



A REPORT BY IPSOS MORI AND CIRRUS

LEADERSHIP CONNECTIONS 2016

HR and the C-suite driving innovation



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FOREWORD

“
‘Change’ is something the C-suite
feels now needs more focus, with many
business leaders suggesting that not
enough attention is being
paid to innovation.
”

We are still licking our wounds from the longest recession in recent memory and the world remains an uncertain place, but many business leaders are now focused on nurturing the modest green shoots of growth and looking to HR to help them compete in this challenging environment.

‘Change’ is something the C-suite feels now needs more focus, with many business leaders suggesting that not enough attention is being paid to innovation. We have experienced a revolution in consumer behaviour over recent years driven by technological advances but how many organisations have fully leveraged or even adapted to this – especially when it comes to digital working practices?

One of the biggest challenges for many large organisations today is encouraging a more entrepreneurial, responsive and risk-taking mindset amongst all colleagues – a challenge when the number of colleagues runs into tens or even hundreds of thousands.

Too often, bureaucracy can get in the way of maintaining a culture where innovation and improvement are valued and people feel confident to experiment without fear of failure.

Could greater focus on innovation from HR not only make good business sense but also support our people and society at large?

Ipsos MORI and Cirrus truly look forward to hearing your views in this regard. Please feel free to join the discussion on Twitter using the #LeadershipConnections hashtag or to contact us directly.

We would like to address a warm thank you to all the business leaders and HR professionals involved in our Leadership Connections research initiative to date. Their contribution is invaluable to better understand HR challenges and to set the agenda for the remainder of the year.



Claire Emes, Chief Innovation Officer, Ipsos MORI

[@C_emes](#)



JB Aloy, Executive Director, Ipsos LEAD UK

[@HRStats](#)



Dr Simon Hayward, CEO, Cirrus

[@simonjhayward](#)



INTRODUCTION

In 2015, Ipsos MORI and Cirrus launched an exclusive research report, *Leadership Connections: How HR deals with C-suite leadership*. This research explored the challenges C-suite leaders faced as the economy improves to build a long-term, sustainable future for their businesses, and the role HR departments can play in helping to achieve this.

We found that the greatest priorities, shared by almost two thirds of leaders, were “making sure their companies are agile” (65%) and “having a shared sense of direction” (64%).

However, our research also found that many C-suite leaders felt HR could do more to help them achieve these goals. Supporting business agility was the area where C-suite leaders most wanted HR to do more and the area where HR had the greatest opportunity for improvement as well.

In 2016, we decided to build on this inaugural joint research to further understand the C-suite’s expectations towards HR.

Since a high level of alignment between HR and the C-suite is critical for Connected Leadership to work effectively, we investigated how leaders and HR professionals views compare and contrast on topics such as talent management, profitability and innovation.

The current contribution of HR departments was then assessed by the senior leaders we interviewed in the Captains of Industry survey; areas where they would like their HR department to contribute more were identified as well.

The findings are detailed in the following pages.

WHAT IS CONNECTED LEADERSHIP?

Connected Leadership is a new model of leadership developed by Cirrus. It marks a pronounced shift from the old style of hierarchical command and control to a new way of leading through influence. It relies on effective communication and connection across the organisation based on a consistent set of assumptions and beliefs.



Connected Leadership makes a difference when these five inter-related factors come into play.

This research module is made up of two key elements:

1

We included questions in Ipsos MORI's Captains of Industry survey, acknowledged as the reference source of opinion on Britain's business elite. Key features of the survey include:

RESPONDENTS ARE EXECUTIVE BOARD-LEVEL DIRECTORS AND CHAIRMEN.



102

INTERVIEWS WERE CONDUCTED BETWEEN SEPTEMBER AND NOVEMBER 2015.



SEPTEMBER 2015

NOVEMBER 2015

THE QUANTITATIVE RESEARCH

OUR RESEARCH COMBINES MULTIPLE DATA SOURCES.

QUOTAS ARE DEFINED BY SECTOR AND LEVELS TO BE REPRESENTATIVE OF THE UK WORKFORCE.



2

We included common indicators in Ipsos LEAD's Representative Employee Data research, one of the largest employee polls in the country.



