

HR Director Boardroom Summary September 2023

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E V E R S H E D S SUTHERLAND

Guest Speaker:



Claire Walton Leadership Coach Leaders are making a difference

Discussing the topic: "Is it time to rethink leadership development?" Leading this HR Director Boardroom was Claire Walton, Founder of 'Leaders are making a difference'. Claire is an Executive, leadership, and highperformance Coach, and best-selling author, working with individuals and teams across the industry. Claire's previous career was as Senior HR Leader and Executive Director. Our chair for the session was Simon Tytherleigh, Partner at Eversheds Sutherland. Simon has over 20 years of experience in employment law and is highly regarded for his expertise in Employment Tribunal litigation, as well as his experience with employee terms and conditions, redundancies, and TUPE.

Claire began by sharing how she believes that the future of leadership development signifies a new era characterised by growth and innovation. She emphasised that this concept extends beyond the growth and innovation of organisations and pertains to the leaders themselves. The role of a leader has evolved significantly over the last 30 years when she first began her career in HR. As a coach and HR professional, she has observed the rapid pace at which leadership roles are changing, and she acknowledges the need for both leaders and those involved in leadership development to adapt to these shifts in context.

Simon informed the audience that he would discuss the legal aspects of the areas Claire intended to cover. He highlighted his role in addressing employment law implications of leadership development in the digital age. The factors to consider include hybrid working arrangements, employment terms, health, and safety, working hours, contract types, and variable pay, among others. Additionally, he mentions that this leads to discussions on diversity and inclusion as well as the significant role of AI, especially in terms of policy development. Simon further notes the relevance of topics like social media, personal brands, and ESG (Environmental, Social, Governance) in the context of leadership development, emphasising the importance of understanding the legal ramifications for future leaders.



Transformational Leaders

Claire acknowledged the complexity of the current leadership landscape and began by discussing the context in which leaders operate. She simplified it by highlighting five essential tasks that leaders must perform while navigating transformation. Firstly, they must manage the current performance of their business while simultaneously driving its transformation. While some organisations separate their teams into innovative, transformational units and those responsible for ongoing operations, others require leaders to balance both. It is common for leaders at higher levels to juggle these responsibilities. As Claire points out, leaders must apply their skills to the current situation while also preparing for the skills they will need in the future. Adaptability in style and skills is critical.

Balancing Profit, Purpose & Diversity

Claire referred to the broader ecosystem in which leaders operate. Today's leaders are responsible for managing not only internal organisational dynamics but also external stakeholders such as industry partners and suppliers, and they should consider the external environment as much as the internal one. Claire also noted the evolving emphasis on profit and purpose in leadership roles. While the concept of profit and purpose has been present for some time, there is now a greater focus on the purpose side as a competitive advantage, especially in commercial profit-oriented organisations. Claire acknowledged that not all participants may work in profit-oriented sectors, but she emphasised having a strong social purpose has become essential for staying in business in many industries and sectors. There was also a reference made to the growing importance of leading hybrid and diverse teams in the contemporary leadership landscape.

She went on to discuss the ongoing shifts in the leadership landscape, emphasising that these changes are expected to continue evolving. The transition to hybrid work has been a significant recent development, but there is still much room for improvement in making it effective. She believes that we are just beginning to explore the possibilities in this area. Technology will play a crucial role in the future of leadership, with a focus on maintaining human connections in the digital age. Claire also touched on the importance of diversity within teams, highlighting that HR professionals regularly encounter new facets of diversity and individualism. She used the example of generational differences, noting that new generations seem to emerge every few years, which is a stark contrast to her earlier experiences when a generation spanned two decades. This constant evolution in the workforce requires leaders to adapt and embrace diversity in all its forms.

Navigating the Al-Driven Future

She recently began considering the implications of AI for leaders and her coaching role, initially feeling ahead of the curve but quickly realising how rapidly the field is advancing. Considering this context, Claire suggested a shift toward emphasising personalised growth paths for individual leaders rather than relying solely on traditional cohort-style leadership development programs. She noted that leaders nowadays can access various forms of artificial intelligence to acquire the necessary knowledge for leadership, although the development of skills comes through the practical application of that knowledge. Claire underscored the importance of consistent application of leadership knowledge and skills to effectively develop leadership competence.

