Mervyn Dinnen 0:06

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Mervyn Dinnen 1:21

Welcome to the HR Means Business podcast, which is part of the HR Happy Hour Network. I'm your host, Mervyn Dinnen, today, we are looking at ways in which people, professionals and HR professionals can build a high impact HR department that adds business, business value. My guest today is Perry Timms, consistently ranked as one of the UK top thinkers in HR, and who has just published his third book, The HR Operating Model, in which he looks at how to design HR structures, practices and processes and why the existing ones possibly are no longer appropriate for today's business environment, and it's time for a new model which can ensure the HR function develops and supports a high performing workforce and aligns with organizational strategic objectives, showcasing four core elements of people experience, data and analytics, agility and product management and Technology Integration. Perry, welcome to the HR means business podcast, or I should say, welcome back to the HR means business podcast, as we've spoken here before. And would you like to introduce yourself? And I suppose my first question would be, what made you write the book?

Perry Timms 2:35

Lovely Mervyn, thank you. Is really nice to be back, and congratulations on a continuing series of really nice provocational podcasts. And there's a lot of them out there, and yours always catches my attention. So thank you. Yeah. So Perry Timms, Founder and Chief Energy Officer of People and Transformational HR, yeah, I think the stimulus for the book came from the realization in 2022 when I was named number one on that list, and I was like, this is incredible. What can I do to put something back into the profession, and I kept kicking around some thoughts, and something came to me where I had a flashback to 2003 when I worked in a government department introducing the Ulrich model. And I suddenly thought to myself, that's 20 years ago, near enough. I thought, actually the Ulrich model goes back even further than that. What's going on? I started to do a little bit of research into HR operating models, and found that there are lots of versions out there, but there's not many people who've adopted a new one. And I thought, if I was going to invent one, what would I want it to be about? And you've alluded to the sense of what a lot of that needs to be. And I started to sketch out things like systems for systems thinking. I started to think about products and product management. I started to think about the sciences, people psychology, Organizational Psychology, and I thought, actually, why don't they form the nature of an operating model to your point that ends up creating value for people and organizations in a way that's a lot more robust than now, because it still feels like HR is an order taking service, enabling administrative function, even though we've tried knocking on that strategic door for a long time. So I thought, yeah, let's start sketching that out. And then I wrote a series for HR magazine, and that turned into the book. So that was a stimulus for it. We hadn't had an operating model we could all get behind for about 25 years.

Mervyn Dinnen 4:17

That's interesting. And when you started writing and thinking about this, I mean, what kind of were you interviewing, forward thinking HR professionals, or was it really going into almost like a lab to design, you know, if we were building it from scratch today, how would we do this?

Perry Timms 4:35

More the lab type thing. You're absolutely right. I think that had come from some experiences of people who are starting to bring more agile practices and agility into HR. People were talking about people experience as a product. People were thinking about things like psychology and neuroscience and the insights that we get from people and an organizational psychology that ought to be much more leverageable. All and brought into decision making and things that you've been talking about a lot, and I noticed you've got some really nice kind of commentary now on incoming generations into the workplace and different attitudes and so on. So a lot of that was in my mind, and I almost like it doesn't feel like we've got enough that services a broader and more complex market. So a bit of lab stuff first, but then my next instinct was to go out to professionals I know who could kick tyres on that and then start to bring it into a little bit of my consulting practice, not to lead with it, but just to sense check it to that. So that's the sort of process I've gone to. I did a piece of work with a client recently, actually, who has really adapted their HR proposition into much more people experience led. They were very warm and friendly and inviting company to work with who needed a bit more hard edge on performance, and that translated through into HR. And actually, people experience might sound like it's a softer version of how you can create that journey. Actually it's not. This is this is really focused on what's creating value at different points in people's life cycle, so I'm stress testing it against those sort of things all the time. But I'm sensing that really, what I've done is I haven't come up with it. I've manifested what a lot of people have been saying about where the profession needs to be. I'm a bit more of a synthesizer than a than a creator, and that's where it came from.