THE COMPANIES INCLUDED ARE ALL TOP 500 INDUSTRIALS BY TURNOVER OR TOP 100 FINANCIAL COMPANIES BY CAPITAL.

4,000
INTERVIEWS

1,355
MANAGERS

2,645
EMPLOYEES

160 HR
PROFESSIONALS



ALL THE ORGANISATIONS INCLUDED IN THE RED RESEARCH PROGRAMME EMPLOY MORE THAN 100 STAFF.

SELF-EMPLOYED PROFESSIONALS AND INDEPENDENT WORKERS ARE NOT SURVEYED.



DECEMBER 2015



A ROUNDTABLE
DISCUSSION WITH
HR LEADERS WAS
CONDUCTED IN
LONDON ON 25TH
NOVEMBER 2015.



NOVEMBER 2015

THE QUALITATIVE RESEARCH

**THIS RESEARCH MODULE IS MADE
UP OF TWO COMPONENTS.**



**IN-DEPTH
QUALITATIVE
INTERVIEWS**

BUSINESS
LEADERS

HR LEADERS



JANUARY/FEBRUARY 2016

*Our 2016 Leadership Connections
report offers a unique cross-analysis
of C-suite, HR professionals,
managers and employees opinions.*

TODAY

FINDING #1

C-SUITE LEADERS EXPECTATIONS TOWARDS HR ARE HIGH

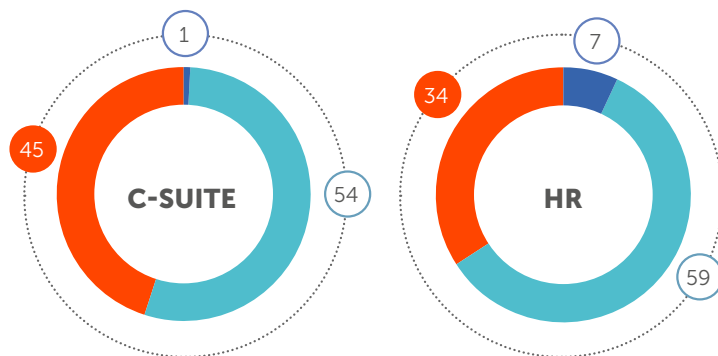
“Many HR professionals are tied to a very transactional way of working.”

A number of studies show HR challenges continue to be on top of the list of things keeping the C-suite awake at night. This trend is consistent over time and across geographies.

As a result, the C-suite leaders expectation level in terms of attention to be paid to talent management is very high. 54% of Captains of Industry find enough attention is being paid to talent management within their company while 45% hold the opposite view.

The latter score undoubtedly translates into significant pressure put on HR departments.

The exact same question was asked to HR professionals to provide a comparison point. Results are available in the chart.



Within your company at the present time, how much attention is being paid to talent management? (%)

