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Looking upwards and outwards: why people professionals have a responsibility to understand the external world

Being purely internally focused means missing incoming risks and potential future opportunities for your organisation

'I never hire for technical expertise. I only hire for curiosity.' Those are the words of the HR director at one of the UK's largest employers, shared over a cuppa recently.

It was a point that resonated. In my time commenting on the people profession, it has struck me how the best HR leaders are those who look up and out. They understand that they have a responsibility to bring the outside in to their organisations. Because whether we are dealing with the future of work or 'the now' of work, there are external forces at play impacting the context in which our organisations operate. They might be regulatory changes affecting your organisation at a systemic level, or they might be societal shifts, impacting on your people as individuals and how they relate to each other and the workplace.

If you don't horizon scan and recognise these shifts, how are you going to be able to help your organisation be ready for them? Make no mistake, these are the things that change how your organisation operates and whether it will even be able to continue to do so.

The external world – government, regulators and the public – increasingly expect more from organisations. This could be in terms of the impact they have on the environment – just look at changes driven by the Extinction Rebellion movement. Recently, two of the world's biggest and most influential fund management bosses called for a rethink of capitalism's obsession with constant economic growth, linked to the need for businesses and governments to wake up to the climate crisis.

We have also seen a shift in focus from regulators in recent years, to zero in on the cultural indicators that tell a story about the long-term health of a company. The recently updated Corporate Governance Code requires PLCs to provide information on employee engagement and how they are capturing employee voice. For large private companies, the Wates Principles provide similar guidance. The Financial Reporting Council has taken an ever-increasing interest in people issues since the release of its 2016 paper Corporate Culture and the Role of Boards (on which the CIPD was a partner).

All this means CEOs are coming under more and more pressure in terms of purpose and what the organisation they are accountable for is adding to – or detracting from – communities and societies more broadly. It's why the Business Roundtable group of US business leaders recently made headlines for announcing a shift away from a focus on pure shareholder value to instead thinking about the value created for all stakeholders (customers, employees, communities, suppliers and so on). People leaders should be stepping up to support this, and the very best ones are. Whereas they may once have focused mainly on driving internal change programmes, now they have an external perspective, looking upwards and outwards.

The academic Herminia Ibarra, Professor of Organisational Behaviour at London Business School and author of books including *Act Like a Leader, Think Like a Leader*, talks about the difference between 'insight' and 'outsight' – and it's this outsight that people must develop when they step into leadership positions. When I interviewed her for *HR* magazine a few years ago, she told me: 'Outsight is about the external perspective. It's about seeing things differently because you have expanded the activities you are involved in and the people you interact with. It gives you fresh stuff, instead of rehashing the old.'

That comes from getting out of the operational quagmire, switching up your focus and expanding your network, acting as a 'bridge' to the outside world rather than a 'hub' focused solely on your team and customers. According to Ibarra: 'Everything has become much more connected. Your customers, your competitors, your peers, your suppliers... If you're just in your silo, you miss out.'

As a people professional, you have a responsibility to look up and out and to understand the external drivers impacting your organisation and your current and future workforce. It is not good enough any more, if indeed it ever was, to be purely internally focused. You

need to be curious about the world and what's going on externally in order to add the most value internally. This is what your boards and leaders want from you.

Under times of immense stress and pressure it's all too easy to shut out the external world in favour of focusing your energy on firefighting. But this means you will miss something, and that you will also miss out on having an external peer support network. HR is a lonely profession and becomes more so the more senior you get; hunkering down makes it even worse.

So, think about lifting your head up, looking upwards and outwards, and bringing what you learn back to your organisation to inform your people and business strategy. Ask yourself:

- What am I reading? Where am I getting my information? It should be from a diverse range of sources, from news organisations to strategic business journals like *Harvard Business Review*.
- Where am I networking and showing up?
- Have I done a PESTLE (Political, Economic, Social, Technological, Legal, Environmental) analysis of the external forces impacting my organisation and the risks and opportunities inherent in them?

You will come back to your organisation refreshed, inspired and ready to add even more value.

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