Mervyn Dinnen 6:21

Talking about people experience, as you said, we've, you know, within our sphere, we've been talking about experience a lot over the last 10, 15, 20 years. You know, candidate experience, employee experience, but the people experience, I like that, because it brings everything together, whether you know you're looking for a job, whether you're new to an organization, whether you've been in an organization 20, 30 years. How easy or difficult was it to try and you know, when you were doing the research, when you were speaking to different companies, try and break down, you know, what was their people experience before, and how had it evolved?

Perry Timms 7:03

Yeah, and I think the important thing for that was I wanted to go almost like from business impact back. So what does the business exist do? How does it service a market, a sector, and create the value that it's supposed to do, and how efficient is its internal system? So I did a quite forensic back cast really from that, because I think that's really important, that we don't just do HR from a perspective of HR existing practice to fit with the business. We know what the business does, and we work back from that to create the HR interventions and programs and products and services that actually make that happen. So I wanted to create as many straight lines as I could to that and that, I think, gave me a really renewed sense of confidence in what people experience really meant. It wasn't fluffy engagement, it wasn't a supercharged version of wellness. It was actually high performance, but very balanced, sustainable evidence led and actually fused what was coming through at the time, the technological interventions around things like AI and automation, because I was thinking there is no way that the HR model of now is going to deploy AI because of the nature of how it's siloed into centers of excellence and shared services, it's going to over index in some areas and underperform in others. And I thought we need something that takes that into a space of business transformation that's got output and outcome and ethics and morality and wellness and balance and inclusion in it. And I thought you can't do that in the existing model, so you gotta break it anyways. It feels like actually, you're breaking it on a on a more principled level of, let's get the people experience right, because then they'll look after the business proposition.

Mervyn Dinnen 8:45

The you've covered a few areas there, which will, will will break down in a moment. Data and Analytics is one of those areas that we've been speaking about for 10, 15, years. And it always, we always get this kind of, almost like a meme about, you know, HR people don't really do data and analytics and but where most of the HR people that I come across, you know, my day to day, writing and speaking and everything, are very on top of these things. How, how easy or difficult was it for you to, I suppose, create within this new operating model, something around data and analytics which was going to be not easy to adopt, but not going to be something that could be universally adopted?

Perry Timms 9:31

Yeah, lovely question, actually, and I agree with you on almost like both the false storms and the very quiet competence and successes that a lot of people are experiencing with their people data. I deliberately didn't prescribe a lot of roles that would sit in this operating model, but I did want to do some to say we've got to get this right and almost create a space for this to happen. And in the model, there are four intersectional circles, and this one sits at the intersection between products and systems, and it's people and performance analysts, because there's something about real time, performance, data, real, equitable and testable stuff that tells us what value people really do create through their endeavors and their skills and the way we organize them that I think sat perfectly within what products do we build in order to both sustain that and measure that, and what systems are they operating in, and what does that do to hinder or enhance the value that's being created? So I made a very deliberate play to say, let's go big on people in performance analysts, because I see it in the best performing HR teams that they've got a very sharp focus on it and very skillful interpretation of it, almost to the point now that they're showing a richer form of analytics than some of the perhaps even customer insight and some of the other operational insight. So I wanted to build that in as a deliberate role that we ought to have a very strong sense of. But like, where does it sit? Do you have a data team? No, it's everywhere, isn't it? So it doesn't sit in a little vacuum. Are they a deployable resource that you sort of bring? Yeah, more that they're almost like the expert that gets involved in things, almost like either a modeling exercise for a bit of org design and business model change, or a reflective piece on what a certain business venture did in a certain circumstance to correct course on on a product line or a service line, that kind of thing. So, yeah, I really like the thought that we double down on it in a way that's much more about business intelligence combined with talent intelligence.

Mervyn Dinnen 11:35

And how, how can you define, I suppose, a high performing workforce?