Self-Directed Learning

Claire predicts a shift in how people approach leadership development, suggesting a move away from waiting for traditional programs like those she used to oversee. She encourages individuals to take charge of their learning by accessing knowledge on their own terms and in a manner that suits their learning style. Claire highlights that AI-driven programs already offer this flexibility. In terms of skill development, Claire shone a light on the importance of working with peers, building a network, collaborating with coaches, and potentially engaging with multiple mentors to refine one's application of acquired knowledge. She underlined the significance of feedback, self-reflection, and collaborative reflection with others as crucial components of skill development in leadership.

Future of Leadership Development

Claire suggests that the future of leadership development will place a stronger emphasis on individuals taking control of their learning process. She believes that leaders should embrace available technology to support their learning, making it both time-effective and cost-effective by leveraging AI for knowledge acquisition. Claire also stated the importance of human contact, especially in skill development, despite its time-consuming nature. Her third point of emphasis is on emotional intelligence, indicating that this aspect will be central to leadership development moving forward.

Unlocking Leadership Potential

Claire spoke about Chat GPT and asked if others in the session use it or other similar applications. She explains that she uses Chat GPT for various tasks and has even incorporated it into her work. By way of example, Claire recounts a recent experience where she engaged in a conversation with Chat GPT, asking it to guide her as though she were a new CEO preparing for a hypothetical board meeting. Within just minutes of interaction, she received a wealth of detailed knowledge on the subject. She highlighted the point that AI technologies like Chat GPT have the potential to assist leaders if they embrace such technology. ChatGPT can do 90% of the groundwork for the leader to finesse. She stated leadership development should focus more on providing personal, one-on-one input to help leaders analyse their experiences, seek feedback, engage in self-reflection, and work through challenges with a coach to enhance their personal and leadership development.

Simon provided a couple of noteworthy observations regarding ChatGPT's recent developments. In the previous iteration (version three), ChatGPT scored only 10% on the New York bar exam, but the latest version achieved a much higher score of 90%. He offered an illustrative example of Eversheds Sutherland's current collaboration with a life sciences pharma company that is working closely with Microsoft to integrate ChatGPT into their operations. Simon mentions that they are navigating complex contractual agreements because the use of generative AI, like ChatGPT, raises concerns about data control. Specifically, when employees use such tools, the data they input becomes accessible to others who use the AI tool, posing significant data privacy challenges.

Embracing Technology

Simon highlighted the importance of leaders understanding AI's functioning and its implications. This understanding allows leaders to effectively embrace the technology, as Claire previously emphasised. He shared a quick anecdote about another client who attempted to manage employees in a virtual hybrid working environment. This approach involved providing all employees, whether in the office or working remotely, with iPads equipped with cameras that had to be turned on during work hours. While this initiative aimed to foster collaboration among colleagues, especially in a hybrid environment, it also had the underlying goal of monitoring remote employee productivity. Simon noted that there are a range of issues with this approach and underlined the challenges managers face in effectively managing productivity in virtual and hybrid work settings.

Creative Approach to Client Privacy

Claire brought to light that it is not just about adapting to the technology itself but also considering the broader implications. She mentioned a precaution she takes when setting up different chat platforms for her clients. She uses code names for clients and avoids inputting any information that directly references a client's name to maintain confidentiality. Additionally, she playfully mentions her use of metaphors related to superheroes and comic strip characters, which she assigns to clients without revealing their identities, maintaining an element of secrecy and fun in her work.

Elevating Human Interaction

Claire emphasised the critical importance of emotional intelligence as a key skill for individuals in various leadership and human-contact roles. She suggested that emotional intelligence is the most vital skill identified through her experience and extensive reading. Claire believes that in the context of leadership development, there is an increasing need to prioritise and enhance all facets of emotional intelligence. Emotional intelligence encompasses aspects like self-awareness, self-management, social awareness and relationship management. Claire noted that in the coaching field, forward-thinking coaches are increasingly focusing on developing skills to support clients' emotional intelligence more so than relying on process-oriented techniques and tools. This shift reflects the growing recognition of the significance of emotional intelligence in leadership and human interaction.

