

CEO Expectations of HR Leadership

Global HR Leaders Conference, April 6th, 2011
Grand Hotel Kempinski, Geneva

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Today's Topics

- Do you know what's on your CEO's mind right now?
- How well are you doing?
- How can you be more effective as a business partner?
- Some solutions to consider

Do You Know What's on Your CEO's Mind?

What Gets Discussed Here?



Current Hot Topics for CEOs

Top 10 Business Risks 2010 *	HR Impact?
Regulation and Compliance	✓
Access to Credit	✓
Slow Recovery/Double Dip Recession	✓
Managing Talent	✓
Emerging Markets	✓
Cost-Cutting	✓
Non-Traditional Entrants	✓
Radical Greening	✓
Social Acceptance Risk & CSR	✓
Executing Alliances and Transactions	✓

* Source: The Ernst & Young Business Risk Report 2010

Global Firms in 2020 – Future Issues *

Expected Trend in 2020	% Agree
We will enter/compete in more foreign markets	75%
We will take advantage of technology to outsource more non-core functions	75%
Workers will retire at an older age	68%
Employees will work from home more often in future	68%
We will have to cut costs to remain competitive	67%
Virtual meetings will replace most face-to-face meetings we have today	62%
There will be less job security in our organization	62%
There will be a significant consolidation in our industry	58%
Our managers will have more diverse backgrounds and experience	54%
Retaining and rewarding the best people will be the biggest challenge for HR	49%
The most important skill for our organization will be problem-solving	42%
Our workers will have to speak an Asian language	18%

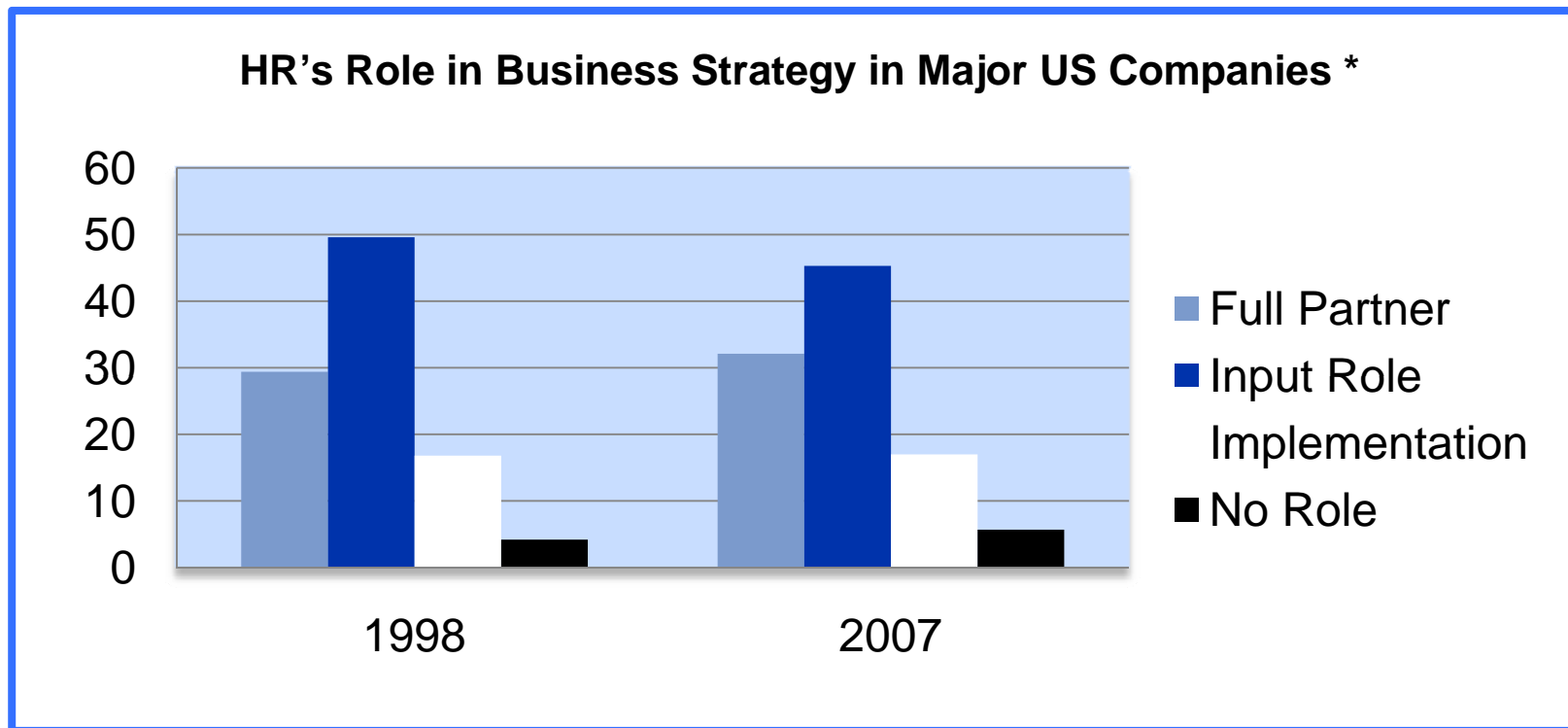
* Source: Global Firms in 2020 (EIU report, sponsored by SHRM)