Perry Timms 11:42

What a lovely question. So I think for the start of it, it is that there's such a straight line between a high performing workforce and the and the results that they deliver, not some nebulous conceptual thing, almost like high performance means market share growth, customer loyalty, outdoing competitors, whatever it might be, as a comparative measure that you can say that is is an attribute of a high performing team, but a high performing team in that sort of level of results only might be hiding the fact that they're under stress. There's high turnover. It costs an enormous amount to recruit experts, and there's learning curves we have to compensate for. So I think you've got to take into account what I would call those sort of human indicators, social indicators, intellectual indicators, and so you can show that they are thriving and they are not absolutely sort of, you know, challenging the nature of delivery. Then, you know, you've got a finely tuned mechanism there, because it shouldn't be that you perform at any cost. It should be that you perform in an almost regenerative, sustainable way, that the better you perform, the more you know about it, the more you can tune your systems and your learning and your culture. So I think it's that we've gone too much one dimensional on that, and I wanted to bring a richer human sense of virtue in it. And I think this is stuff you've covered in your books in the past when you've talked about talent, because you genuinely sort of said, if we don't get the talent Intel right, the business Intel is a slightly false figure.

Mervyn Dinnen 13:14

Definitely, definitely, it's kind of, you know, as you say, the talent, well, it's a mixture of two, really. It's kind of talent and technology. And obviously, one, one part of your four elements, should we say, Yeah, four core elements is technology integration, which is something that, again, for you know, over the last 10, 15, years, you and I have been kind of talking about these things and stuff and meeting up, yeah, possibly HR, in a way, was slow to adopt technology, but now it is impossible not to. I'm not mentioning the letters INA, but not in that order yet. But the technology integration is something which now is, is, you know, I mean, it's fundamental to every organization, and how, how did, when you doing your research, did you find that we've still got a bit of a lag, or people a lot more on top of this?

Perry Timms 14:14

I think I've seen some examples where it is incredibly well integrated and it's very strongly delivered compared to how I've seen it in the past. So I wouldn't say that the adoption curves are perfect, but I'm seeing the scoping and the expectations of what that technology is there to do a lot smarter, not everywhere, but in some places. And I've sort of looked at what how did they do that? And what they didn't do was create some kind of little innovation hub team somewhere out on the side, scoping it all, getting it ready, testing it all, then dropping it in, and everybody going, Wow, what's this? It was a much more participatory open infrastructure thing where there were lots of experiments and tests and trials and so on in the open. So some of the. Examples I saw were where, you know, it wasn't just like analysts and people who knew the systems functionality who were building it. It was coming in through use cases and Persona mapping and some really strong tests before you then hit go and put that stuff out there. The other reinsuring thing that I was thinking about when I saw it working really well was that people knew what kind of data they wanted from it, and would make sure that as they were scoping that out, that that data trail was both feasible, possible and useful to them, so that they weren't just caught out with right we've got the functionality now. What data does it give us? No, the data's got to be baked into the nature of what you want this thing to do, because it's such a live source of effectiveness and take up and impact. So that's where I saw it working really well. And what I didn't see was that it was stuck in a division or a or in just shared services or something. Because when it was it didn't seem as effective it was. It was almost like elevated above the functions, going, how do we pipe in these new systems that we want to what about what about what systems do we need to get rid of, and what processes don't count anymore? And so there's some lovely ways of being really brutal about the spec and what that does. And like I say, that didn't sit in a team that sat as a very collective effort with strong ownership and strong product orientation too. So that's what I didn't want to do. I don't want to create an operating model where we just had a tech hole or function or space or whatever, it just needed to permeate everything and be everybody's responsibility. But at the time you needed it, had strong ownership for what you were doing, implementing, adapting, analyzing whatever. Yeah, so that's how I have come through to that, and I still stand by that as how we need to deploy, you know, generative AI automation, agentic solutions. I've got one client who's developed some terrific agentic solutions, and you can tell they haven't been cooked up by a group of analysts. They are alive and they are active, and they feel like they are giving an HR team a chance to give high value service that's repeatable to people, and then high touch human intervention when they need it. That's where we need to be.

Mervyn Dinnen 17:07

And do you see AI, if I, if I put the letters in the right order, yeah. Do you see that having a huge impact on this? Or do you think, or do you see it as something which can help almost like smooth the operation of this, this new operating model?