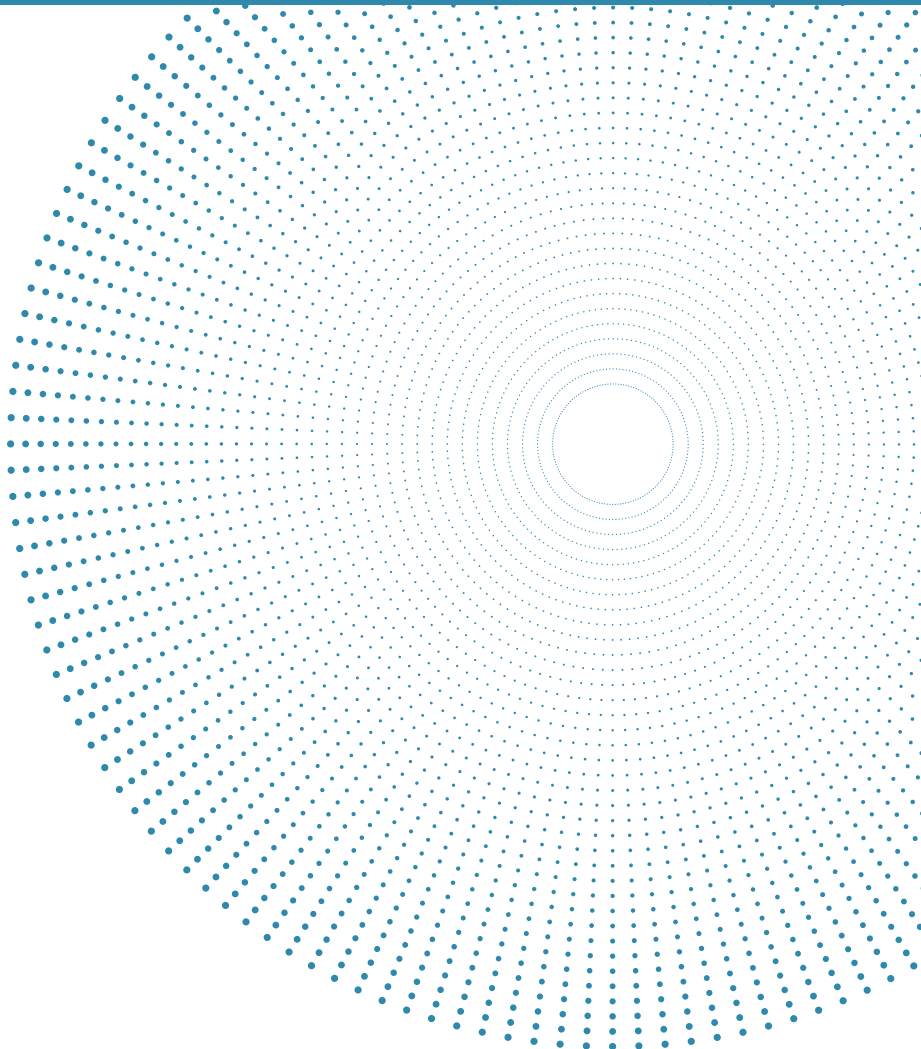
● Not enough ● Enough ● Too much



59% of HR respondents are satisfied with the level of attention paid to talent management in their organisation, 34% wish more attention was paid to talent management, 7% think the attention level is too high.

The 11 point gap between the C-Suite and HR points to a lack of alignment in this area and a potential underestimation of Board members' expectations.

This echoes to the HR self-assessment conducted by a number of interviewees last year – indicating more “agility” and more “courage” are required moving forward.



HR is still grounded in the status quo of yesterday. Many HR professionals are tied to a very transactional way of working. However, we need to be able to operate at pace.

KATHARINE BOLLON, INTERIM TALENT LEADER



FINDING #2

LEADERSHIP DEVELOPMENT IS A KEY AREA OF FOCUS FOR 2016

“...leadership is something that everybody needs to do as part of transforming the organisation.”

Captains of Industry were invited to answer to the following two questions:

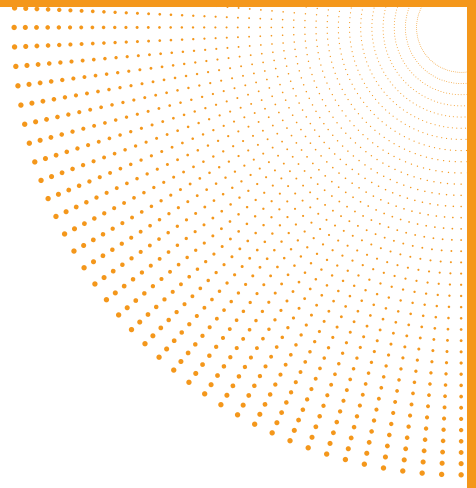
- **Over the last 12 months where has your HR team contributed the most?**
- **Over the next 12 months, where would you like your HR team to contribute more?**

A multiple choice in a predefined list – ranging from talent attraction to business transformation – was offered to C-Suite respondents.

The top HR contribution areas in their opinion were talent attraction for 55%, performance management for 46%, leadership development for 33%, talent retention for 32%, and succession planning for 32%.