So How Are You Doing?



The Reality is That HR is Often Not Part of the Conversation...

Over 10 years, HR's impact on company strategy has not increased



* 'What Makes HR a Strategic Partner' – Edward E. Lawler II & John W. Boudreau, Center for Effective Organizations (2009)

And There Is Little Encouragement to Give HR a Chance....

After close to 20 years of hopeful rhetoric about becoming "strategic partners" with a "seat at the table" where the business decisions that matter are made, **most human-resources professionals aren't nearly there.** They have no seat, and the table is locked inside a conference room to which they have no key. **HR people are, for most practical purposes, neither strategic nor leaders.**

Keith H. Hammonds – « Why We Hate HR » (2007)



...Or To See HR as Value-Added

Human resources is a management term that should **strike fear** into the heart of every self-respecting entrepreneur.

The brilliant Avis boss Robert Townsend in his book *Up the Organisation* suggests **firing the entire personnel department**. Indeed, I have radically downsized HR in several companies I have run, and business has gone all the better for it....**HR is like many parts of modern businesses: a simple expense, and a burden on the backs of productive workers.**

Luke Johnson – « The truth about the HR department » (2008)

FINANCIAL TIMES

What Holds HR Back?

- Different frames of reference to executives
- Not speaking the same language
- Waiting to be asked to contribute
- Too busy to have time to be 'big picture'
- Seen as a 'fixer', not a strategic partner
- Difficult to demonstrate value-add to the business



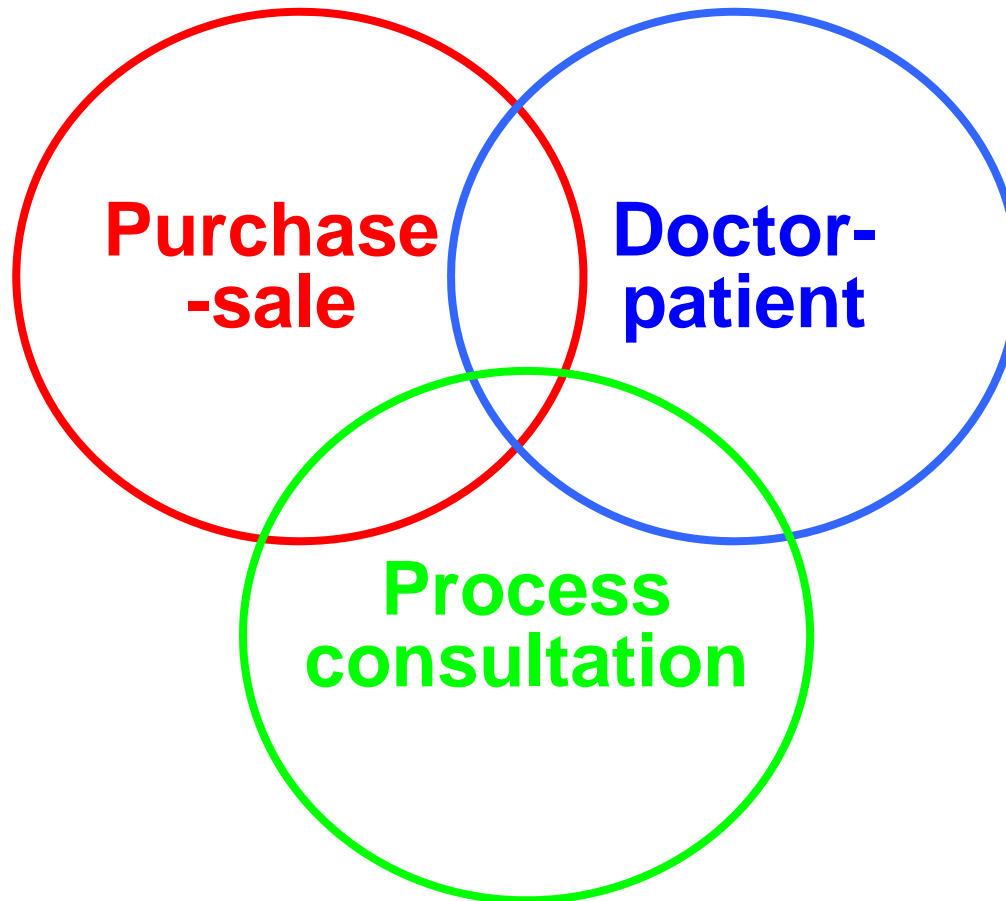
How Can You Be More Effective As A Business Partner?

