

*Careers are businesses...
...jobs are joint ventures.*

*Your career is a business...
...who's managing yours?*



Management for Business Leaders
Strategy - Performance - Transition

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White Paper

People Management post global financial crash

Doing the unthinkable with elephants in the drawing room

Executive Summary

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**Elephant One: The CEO is, or should be, the HR Director
Doing the unthinkable: Out with HR Directors; In with Chiefs of Staff**

The CEO's role should encompass that of HR Director. It's the CEO's job to focus on creating an environment in which people can do their best work. It cannot be delegated.

CEOs often shirk this demanding reality. HR colludes. It is because of this fudge that HR remains the Cinderella of the Boardroom. Why is it that no other function - CFO, COO, CTO, CMO etc. - has a similar and ongoing identity crisis?

The answer is that their roles are clear and HR's isn't. The solution is to transfer all compliance, governance and transactional activity to the CFO or General Counsel's office and create a new role: that of Chief of Staff, on the White House model.

The role of Chief of Staff would be occupied by best of breed leadership development practitioners. Their primary function would be to support the CEO on people issues.

The snag is that, by definition, this could not be a board director level post because the CEO should be the director, responsible to the Board, for people issues. This might upset many. However, by giving up their aspiration of a seat on the Board the best HR people could secure one of the most influential and important jobs in the business. They could become very effective gatekeepers and agents of significant change without stepping on the toes of the directors.

The benefits are significant: HR's endless agonising over "how to influence the corporate agenda" would disappear over night; good, top HR people would have a clear and hugely respected role; corporate governance should improve immediately under one boss - the CFO or GC. Above all, the CEO would be forced to do his/her job properly and spend 70% of their time on people issues. What has HR got to lose? Nothing that it hasn't lost already.

**Elephant Two: Employee Engagement is nonsense
Doing the Unthinkable: Listening aggressively to employees**

Ask any CEO or HR Director if he/she would like to be "engaged with" and chances are you will get a po-faced response. This is because no self respecting human being wants to be on the receiving end of a process with the word "engagement" in it. That's because they know that the last thing the "process" wants, really, is to engage at all. They know that what's really desired is for the employee to engage with "the objectives of the business" - quickly, and with the least amount of management effort as possible.

It has ever been thus. However, the financial down turn has added an even more cynical and darker layer. Now, not only do employees, and particularly those at the most senior levels, feel that the "social contract" has been broken by the organisation, they now know that the game is up on the management twaddle that says "people are our greatest asset" (see Elephant Three). This should make ardent employee engagement practitioners blush with embarrassment at being caught with no clothes.

What's the answer? It's simple, but hard. Managers need to sit down and listen very aggressively (i.e. very very carefully and genuinely) to the needs and aspirations of the people who make their businesses work. Then they must create an environment which meets these needs. This is the opposite of the current orthodoxy which says that employees should be "aligned to the business objectives". When people feel heard, not "engaged", the business will thrive. So why doesn't this happen all time? The reason is that listening is an art, not a science and is very hard work. "Employee engagement" is easy by comparison.

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**Elephant Three: Cash, not People, is an organisation's greatest asset
Doing the Unthinkable: Abandon Human Capital Asset Management**

Again, ask and any CEO or HR Director if they, as individuals, like being referred to as Human Capital Assets. Chances are, you will get a derisory response. This is not surprising. It's an incredibly de-humanising term, considering its attempt at human flattery. What is odd is the number of CEOs and HR Directors who loathe the term but apply it with apparent enthusiasm in their organisations.

The proof of this was visually exemplified starkly on television news networks at the time of the forced mass exodus from Lehman Brothers with pictures of people leaving the building with their archive boxes. Try telling them that they were Lehman's greatest assets.

However, the flip side of this harsh reality was also revealed i.e. that whilst they may have lost their jobs they, not Lehman's, individually "owned" the soft intellectual property, know-how and especially key relationships and these "assets" were walking out the door.

This creates an interesting dichotomy and exposes a reality that has been acknowledged for years in sport and the arts i.e. that people, particularly senior people in business, are micro-businesses in their own right with their own soft assets which they can exploit and sell to organisations in return for hard cash, and especially soft emotional benefits. So, abandon HCM and embrace MB as in "micro-business". "You Plc" is a metaphor too far, whereas "You MB" literally a professional services micro-business on legs is not a metaphor at all. It's a reality. It's what Charles Handy and others were predicting in the last Century.

**Elephant Four: Organisations only exist in legal terms, not human
Doing the Unthinkable: Behave as if your business is a coalition of human micro-businesses**

The proof that organisations really don't exist in human terms can be witnessed in the difficulty the average CXO has in maintaining a conversation about their organisation, for any significant length of time, without slipping from "we" to "I". This is neither surprising nor deplorable. There is something somewhat contrived about pleading loyalty to an organisation which cannot, even if it wanted to, take care of you. You're on your own. Recent events are a testimony to this. All employees, particularly, senior ones are micro-business and organisations are but a collation of these micro-businesses for a period of time.

When this fact is accepted, really productive "engagement" with these micro-businesses can begin with significant positive implications for the business.

This will lead to a transformation in behavior resulting in adult-adult relationships, not adult-child ones or worse, parent-child relationships as is often the case at present.

These four elephants make for a very crowded drawing room. Doing the unthinkable may well drive them out.