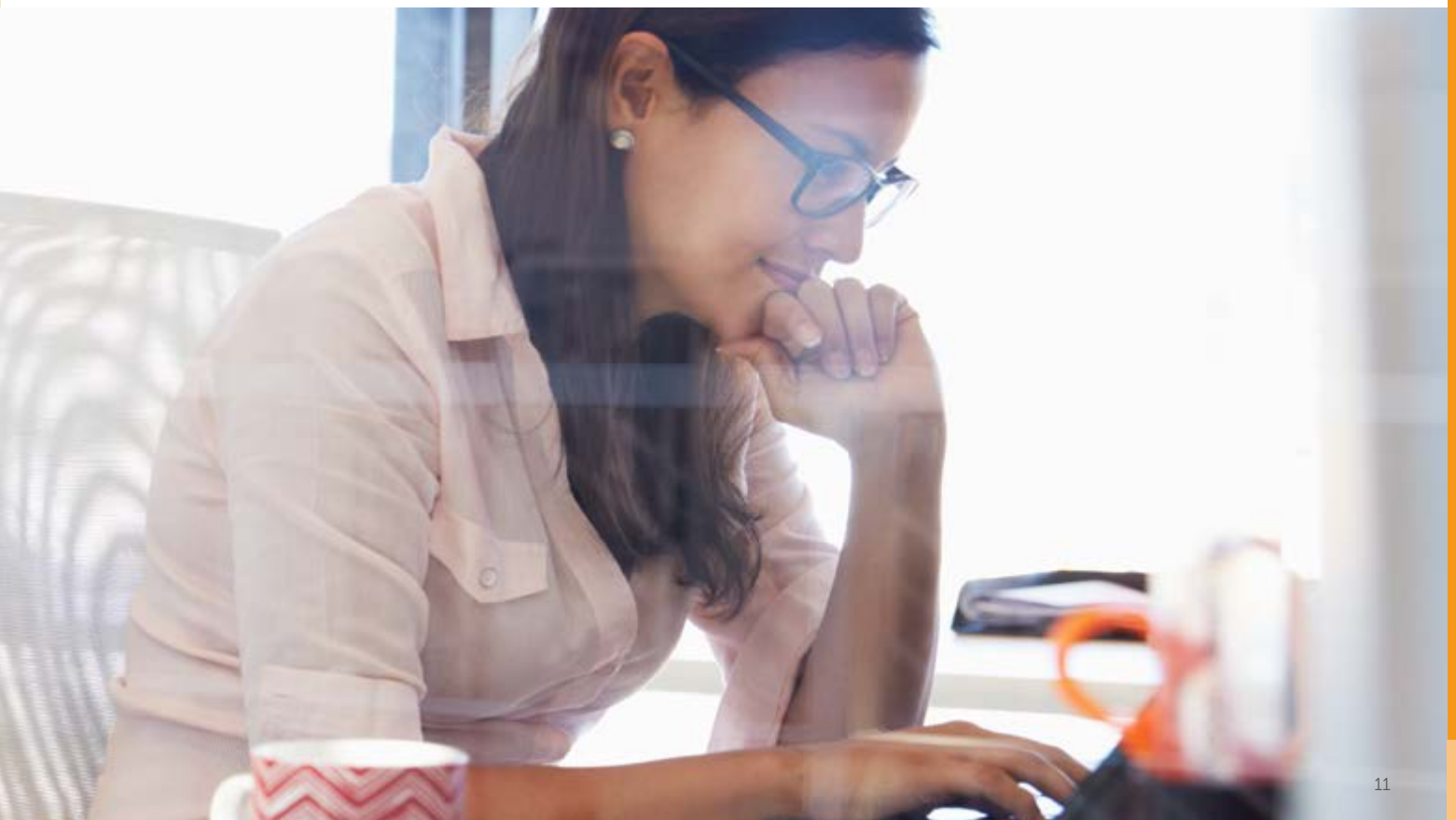
Talent attraction's #1 position reflects the economic recovery in the past year. In 2015, HR professionals were on a mission to find the right people in a job market becoming more favourable to candidates. Performance management's #2 position is equally logical considering the competitiveness imperative in all sectors.





We're actually looking at leadership development after we've looked at our culture. To change culture, you have to deeply understand it. You have to really listen to your people and adopt their language. Be clear about your values and develop leadership behaviours based on those values.

JULIE HARDING, HR DIRECTOR, THE CO-OPERATIVE BANK





There is still a tendency for people to be promoted because of their technical, rather than their leadership skills. HR's job is to develop solutions for leaders who struggle to lead right away.

