

World Class HR

The conference is closing with Neil Roden (RBS) and David Fairhurst (McDonalds / Tesco) replacing Clare Chapman (NHS / Tesco).

I am feeling interested in whether these inputs will help clarify what HR's strategic role is going to be.

RBS are doing lots of great things in HR, particularly the work Greg Aitken has been leading on HCM measurement.

However out of the two, I have greater respect with what David Fairhurst has been doing to change the perception of jobs at McDonalds.

David talked about how we are now entering a new era in which people are the drivers of success and which places HR in "the hottest HR of hot seats".

His perspective is that just as IT and Engineering have helped their organisations achieve their objectives by having 1. a deep understanding of what drives their organisations and 2. mastery of their disciplines - in this order, HR now has the same opportunities. Indeed, the opportunity is so great that many CEO's, a bit like Spartacus, are saying "I'm the people leader here".

Barriers to HR having the same level of success are

1. Focussing on strategy at the expense of the basics
2. Specialists who can work across boundaries (what Lynda Gratton called boundary spanners)
3. Not keeping score and demonstrating its impact on the bottom line.

I agree that in many organisations there is a need to focus on the basics and on the business rather than people, and this is particularly the case in retail (including RBS, McDonalds and Tesco) where business is actually pretty simple (Neil Roden: "We like simplicity - we're not bright enough to deal with complexity") and therefore the HR basics really do need to take precedence.

But even there, not all of the time. Infact I think David needs to take more credit for a

great strategic approach to people management than he gives himself.

For example, he talked about McDonalds' use of social networking to form a community of 67,000 people offering a range of activities from discounts to fantasy football to maths study leading towards qualifications. It's a site in which everyone can feel comfortable and can work on the co-creation of activities such as campaigns and customer promotions."

Yes, clearly great implementation is critical to this, but it's a great strategic approach, and closely aligned to McDonalds business and its strategy too.

I think there is an opportunity for HR to lead the business, by putting people first.

Neil Roden suggests that he doesn't know how someone can be in HR and not read the FT. Well I agree HR people should, and I do, but I think they need to read the BPS research blog too. And, once they've established their business credibility, if they're short of time, they should put the BPS above the FT.

To some extent, this links with the move from an intellectual to emotional agenda that Anne Lise Kjaer refers to in the last session.

This is how I think HR will capture the opportunity that David has discussed.

David put up a quotation from the founder of Sony:

"We don't ask customers what they want. They don't know. Instead, we apply our brain power to what they need, and will want, and make sure we're ready."

If you see HR simply as a support function, then this approach does not apply to HR. But if HR is going to drive success in the new era, then surely we can draw an analogy here.

The opportunity isn't in getting ever more business focused, it's in applying neuroscience and positive psychology, developing organisational capability in innovation, responding to the growth in emotional consumption and enabling the emergence of hot spots.

This is what I would call World Class HR.