Perry Timms 17:26

I I'd like to say it will have an impact. I suspect we'd like it to be huge, and it might not be quite so seismic, but I do think if we box clever on it, we can create some significant savings and gains in automatable, replicable, algorithmic, rule based processing, and that will include some of the things that we do in terms of creating pathways for learning and careers and so on. What I notice about it is it's likely to mean that entry level jobs into the profession aren't quite what they used to be. So we need to be prepared to start thinking, how do we create an accelerated curve for people to get into practitioner level. What I sense it bizarrely, going back to a book I wrote in 2016, 17 transformation HR, is that we do more pair, working, more Gemini, more duality to it, so that we've got master, apprentice, that kind of thing. Because I think a lot of this is in the nuance of relationship, building influence, understanding how people are motivated. We can't expect people to learn that in a top sort of almost like a sterile environment. They need to be in the real world, in the world, picking it up, osmosis and whatever. So I think as long as we program it that way, we can automate the things that make sense to do so and add value by being much more relational and contextual and all those kind of things. Because I think that high touch thing will give us the influence we deserve, because people will feel they're well looked after, because all their basic stuff they can get through automation. When it gets adapted and nuanced and difficult, people get involved.

Mervyn Dinnen 18:54

Definitely. Now you've included quite a few examples from from some fairly major organizations like Santander, like Jaguar, Land Rover, what? What did you find when speaking to these organizations? What, what, what kind of examples were you able to kind of glean and then write about?

Perry Timms 19:13

Yeah, so the good thing is, I didn't go and do investigative journalism. I just looked at what they put out in the world and some things that I knew were searchable and contextual, so that I could put them in there just as illustrations of things that would come through this. So when it came to Santander as an example, what I know they've done is lots and lots of really inventive stuff around talent development, about how people select into it, what their pathway is very individualized, what we might call hyper personalized stuff, all lined up to business need and so on. So they had a really good recipe on that one, so I showcase that Jaguar and Land Rover were another thing where culture was considered to be a strong determinant about how you create successful business enterprise when you're trying to adapt to EVs and so on. So I loved what they did to create almost like learning, curiosity and craftsmanship, to then get people to go. From combustion engine construction to EV stuff, 25,000 people at scale. Amazing case study. Wasn't programmatic. It was build the sense of people participating in something. So I'm like, that's the kind of thing we need to be where, again, it goes out of a center of excellence and becomes a very collective effort across the whole of the HR domain kind of arena. And there were some other examples of NatWest, brilliant shift from kind of siloed business partner into much more again, product oriented data LED high performing sort of HR results. And so I just literally picked up stuff that was around and used it as a sense check for some of the things that I wanted to show us illustrations of they did this kind of depart from traditional three leg store model. They didn't probably even know they were doing the sort of thing that I'm professing that we should be but they are a beacon of the possibilities. When you do that, you detach from a slightly impairing obsession with your operating model and create something different.

Mervyn Dinnen 21:03

And how if somebody, you know, bring your side, I dare say, you're going on a book tour soon, and you're going to be speaking at various different, yeah, yeah, various different events. If people come up to you and say, look, it's, you know, this is the struggle I've got, where I am to, actually, you know, be able to almost turn mindsets around into a different way of doing things, yeah, what? What is your advice to people like that in terms of how, how to get started and and how maybe, to win round senior management and leadership?

Perry Timms 21:36

I have a stuck answer to this, because I genuinely believe it is the way you do it. You don't, you don't, kind of go, right, let's just tear everything up and start again in a chaotic sense. No, you get people behind the sense of the HR deliverables, wherever they are, TA, onboarding, development, whatever, even er and stuff. You think about them as products, and you start adopting a product management approach to them, because the question you want to ask is, if they had to buy our service to get value, would they? And at the moment, it wouldn't be, because it's not good enough. Often, policies are built from a really low standpoint of, don't commit crimes when it should be. This is what we want you to do, to be noble and participative and honorable here. So so flip that into product management, and I think what that does is that creates an immediate signal to the rest of the business that you're serious about doing something that's much more modern, progressive, but still linked to business value. From there, it can trickle through that you double down on science and get better at that with your data and analytics. You double down on purpose and meaning in the systems that people are in, underpinned by great processes. So it's not process re engineering, it's adopt a product management approach, because I think that'll pull you towards a better way of doing what you do.

Mervyn Dinnen 22:47

And if you're addressing a board of directors of a major organization about why they need to, why they need to give HR the space and latitude to develop this. Yeah, how would you sell that? Is it to do with the people? Is it to do with the obviously better results? But culture?