MERVYN MORAN, HR BUSINESS PARTNER, RBS



Business transformation and cultural change scored lower at respectively 19% and 18%. This trend is in line with our 2015 Leadership Connections findings, with close to 40% of Britain's Captains of Industry expecting higher HR effectiveness concerning organisational agility.

The C-suite priorities are slightly different when it comes to the next 12 months. Firstly, there is an array of priorities whereas 2015 was clearly dominated by talent attraction and performance management in Captains' opinions. The selected areas to focus more on are leadership development for 40%, talent attraction and succession planning for 34%, talent retention for 32%, performance management for 27%, business transformation for 23%, workforce upskilling for 20%, and cultural change for 19%.



It is sometimes hard for managers to unlearn.

RACHEL BLACKETT, HEAD OF CULTURE CHANGE AND ENGAGEMENT, ROYAL MAIL GROUP



The analysis of the two previous sets of results gives a sense of HR past contribution and HR contribution opportunities.

Talent attraction and performance management remain key areas, but they slip from first to second position and second to fifth position respectively. The focus tends to shift to talent retention and succession planning in 2016, where HR contributes a lot already and should continue to do so.

Leadership development and workforce upskilling are the two areas where a higher contribution is expected from HR teams in the next 12 months.

Those requirements are not new to HR, although they raise a number of implementation challenges.

As Nicolas Ceasar at RBS says, everybody has a responsibility to lead in times of significant change, regardless of position.



Regardless of job role and title and position, everybody has a responsibility to lead in times of significant change. So regardless of position, leadership is something that everybody needs to do as part of transforming the organisation for the better from wherever they are.

NICOLAS CEASAR, HEAD COACH, CIB, RBS





At Mandarin Oriental Hotel Group, we don't over-systemise. We build on creativity and a shared sense of ownership.

The three words that describe our leadership would be autonomous, decentralised and creative. One of our strengths is that our guiding principles have not changed for a very long time. Some companies change their guiding principles too frequently. Ours are very strongly embedded and there is a very clear, shared understanding of them across the business.

JACQUELINE MOYSE, HEAD OF
ORGANISATIONAL DEVELOPMENT,
MANDARIN ORIENTAL HOTEL GROUP



FINDING #3

HR PROFESSIONALS HAVE YET TO BE RECOGNISED AS TRANSFORMATION AGENTS

"HR needs to be brave enough to challenge the C-suite."

Business transformation and cultural change belong to the "medium and stable contribution" quadrant in the priority matrix. Around 20% of C-suite leaders reported a significant HR contribution in 2015 and a similar proportion would expect HR teams to contribute more in 2016.

Paradoxically, Captains of Industry and HR professionals share similar views regarding financial performance indicators such as attention paid to profitability. As illustrated below, HR respondents are more aligned on this aspect than Britain's managers.



Within your company at the present time, how much attention is being paid to profitability? (%)

Not enough Enough Too much



Over a quarter of managers and employees find “too much attention” is being paid to profitability in their company. This compares to 13% for HR professionals overall.

The contribution to the corporate shared direction is a fundamental step in the process of becoming true transformation agents. Under 25% of Captains of Industry envisioned a key role for HR in creating shared direction last year. Only 13% expect a higher level of involvement in this area in 2016. Yet, “shared direction and purpose” ranks higher in terms of relative importance in the future than it does in terms of current HR contribution.

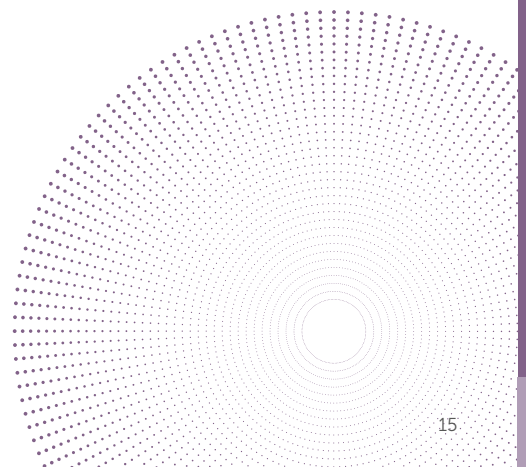
Beyond their traditional intervention realm, HR teams should act as catalysts and change agents in a more systematic manner. Their contribution to both strategic and cultural alignment would have a direct impact on their organisation’s agility and innovation capabilities.

