


## Research report

April 2015

Making  
maximum *impact*  
as an HR professional  
in an SME



The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 135,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

# Making maximum impact as an HR professional in an SME

## Research report

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### Acknowledgements

All of the interviewees kindly gave up their time to share their career journey, their learning and their reflections on their HR role in an SME. For that we are extremely grateful.

This report was written by Dr Jill Miller, Research Adviser, CIPD.

# Introduction

We know that being an HR professional in an SME is a very different experience from working in a large organisation. Over the past year we have worked and talked with an overwhelming number of people responsible for the people agenda in a small business and we always ask what keeps them awake at night and what they would find most useful from the CIPD.

These conversations tend to focus on a selection of five core issues, which all revolve around how to make maximum impact as an HR professional in an SME:

- How do I go about understanding and setting clear expectations of my role?
- How do I establish my priorities, balancing what the business says it wants with what I know it needs?
- How do I make a convincing business case for change or a new people approach?
- How can I best demonstrate my credibility and impact?
- What personal development is going to benefit me the most?

We posed these questions at SME networking events, conferences and workshops as well as to our 20+ case study organisations. In this report we've pulled together the 'real-life reflections' from the HR professionals, business leaders and SME consultants we talked to, to bring together their ideas and practical guidance on how to go about tackling these core issues.

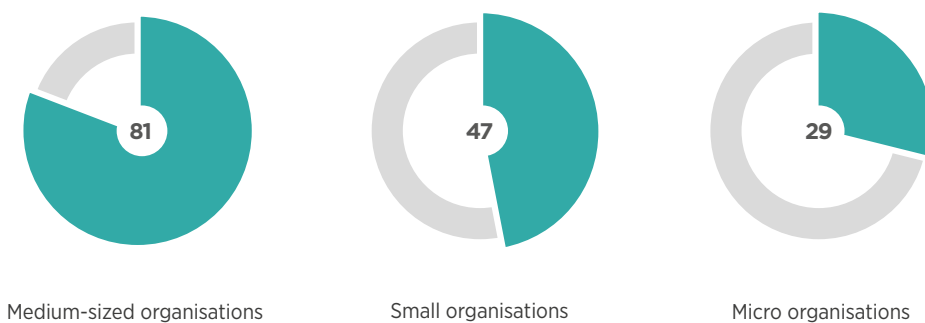
We also draw on survey data from a 2014 CIPD survey of SMEs which asked 578 senior decision-makers from SMEs across the UK a variety of questions about the HR role in their organisation and their people management approaches.

We document a number of different approaches to each of the five core questions, as no two HR roles in SMEs are the same. We know from our previous work that the likelihood of an SME employing someone in an HR role increases with organisation size (Figure 1). But the nature of this role is as diverse as the organisations which fall into the SME category. The same five core issues were mentioned regardless of SME size or whether you're a stand-alone professional or have a small team.

It is clear from our research that context is everything. Our past work has demonstrated that the 'ideal' people approach will differ significantly between organisations, depending on workforce size, stage of growth, maturity, industry, the nature of job roles, and the owner/founder's ambitions for the business. The focus of an HR role will therefore also differ and will change over time as these factors change.

This diversity of approaches was evident across our case studies, where we found a range of different approaches to professionalising the people approach (Box 1). Some employ an HR consultant for a number of days each month, some work with an employment law firm, some directly employ a part-time HR professional, whereas others established a full-time role. In some organisations the HR professional had another aspect to their role, such as finance, and in others someone developed into an HR role through internal progression. Whatever the decision made around the role, the core five questions that HR professionals want help on remain consistent.

Figure 1: Percentage of organisations that have at least one person in an HR role (%)



## Box 1: Different approaches to professionalising the HR function

**Arolite:** Syrita Foster joined the family business in the service team, and as the business grew she started to do the operational and management accounts as part of her role. With a natural flair for people management, she had always been responsible for recruitment. Then the business got to a stage where Syrita felt she needed more HR-specific knowledge to support its longer-term growth. She studied for a CIPD qualification and now feels able to drive a people approach which fits the needs of a growing company. Arolite also work with an external consultant on specific business development issues.

