

'I believe that sometimes the workforce is actually much more open to new ways of working than the management team.'

Sanna Suvanto-Harsaae



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'I don't think HR is considered a valued member of the top management team and I believe that too often they only have themselves to blame. I'm also wary of the word 'Talent.' The reason is that I was recently involved in a company where the HR department were talking about their superb 'Talent Management Programme' and how they had 'talent here' and 'talent there,' but the actual company itself was doing badly. So the CEO demanded to know how the company could be achieving none of its financial goals, yet all the HR Talent KPIs were green for years? What was happening was that they kept identifying and promoting talent, but when they looked more closely at this they realised there were actually people who had been in 'the talent pool' for 6 or 7 years, but they had never questioned whether these people were actually high performers? They had a lot of people who for years were 'future talent', but never converted this into performance and therefore improved company results. They were mistaking talent for performance.

I think another issue is that historically HR has gone into what I call soft values. Too often, they see themselves as disconnected from the financial goals of the company, rather than saying: 'OK, how do we play into the overall financial goals.' So the danger is that you get into this world where HR is living a life of its own, without a very clear, hard value connection to the company's overall strategic goals.

This happens in part because HR doesn't self-promote enough and management in many companies is not demanding enough of its HR people. I currently sit on the board of a company where I asked the corporate HR person 'Where in P&L can I see the numbers for your work?' For me this attitude must come all the way from board. If HR is allowed to be in its own soft value cocoon what happens is that when the company gets into trouble and needs to fire someone HR says: *'We can't do this because we're damaging the talent'* instead of saying: *'What's our role in this new scenario?'* HR isn't seen as a member of the top management team and that works both ways. Too often HR is disconnected from the rest. Somebody in the top management team has to be able to measure the role of the HR department, regardless of whether it's on sick leave going down, recruitment efficiency or simply cost. It's not always easy to measure this in money terms, but the point is you have to try. That has to come from both the HR department being willing to work with financial measures, as well as from management forcing the HR department to work with those measures.

It's very simple. You get what you measure. If you measure the wellbeing of the organisation and tell HR that this is the key measure against which they will be judged, you get what you measure. And the results might be great, but unfortunately that says nothing about the impact it has on the overall business goals. They have to be able to show their value in monetary terms. The company has a set of values obviously, and soft values play an important role in that, but those values per se are not the goal. They should be a way of getting to the business goals and ultimately to the vision of the company. It's no good having a fantastic presentation from the HR department if the company itself is not doing well, the two must be connected.


HR's role is key, but they have to start thinking of themselves as an integrated part of the business and a major part of delivering the company's goals, rather than just being a support function. They can't just be involved in implementation, they must also be involved in the overall strategy of what the company is trying to achieve. You have to bring them up front because if you don't, they can't perform well. And that means that people in HR must have the capabilities to really fulfil this role. Many times HR would rather run their own

area in great depth than engage with the width of the general management role. But the two best HR directors that I know are both long time commercial managers as well. They've also been commercially responsible, so they understand commercial thinking and its importance to the company. The issue is if you are what I would call 'career HR' and you haven't been business responsible, it's difficult for you to get an understanding of cost margin or customer value. HR people must understand the P&L situation of a company. Only then are they on the same footing with the CEO and Division Heads who really do use a language and a frame of reference which the average HR person would not normally feel comfortable talking about. They have to make that transformation. It's not an easy one, but the more they do, the easier their job will become.

There's also a great danger that if they don't understand this side of the business they're not passing it on or promoting it to the people they meet or recruit as strongly as they should. For that reason, in most of the companies I'm involved with, it's the line management who are increasingly responsible for recruitment - which again pushes HR to the sidelines. So they face a double whammy. How would they know what's needed if they're not a totally integrated part of putting the plan in place. HR often sees itself as an implementer, someone who comes along once the strategy has been set. There's a big difference between that and being someone who is crucially involved in creating that strategy. There's a huge difference in terms of responsibility.

I would agree that training existing personnel is the best way to increase productivity and there's a story about a discussion between a CEO and a CFO which I find very powerful. The CFO says: *'What happens if we train all these people and then they leave us?'* And the CEO says: *'What happens if they stay and we don't train them?'* I think this attitude really ties in with these tough times. If you cut everywhere else you have to cut training. But you also have to ask which type of training is essential to have an impact on productivity? Just giving people a plain vanilla course on the basics is not really helpful.

I would say that in the majority of cases it's two things - Leadership and communication. These are not easy things to train. You have to train on the job and to do that you have



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to have a manager who's good at it. It's like the cascading thing. A lot of managers have difficulty dealing with tense or edgy situations and conflict resolution is something they can be taught to get better at.

Scandinavian countries tend to react differently to conflict than many other countries. We try to avoid conflict in different ways. It's not seen as something that could accelerate to a positive outcome. But in the decision process in any organisation there are bound to be conflicts and to be blunt, sometimes consensus takes an awful lot of time and we need to find more effective ways to reach a consensus.

On the question of diversity, immigration is still quite a new thing for the Nordic countries and our workforces don't yet reflect this change as well as they perhaps should. That being said, the Scandinavian workforce is very curious and open to new ideas. I believe that sometimes the workforce is actually much more open to new ways of working than the management team - and sometimes even more enthusiastic than the HR department. However, the workforce does not want to be sent on a course that has no relevance to them. When engaging your staff in training you need to communicate the benefits of doing so, whether it's to help them manage their work, their work life balance, or help them get better at a particular aspect of their job. Then they will say yes, yes, yes. But they require the respect of giving them what they need, not what you think they need.'