A proactive approach from HR would lead to an improved and more strategic relationship with board members.



HR needs to be brave enough to challenge the C-suite. We need to work with leaders to identify what leadership behaviours should be.

**ALEXANDRA HOLMES,
HEAD OF LEARNING AND DEVELOPMENT, BLM**

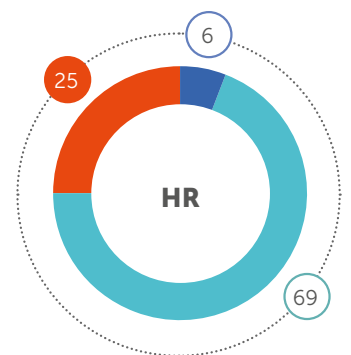
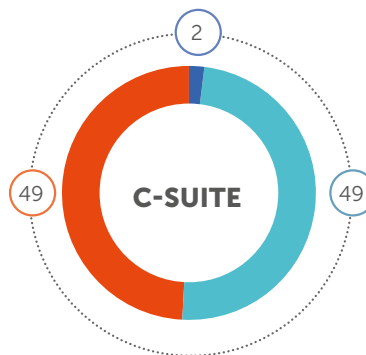


FINDING #4

THE C-SUITE IS CONCERNED ABOUT INNOVATION CAPABILITIES

“A lot of people... are used to being told what to do and when to it”

In addition to talent management and profitability, Captains of Industry were asked if they believed enough attention was being paid to innovation in their company. Only half of them agreed with this statement, 49% said “not enough attention” was being paid to innovation at the present time. This innovation challenge resonates with the agility imperative identified last year.



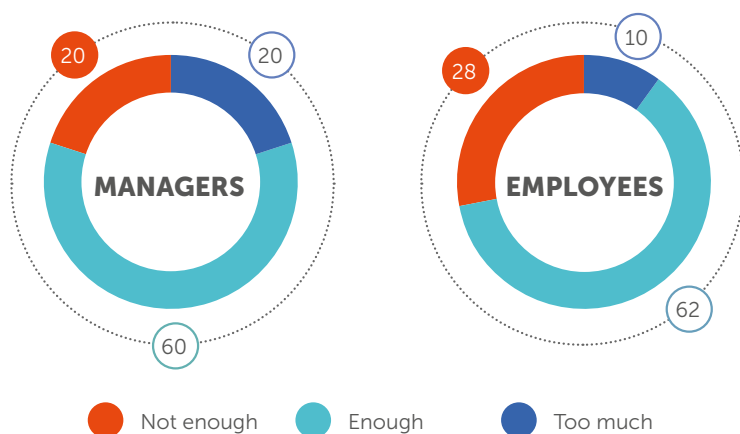
Within your company at the present time, how much attention is being paid to innovation? (%)



Three encourages innovation and increased agility in a supportive environment. Senior leaders advocate the ‘progression not perfection’ concept. I believe in acting your way into a new way of thinking rather than thinking your way into a new way of acting. Otherwise you never actually act. So let’s just start with something and then make it better.

GRAHAM BAXTER, COO, THREE





As shown above, there is a significant disconnect between the C-suite, HR, managers and employees in this regard.

A majority of non-executive respondents find enough attention is paid to innovation (from 60% for managers to 69% for HR). Less than 30% see innovation as a key area requiring organisational attention (25% of HR respondents). One manager in five even thinks too much attention is paid to innovation at the present time, which can be interpreted as a sign of destabilisation in times of accelerated changes.

The HR role is essential to build innovation capabilities. In line with 2015 contribution areas and 2016 priorities identified by the C-suite, HR teams need to attract and to retain the right talent, as well as to develop the required leader and employee skill sets. In addition, they need to foster a culture of innovation in their organisation.

“ Marks & Spencer works with charity partners and community groups to provide mutually beneficial learning opportunities. Many of these opportunities are disruptive – they challenge leaders to address uncomfortable situations, which encourages new ways of thinking. This leads to greater innovation back in the workplace.