**IMarEST:** Ben Saunders joined IMarEST back in 2006 in a learning and development role, looking after the accreditation of university courses, and also liaising with companies to design graduate training schemes and get them accredited through IMarEST. As a learning and development professional, he studied for a CIPD qualification, achieving professional recognition. The business went through a restructure and employed an HR consultant during that time. The new chief executive decided the organisation would get great value from having an in-house HR professional. Ben took on the role and started the in-house function from scratch.

**MJF Cleaning:** Up until late-2012, MJF Cleaning used an advisory service to provide HR advice when required. Martin Ferguson, company founder, then decided that having an HR professional in-house would enable the business to grow more smoothly. He hired Sara McTrusty as HR manager, two days a week. Sara was already teaching CIPD courses at Darlington College on a part-time basis so was able to combine the two roles.

**Julia's House:** Diane de Souza joined Julia's House in 2008 as HR director in a part-time role. Prior to that, the organisation had employed someone who managed both the HR and finance roles. Based on the size of the organisation (circa 70 staff on payroll in 2008) and growth ambitions, the decision was taken to professionalise both functions, hiring a strategic HR professional to shape the organisation's people agenda in line with Julia's House values and its strategic ambitions.

**Aroq Ltd:** Cat Jones previously worked in a multinational recruitment organisation but joined Aroq in a sales administration role. She began helping the sales team with recruitment. Although the company only had 32 employees, it was clear that attention on people management was needed to support business growth. The CEO asked Cat to consider developing the company's first HR role, offering to pay for her HR study. Previously the finance team had done the people admin and the owners had looked after the employee handbook and performance management issues. The owners were happy to hand development of Aroq's people management approach over to Cat as they knew she understood the operational side of the business, having worked there, and it also freed up their time to focus on pursuing business growth.

**Jeanne Le Roux, Founder of JLR People Solutions,** asserts: *'I run a people management consultancy and work particularly with start-ups, entrepreneurs and small companies. I find that the product and the marketing is what small companies tend to focus on. Often they forget about the people role. Those that do look at it have either come from a corporate background or have learned the hard way.*

*'I work with them as a business mentor as well as a people management specialist. When they get bigger and want to hire someone in-house, the tendency is to focus on recruitment at first and hire a recruitment specialist, but actually they want to ask that person general HR questions – so I advise small companies to hire an HR generalist straight away.'*

This report is one of a series, looking at different aspects of various people management issues in SMEs.<sup>1</sup> Previous reports have looked at how your people approach needs to change and

evolve over time in line with your business needs, innovative ways of recruiting and developing your people, and how you retain your culture, values and what you're all about as a business over time.

The CIPD has also developed SME-specific resources to aid continual professional development in this context. Take a look at the further reading section at the end of this report for further details.

<sup>1</sup> We have adopted the European definition of SMEs, which classifies micro-organisations as those having fewer than ten employees, small organisations as up to 50 employees and medium-sized organisations as up to 250 employees.

# Understanding and setting the expectations for your role

*‘The trigger point was we had grown as a business. We were making money, we were doing the job, but we weren’t doing it as effectively, efficiently or profitably as we could have been.’*

In order to shape your role and maximise the value you can bring to the organisation, you first need to understand current expectations of HR – both from the owner/founder, the leadership team and managers throughout the business. Only then can you begin to influence the rest of the business about the added value you can deliver.

HR professionals we spoke to had very different experiences, with some reporting their business leader ‘just got’ the importance of having someone to champion the people agenda to enable the business to achieve its objectives. At the other end of the spectrum, others felt business leaders saw HR as a necessary expense to keep them out of court. In these instances, their job was made all the harder due to the amount of influencing and persuading needed, and their typical frustration around the untapped potential of better people management to help grow the bottom line.