Perry Timms 23:11

Yeah, I think the things that I'm seeing boards getting, still a little bit kind of frustrated by, are things like, what the real culture is, and what that could give you if it was in the place it should be. Because I still think there's a little bit of a myth that boards see the culture as great, and people go not quite where it should be. So there's definitely something to pull that forward. I think they're real challenges about talent and skills, especially with automation, like, what do I still need? What don't I need anymore? And what do I need more of they don't know the answers to that. So my challenge to them is you are not in a position anymore to give HR a request to deliver something you want because you're not sure what you want. So you need HR out front to help interpret what you are likely to need and that they aren't taking your order. They're advising you on possibilities, and then you make informed choices. That's different. That puts HR upfront, not behind the curve in requesting things. And I think there's something lovely about the chief people officer being able to tap on the CEO shoulder and talk to them about some form of value they can get from their people. They didn't even have that question in their head. That's where we need to be, not responding to business need ahead of the curve and helping business know what it needs in a very uncertain and very unclear world. And if we don't do that, then we're in trouble, because everything's automatable.

Mervyn Dinnen 24:34

Okay, we're almost coming to the end of the conversation. So is, is there anything that I haven't asked you so far that you would like to kind of, I suppose, talk about or explain or add to what you've said already?

Perry Timms 24:50

Lovely. I think the one thing some people really love about this model is I've got this kind of role. It's not really a person's role, but it's a sense of where people can play into it, called a meaning maker, and what that is saying is the purpose of an organization ought to be the thing that gets people to think, I'm glad I'm here, because I believe in that, and it's a form of psychological contract I think that goes a bit beyond and into the spirit and essence and the soul of the organization. And we haven't got anybody who does that. CEOs should, but perhaps don't, because they're too distracted with results. And so our boards are kind of into operation. Trustees and execs and stuff are doing their thing. So if we can hold that space and go, the purpose of this organization is this, and you need to remind yourself of this every day, because this is why we exist. I think that's going to help with some of the engagement lag and the kind of misdirection and misguided loyalty and so on, because people go, I know why I'm here. I know what I do adds to this. I think that's so untapped, and we need to get that right, and it'll also sort out the fakers. If they haven't got a really good purpose, nobody's going to get behind it. So you can't fake that. So the meaning maker role is the thing that some people are getting really excited about, because it doesn't exist now and we can claim some very strong psychological and intellectual connection to that. I think that's going to be one of our key secrets in navigating AI automation tech. And what's it all about? If we get that purpose thing right? I think we're onto something.

Mervyn Dinnen 26:12

I love that. I know why I'm here. Yeah, it's just, it's great and, and it's one of those things, I suppose, over the years, if you think about it, it's kind of a lot of people, you know, if they were asked that question, do you know why you're at your organization, they wouldn't. So I suppose my final question to you is, what's next? You've obviously got to spread the word about the new HR operating model. Are you already working on, maybe a further iteration of it, or something else?

Perry Timms 26:50

It's a lovely question, because I'm slightly mysteriously grinning because it started me thinking about something a bit bigger at organizational level. So it is almost like if we can get the HR function to kind of be ahead of the curve for a change. What would that help them deliver? And I think it is an organization that's fit for the 2020s, and beyond. So I'll kind of leave you just with a little bit of a teaser that I've already started to construct some stuff. And it's more about how organizations can shape shift more readily than they can now. So think about it perhaps as a form of dynamical design, or whatever it is, because I think that's absolutely the kind of next evolution for businesses. They are not these stuck with slightly wobbly bits. They are very much more responsive to the markets and the data they receive. So I'm working that one up already. So HR 3.0 and the new operating model has given me a chance to go. But wouldn't it be nice if it was set against this amazing adaptive organizational construct, and that's where I'm going now.

Mervyn Dinnen 27:47

Okay, sounds fascinating, and the book is available through Cogan page.

Perry Timms 27:54

It is indeed so Cogan page.com and then also other retailers obviously stock it as well. But yeah, Cogan page.com often has lots of nice discounts.

Mervyn Dinnen 28:02

Okay, well, listen, Perry, it's been a pleasure to speak to you. Good luck with the book tour, and hopefully it won't be long before we have a chance to chat again.

Perry Timms 28:11

Definitely. Thanks very much. Appreciate it.

Mervyn Dinnen 28:13

You're welcome.

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