TANITH DODGE, DIRECTOR OF HR,
MARKS & SPENCER

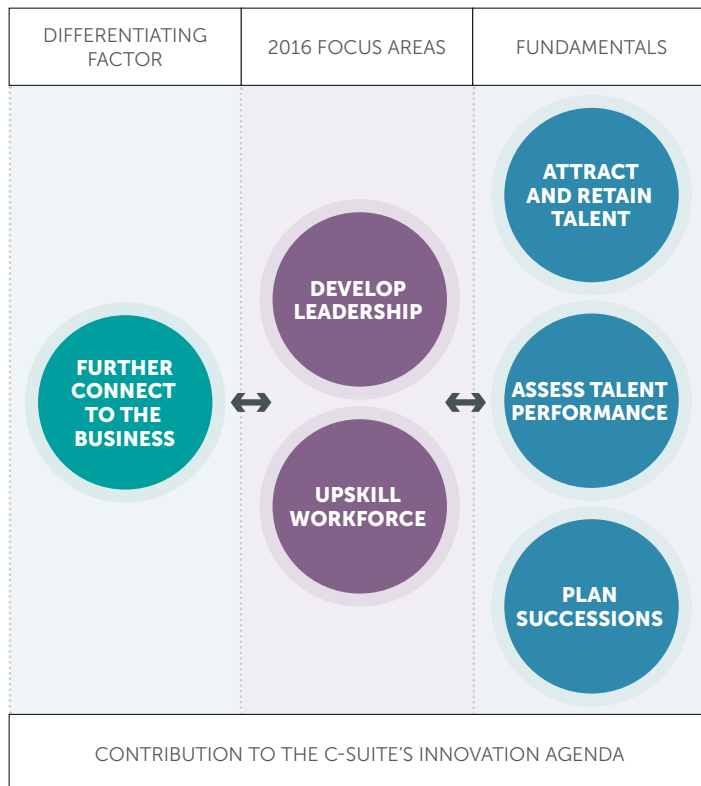
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RECOMMENDATIONS

HOW DO YOU FOSTER A CULTURE OF INNOVATION?

Much innovation stems from having a learning culture in place where people share knowledge and ideas as a matter of course. HR leaders can encourage learning and improvement across the organisation in order to support the C-suite's innovation agenda.

There is a clear link between agility and innovation. Agility requires that colleagues are allowed to adapt to changing circumstances, to share what they learn, and to operate in a culture which supports experimentation without blame. Free movement of knowledge facilitates innovation and improvement, while people are developed to do their best at all levels.





Ask yourself:

- Is information shared and easily accessible to everyone?
- Is learning an ongoing, never-ending process?
- Are people inspired and motivated to learn and is tangible value placed on it?
- Are people encouraged to make mistakes?

Encouraging creativity, innovation and agility doesn't fit with a hierarchical, command-and-control style of leadership. It relies on collaboration and connectedness. By working in partnership with the C-suite, HR professionals can be role models for this. Building teams that collaborate effectively across the business is increasingly recognised as a source of innovation and agility in successful businesses.

ABOUT IPSOS LEAD AND CIRRUS

About Ipsos LEAD

A global leader in research, Ipsos' ambition is to be the preferred partner of all companies looking to better understand their customers, their markets, their employees – as well as our fast-evolving world – through a unique multi-expertise positioning.

Ipsos LEAD is the specialised practice dedicated to employee engagement and leadership. We offer integrated research and advisory solutions to ultimately increase your organisational agility.

For more information, please contact: lead@ipsos.com.



About Cirrus

Cirrus creates powerful leadership, talent and engagement experiences based on fresh thinking to deliver real impact. We help your leaders build critical connections that lead to faster change.

By developing leadership capability, your people can forge authentic relationships, engage teams, and build a more agile, customer-focused organisation. Together with you, our global team connect your people to your purpose, values and goals, boosting business performance.

We believe that a blended approach to learning enables sustainable development and we apply this as appropriate throughout our programmes.

For more information, please contact: hello@cirrus-connect.com.

The Cirrus logo consists of the word 'cirrus' in a lowercase, orange, serif font. A small orange dot is placed above the final 's'.

www.cirrus-connect.com
www.ipsos-mori.com

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