We asked HR professionals to reflect back on when they first joined their organisation and tell us how they went about understanding the initial expectations of their role. Then we asked them to tell us about the lessons they learned from influencing those initial expectations. They told us:

1 The first thing to do is understand what the impetus for hiring an HR professional was. These motivations tend to reflect the owner/founder’s initial expectations of HR.

- 2 Are your expectations and the owner/founder’s aligned, or is there a clear mismatch?
- 3 Understand the expectations and perceptions of HR from others in the business.
- 4 The reality of working in an SME is unlike a larger organisation.

## **What was the impetus for hiring an HR professional?**

Our research has revealed that it is important to understand the background to the role being created as this will help set the scene for what the owner/founder expects of HR. For example:

- Has the business reached a size where policies and procedures are needed to guide work and to create a sense of fairness?
- Is the owner feeling that people management issues are taking up too much of their time and they want someone to take the people responsibility away from them?
- Is effective people management seen as vital for growth and to achieve the company’s vision?
- Is there a specific issue that they want an HR professional to concentrate on? For example dealing with or avoiding tribunals, addressing a serious skills shortage they are facing or tackling a high turnover problem.

Our survey of senior decision-makers in SMEs revealed that there are many different reasons for hiring an HR professional, but the main reason is that the workforce had reached a size when a more structured people approach was needed, including formal policies and processes (Figure 2).

Other reasons are to become legally compliant and to ensure they have the right skills and talent in place to achieve longer-term business objectives. Just under one in five brought in HR professionals to allow them to deal with the people challenges they were facing and one in ten did so to preserve their culture and what they are all about because the business was changing.

The case study examples detail the real-life reasons from a selection of organisations we worked with about why they hired an HR professional. For most of those we spoke to, hiring a people specialist was more about securing the long-term health of the business, supporting growth and hiring and retaining talented people, tasks that were typically handled by the business owner

or leader in the early days. This more forward-looking approach is perhaps of no surprise given that these organisations put themselves forward as case studies, but the way they talk about the value their people can add is interesting.

*'A lot of good things happened simply because it was the same small group of people, and there was always a critical mass of people who got the culture, who formed a new team, worked on any project. So no one needed to explain it. No one needed to say what it was. But all of a sudden, when that critical mass doesn't exist, cultures go in all sorts of directions.'*

*'To me the biggest signal was – there were two things. One was someone came along to clear an expense claim. They had booked a flight and it was a business-class flight. I thought, "well, we've never had a flight policy, but I fly economy. No one has ever talked about it, because it's just obvious." The second thing was when I heard someone in our Customer Happiness Team ... basically telling them [a customer] they were wrong and we were right. I just thought, "where did our culture go wrong that anyone thought this was the right thing to do?"'*

*'That's when we realised we had to be more structured about it, because the culture wasn't necessarily something that happened all on its own, it needed a bit of prodding, and a bit of help, and some process, and some writing stuff down.'* (Rowan Gormley, Founder, Naked Wines)

**Figure 2: Main reasons for bringing in HR professional(s) (%)**



Base: All who have HR professionals (n=290)

Martin Edwards, Chief Executive of Julia's House, reflects on his decision to professionalise the people approach: *'I noticed that when I came into post there was a lot of hacking through the jungle that needed to be done. An awful lot of basic stuff, like job descriptions, pay evaluations and appraisal systems. The building blocks you would normally expect to be in place in organisations, because we were so young.'*

But Martin didn't just want someone to do the people administration and set the policies and procedures associated with good people management. He wanted someone who could make a significant contribution to the organisation through developing a strategic people approach to help the organisation grow and deliver on its promises of an excellent standard of care.