What Skills Do You Need to Have?

- ✓ Ability to understand business needs
- ✓ Responsive and customer-oriented support
- ✓ Strategically-oriented and focused on the issues that matter to the business
- ✓ Strong professional HR skills
- ✓ Personality and ability to create effective relationships
- ✓ Integrity, objectivity and willingness to challenge
- ✓ Proactive – not remote or caught up in the minutiae

From interviews with executives by the Corporate Research Forum (CRF) and Roffey Park in 'Configuring HR for Tomorrow's Challenges' (CRF - 2009) and 'Maximising the value of HR business partnering' (Roffey Park Institute - 2009)

How Do You Partner with the Business?



After research of Edgar Schein

How Can You Get People Onto the Business Agenda?

- What critical or challenging questions can you ask?
- Are you able to offer a fresh point of view?
- What surprising people-related data might reframe issues?
- How sound is the strategy process itself?



Some Solutions to Consider

The Good News.....



...You don't need to rush off to business school!

...and there's no one skill that does it all

CLC	CRF	Roffey Park
Ability to use data-driven business information	Highly commercial with deep business knowledge	Willing to offer a point of view
Tailor solutions to business needs	Expert in performance and OD and effectiveness	Demonstrate HR knowledge & skills
Set service expectations	Experience of different kinds of organizations	Have relationship building skills
Be measured on completion of predefined objectives	Best judge of people the organization has	Have influencing skills
Communicate business-relevant information	Willing to challenge and ask difficult questions	Are willing to challenge assumptions
Articulate a strong point of view	Outstanding influencing skills	Demonstrate company knowledge
Maintain an enterprise viewpoint	Able to build trust with people at multiple levels	Demonstrate an ability to cope with uncertainty & change
Understand the operation of the business	Skilled listener and taker of organizational temperature	Demonstrate an understanding of organizational politics
Be measured on BU human capital outcomes	Calm in a crisis and able to take the long-term view	Be credible with the business
Be measured on BU financial performance	Compassionate and empathetic – yet can take the hard decisions	Have the strength to stand up to managers

Business understanding

Delivery/metrics focus

Ability to challenge managers

Strategic & change orientation

HR technical skills

Relationship-building skills

Get Closer to the Business



- Understand the business
- Speak their language.
- Find out what your customers want
- Get visible in the management team
- Get involved in what matters most

Start Having Meaningful Conversations

- Be ready to challenge others
- ‘Connect the dots’ on the People issues
- Play the adviser role
- Remember you are also the business’s conscience



