great people. And I would suggest that it is far more challenging to lead and manage people who want to change the world than people who might be motivated by the size of their bonus.

For most people in the charity sector, financial reward is clearly not the main motivational driver – people want to work for an organisation that shares their values – and they want to feel involved and engaged in the organisation, that they can influence and shape it....and that needs great managers who know how to do this, who can get that balance right without allowing it to become a democracy.....this is really not very easy.....and it requires excellent HR support and guidance

I'd now like to turn to some of the things that a CEO does not want from HR:

- The last thing I would want is for HR to see itself as the Trade Union. I had one job where the HR manager saw herself as the representative of the people, always against “nasty” management, stifling progress and change. I’m not in any way suggesting that Trade Unions are nasty....but this is not the role of HR.
 - The Head of HR has a really important role to play in making sure that managers and staff alike know that they will get support and advice from HR.....so when managers want to do things that will hurt, they can trust that HR will give them sound advice.
- I would not want HR to always have good reasons why things cannot happen. It’s fine to outline the consequences of decisions, but not to always be risk-averse or against change.
- I would not want HR to be a back-office function or to be seen as such
- Having said all that, I don’t want an HR Director who simply assumes that they should have a place at the table from a strategic perspective. I obviously believe that this should happen - but HR does need to earn it in the first place and add value to keep it.

So what would I want from HR?

First of all – for the organisation:

- Ensure that all of the basic transactional / operational HR functions and services are working effectively:
 - People being paid on time
 - Pay and reward structures in place
 - People know where to go for advice on different HR-related issues
 - Ensure people know how to do the basics – new starter forms, changes to conditions, maternity leave etc
- If the basics are in place people across the organisation will think positively about HR

But above and beyond this, organisations are stronger if they support and encourage more strategic HR and OD. So personally I would want to see the following:

- HR working as a business partner with all departments / business units – sitting on management committees, contributing to forward thinking, flagging up people issues in advance, strong relationships with managers and Directors
- Proactive systems and processes in place for:
 - Performance management
 - Talent management
 - Succession planning
 - Employee engagement

- HR Director at heart of leadership or organisation.....reporting directly to CEO.....shaping the senior team....ensuring people at heart of organisational thinking, planning and direction.
- Head of HR to take a balanced business perspective on future requirements and change and work with senior team to ensure collective understanding of this

But I think there is more than that. Above and beyond what the Head of HR can offer the organisation, I think the personal relationship with the CEO is crucial. At that personal level I would suggest that the CEO has further needs and requirements. The Head of HR needs to support, challenge and help stretch the CEO, giving feedback and providing insight that even other Directors might find difficult to do.

- Give feedback to the CEO. Very few people do. Tell the CEO when s/he is doing things well, getting things wrong, could do things differently.
- Challenge the CEO. Make him / her keep thinking and questioning. Help the CEO think through options before making decisions.
- Help and support the CEO. Know when things are difficult. Proactively think about what things are like for the CEO and offer support.
- Put pressure on the CEO – for example, by knowing what the issues are beyond the organisation, what's happening in other organisations and sectors, what new HR / OD ideas could we be thinking about (for example, performance-related pay, scoring people in appraisals).....have suggestions and ideas that will make the CEO feel uncomfortable.

These are the things that I want from my HR Director. And to achieve all this you need the right HR strategic leadership and you have to make sure that HR is properly resourced. Since starting at Scope 18 months ago I have made it clear that people are our most important resource and that one of our top corporate priorities is investing in HR so as to ensure a more strategic people strategy. I think this message needs to be driven by the CEO – modelling good practice, making sure that appraisals happen and ensuring HR is properly resourced.

My attitude is quite simple I think. We have 3,500 staff and 7,500 volunteers. That's 11,000 people – and I think every single one of them has a right to know what is expected of them, what success looks like, to get feedback on their performance, to be rewarded if they are successful, to be performance managed if they are not.....and ultimately to know where the organisation is going and what they are doing to contribute to that.

The right Head of HR will help me achieve that – and to do that they need to focus on the organisation overall and also on me personally.....helping to ensure that I can do the best job possible as CEO.

So, to answer the question, what does a CEO need from Head of HR.....someone who can run a great HR operation, introduce strategic HR and OD to the organisation, work with teams and departments across the organisation, support and challenge the CEO, offer knowledge and insight from other organisations and sectors, introduce new ideas, know their HR inside out, help drive culture change.....not much really! But this is the third sector.....we're trying to change the world.....so there's nothing wrong with having high expectations.....