Unleashing Authentic Change

Claire delved into the challenges of working with people's emotional responses and identifying the triggers behind them. She noted that coaching is increasingly utilising therapeutic techniques within a coaching approach to enable leaders to identify deep routed shifts required to consistently and authentically change their behaviours. From a leadership development perspective, Claire emphasised that the focus should shift from merely possessing knowledge of topics such as equity, diversity and inclusion, to understanding how to be skilled in them as human beings. She mentioned that there has been a strong emphasis on ensuring legal compliance and appropriate behaviour but feels that there should be a deeper exploration of how to foster genuine connections and optimise diversity within organisations. Claire believes this sentiment extends to the fifth point of emphasis, sustainability, and ethics. While compliance has traditionally been the focus, she suggests that leaders should now approach these topics in ways that genuinely positively impact their organisations.

Redefining Success

Simon shared his professional experience in advising businesses on executive severances, particularly involving top-level executives such as chief executives, CFOs, and CEOs. He observes that a growing concern in these cases often revolves around a lack of emotional intelligence and an inability to build positive relationships with colleagues. Simon noted the shift away from traditional management approaches, such as the "carrot and stick" method and command-and-control styles, in the digital era. He underlined that these changes align with what the next generation of employees seeks in their managerial relationships. Simon concluded that leaders, even if technically proficient in their roles, may not succeed if they lack emotional intelligence and the ability to inspire, collaborate, and adapt to a more contemporary leadership style.

Mastering Hybrid Interaction

Claire moved on to the matter of remote work and underscored the importance of developing specific skills for this new environment. She mentioned how people have become accustomed to using technology and addressing logistical aspects of remote work, such as determining how often employees need to be in the office. However, Claire stated the need remaining, to focus on the skill set required for effectively conducting remote and hybrid interactions. She shared a personal experience where she conducted a group coaching session with a solicitor's firm, and some participants attended remotely via a large screen while others were present in person. Claire admits that she finds this situation challenging, highlighting the need for individuals to develop the skills necessary to conduct such sessions effectively. She highlighted that as hybrid work becomes increasingly the norm and not a temporary feature of the pandemic years, developing these skills is crucial.

Beyond the Time Constraint

Claire addressed the common excuse of lack of time and emphasised that lack of time is often an excuse rather than a genuine reason. She shared her coaching approach, where she does not readily accept the time constraint argument from her clients. Instead, she seeks to understand what motivates them and what factors can drive their engagement. Claire highlighted the importance of customisation in leadership development. She pointed out that while certain program content, like Covey's 7 Habits, remains valuable, the delivery and timing of programs may not suit everyone. Her response aligns with her earlier point about the need for a more individualised approach to leadership development, which may involve tailoring the learning process and interaction methods and timings to suit the individual's preferences and specific needs.

Simon added a legal perspective to the discussion, drawing an analogy between providing legal advice and leadership development. He highlighted the need for clients to consider legal advice beyond mere compliance and emphasised that it should be linked to commercial cost, profitability, and the bottom line. Simon advocates for connecting leadership development to profitability through various means, particularly client service. He references Harvard's studies that illustrate the correlation between employee loyalty and profitability. Loyal employees, according to these studies, tend to be more committed, provide better client service, and enhance productivity, all of which positively impact the bottom line. Simon pointed out that achieving employee loyalty often involves developing the soft skills discussed in the conversation. He underscored the need for a compelling incentive beyond coercion to engage leaders in leadership development, emphasising that it is essential for them to understand that it is in their best interest and not something they can afford to overlook.

The Evolution of HR

Claire contemplated how the changes discussed may affect HR professionals. Claire, drawing from her experience as an HR director, considers whether these shifts might lead to a significant reduction in more basic tasks within HR departments, including training teams where AI can increase efficiency. She suggested that HR leaders must embrace these changes rather than fear them. Claire highlighted the opportunity for HR directors and leaders to focus on developing leadership skills throughout various organisational levels, emphasising a shift from viewing leadership as a position to see it as a skill and a responsibility of the many rather than the few. She also discussed the role of data provided by AI and coaching to support these changes and enhance their effectiveness.

Data Privacy and Employment Law

Simon drew light on data privacy and employment law concerns related to artificial intelligence (AI). He highlighted the key considerations for HR professionals when using AI, including transparency about AI-driven decision-making processes, avoiding reinforced biases, preventing discrimination, and ensuring fairness. Simon suggested the need for organisations to develop AI policies that address these critical points and anticipate potential legal challenges. He also mentioned the EU's proposed legal framework for AI, emphasising that the use of AI in HR is already prevalent, with recruiters utilising AI-generated candidate lists. Simon urged those in the session to be vigilant about the legal implications and ethical concerns associated with AI in their field.



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