Find the Time to Make an Impact Through Strategic Partnering

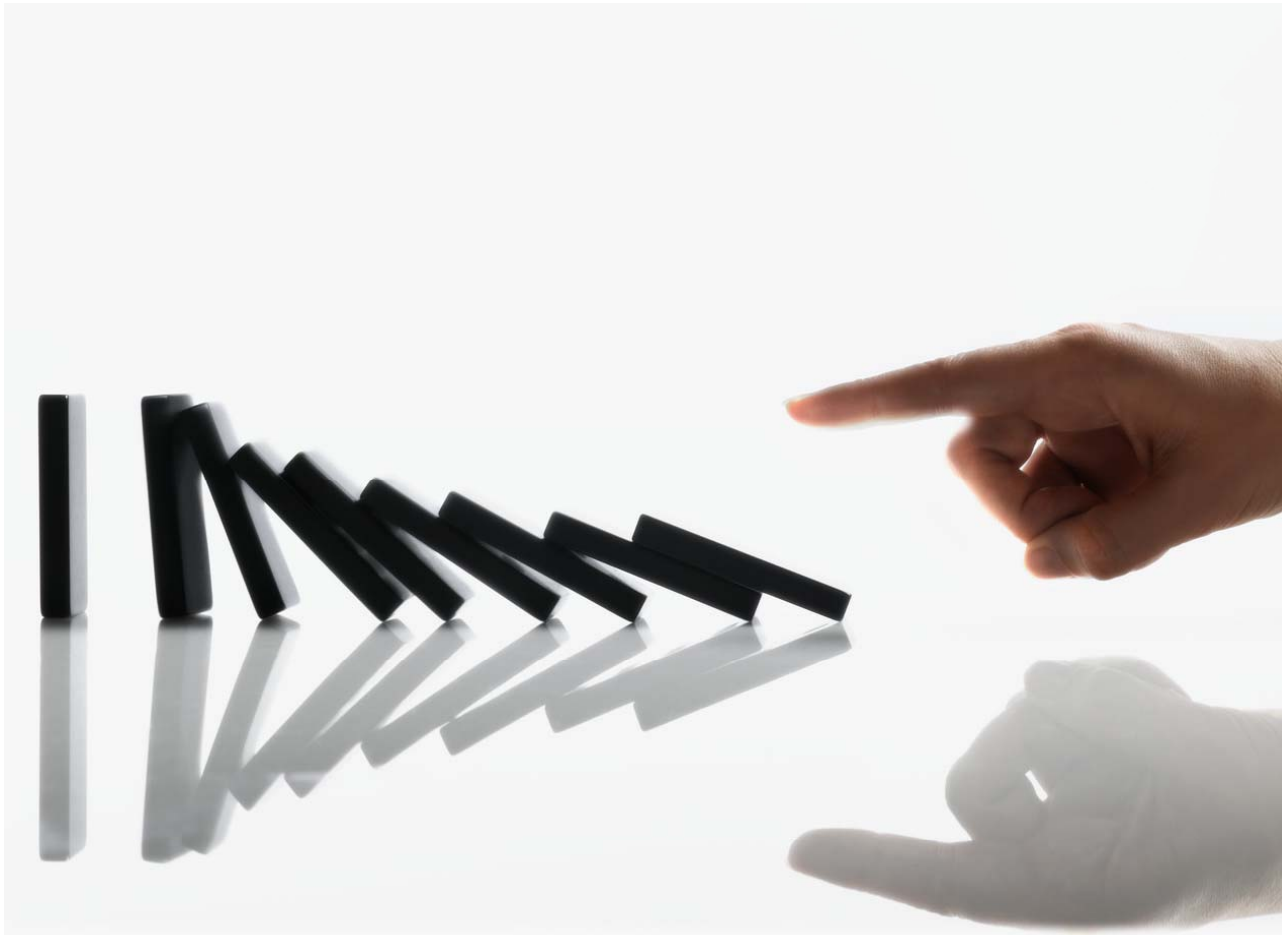


Don't Expect a Big Bang !

- Change takes time
- Set realistic expectations
- Reconsider your HR model
- Use data and quick wins to show progress



Seize the Challenge and Start Making the Change!



Thank you!

Questions and Answers

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- **Background and experience**
- Geoff is Vice President, HR Strategy and Organizational Development, for Merck Serono, which is a leading biopharmaceutical company headquartered in Geneva, Switzerland. He has an extensive background in international HR, and has held several generalist and specialist roles including Head of Corporate Human Resources for Serono where he played a leading role in the HR integration of Merck Serono, whose successful outcome was recognized by the 2008 “Strategic HR Leadership Award” from the Society for Human Resource Management (SHRM). He also has extensive depth in the Rewards area and, as Global C&B Director for Roche, was responsible for the introduction of a number of award-winning employee equity plans that were recognized by the Global Equity Organization and IFS ProShare.
- He has recently been developing a new global HR strategy for Merck Serono and currently provides organizational development support for the business, with a specific focus on key areas such as change management and employee engagement.
- Geoff graduated with a first class honors degree in History from Bristol University and is a Member of the UK Chartered Management Institute.

Back Up Slides

So Where Are You Right Now As a Business Partner?