Professionalising the people approach made clear business sense: *'I want our people to look back at the end of their careers and think, "that was the best employer I've worked for". I think people who are fulfilled and supported in their work are better at it. We know, for example, that our staff turnover has fallen from 25% a year to around about 14% a year since we hired Diane, our HR director. So we're spending less time and money recruiting. We can also see a similar progression in the charts for engagement scores as there are for our income progress. We can also see, most years, falls in sick leave as well. So our sick leave rate, before we brought these things in, was higher than it is now.'*

Martin Ferguson, Managing Director and founder of MJF Cleaning, explains why he hired an HR professional early in the business's growth. *'The angle I took was, if we focused on our staff and our people, they're the ones out there on the coal face, if you like - they're the face of the business to our clients. So if they're not out there and they're not happy, then we have problems because that'll have an effect on service. So we decided to put our people first. Obviously, it's your people and your client; you've got to keep them both right. So we decided to lead with people and doing that in the right way, and then a by-product of that is our staff are out there completing good-quality work.'*

*'If I wasn't trying to achieve what I'm trying to achieve and how I'm trying to achieve it, a company my size wouldn't have an HR manager. You can go and look at another, I would dare say, 50 cleaning companies who are turning over what we're turning over and, they won't have an HR manager. They'll use an advisory service or something like that who they can pick up the phone to. But I knew if we're going to focus on our staff, we have to have an HR department ... we needed somebody who is qualified in the role. If we're looking to concentrate on our staff, we need somebody who's there, who we can give projects to. A lot of what Sara's done has been behind the scenes projects, the processes, the appraisals and things like that. It's been Sara who's moved that side of the business on a lot to where we are now. There's still a lot to do, but certainly we've got the foundations laid for what we are trying to achieve.'*

When working with new clients, Alice Jordan, Director, Inner Strengths Ltd, discusses with them the reasons why they have hired her, which helps her understand what the client wants as well as to ascertain where it may be possible to deliver added value. Typical reasons business leaders ask her to come into their business and work with them are:

- All people issues are getting escalated to the top, and the business owner doesn't have time to deal with them anymore.
- The leader finds they have typically looked after the people issues but now with the workforce growing they are spending too much time micro-managing the detail and not enough time leading the business forward.
- There isn't necessarily anybody in the business who has significant experience of working elsewhere in a leadership role, who can say, 'Here are some of the things that you may need to think of.'
- And there are quite simple people management things that need to be put in place, such as when you first create teams and have line managers, 'Does everybody know who they're reporting to, their line manager? Does their line manager know what people processes they're accountable for and how to do that?'



When you understand the motivations for having HR, it is then possible to think about how you deliver on the next sections of this report: how you establish your priorities, how you frame a persuasive business case for a people-related initiative, and ultimately how to demonstrate your credibility as a key business contributor. But first you need to consider how aligned your views about the role are with those who hired you.

**Are your expectations and the owner/founder's aligned, or is there a clear mismatch?**

When you know why the role has been created, you will have a good idea of what's expected from the role. Do these expectations fit with yours? Do you think there is more you could offer the organisation?

For example, if the impetus for creating the role was to put in place policies and procedures across the organisation, after that, what longer-term value can you add?

A further question to consider here is whether you think expectations of what you may be able to achieve in the first year are unrealistic. For example, to address a situation that one of our interviewees reflected on in which, *'there was this massive expectation about HR being a magic pill that was going to solve all the problems'*, do you need to make it clear what you can achieve as a sole practitioner, or as a small team, and what's possible with the available resources?

*'Professionalising the people approach made clear business sense: I want our people to look back at the end of their careers and think, "that was the best employer I've worked for."'*

The CEO sees some benefit in HR (otherwise you wouldn't be working with the company) but may have a more limited view of what it can add to the business – frequently they can become fixated on legal compliance. Even if they do take a wider view, the opportunities for being at the 'cutting edge' are often more limited. That interesting new recruitment solution you read about in *People Management* may just be too expensive, too big or too complex for your own organisation.

So how do you overcome these frustrations – particularly the first? There are three ways that are effective. The first is to understand the business you're working with. Know about its market, competitors and regulatory framework – even if they are nothing 'directly' to do with HR. This allows you to make positive contributions to strategic business discussions, not simply be the 'HR' person.

Secondly, always look for a constructive solution to an HR issue. Never be the HR person who says it's against the policy or it can't be done. Show that you are looking for solutions that bring business benefits and make the employees feel more valued.

Finally, accept that for many HR solutions you can't always show an immediate financial 'return on investment'. Focus instead on how motivated and happier employees will, on the whole, bring about returns in a whole variety of ways – improved productivity, willingness to cut costs, or going the extra mile to bring in that new contract that you never expected to get.

In short, make yourself into a trusted adviser – your own personal credibility becomes the credibility of 'HR'.

Simon Jones, Ariadne Associates

## *‘Addressing and shaping expectations takes time, constant conversations, visibility throughout the business and clear demonstration of HR’s contribution.’*

Some of our case study interviewees recalled how they spent time with the business owner before they took the role, to be able to consider these questions.

Sara McTrusty at MJF Cleaning reflects back on how she and Martin Ferguson, the managing director, co-designed her role: *‘I had a couple of interviews with Martin and then I did a presentation pitch about what I would do once I was here. It was all about setting up the HR function and also looking at certain areas to try and improve things, getting things in place ready for when we’re bigger. At the same time I said, “look, if there’s anything else you want me to get involved in I’m interested in business in general, so feel free to run things past me”.’*

And the reality is that as the first HR professional in the business, you will be making the decisions that the owner or founder would have made in the past. While some business owners are happy to hand over the reins, others may want to have some involvement in decision-making. For example, the owner may have traditionally looked for talent in the business and promoted people, but when a more formal succession plan is in place there may be less opportunity for ad hoc decisions to be made.

It is important that expectations about how you will work together on the people agenda are set out up front. For example, how will you balance the need for a more formal approach to hiring and developing people with getting the business owner’s input? And with people used to going to the business owner for a decision on people issues, how do you set expectations of what they now need to come to you for instead?

All of our case study interviewees agreed that their relationship with the owner/leader was the biggest influence on their role. For example, the quality of conversations, the freedom to take action, the degree of co-support and openness to new ideas on the people agenda. Being clear on each other’s expectations is essential to develop a coherent people management approach.

Are owner/founder expectations long-sighted or just focused on immediate business needs? Can you have this conversation up front or do you need to demonstrate delivery of short-term objectives first to establish your credibility? We examine these questions more when we talk about how to establish your credibility as a key business contributor.

### **Understand the expectations and perceptions of HR from others in the business**

To be able to implement the people approaches you know are needed to achieve strategic objectives, you need to work across the business. As in every organisation, turning policy into practice, or rhetoric into reality, depends on leaders and line managers. Addressing and shaping expectations takes time, constant conversations, visibility throughout the business and clear demonstration of HR’s contribution.

When the first HR professional joins the business, existing staff can have very different expectations of what they are here to do and what the HR role involves. Common perceptions, which may have been formed in past organisations, include HR being a policing role, HR only being seen when there is hiring and firing to do and HR being there to take all people management responsibility away from line managers. There can

*'Managers' knowledge of people management processes and their importance will depend on their background, whether that's in a highly structured large company or if they're used to working in a more ad hoc way in an SME.'*

HR Manager, Medium-sized charity

Ben Saunders' promotion to a senior role at IMarEST that included responsibility for establishing the organisation's first HR remit came at a time of change for the organisation. IMarEST had just appointed a new chief executive, had just moved offices and the Institute was about to embark upon a challenging five-year strategic plan to grow the organisation.

*'Many of the line managers had never worked with an HR professional before and there was a need to make line managers aware of what they could expect from HR and what was expected of them by HR. For me, the key method to achieve this was to communicate with other members of the senior management team and line managers and understand their exact business requirements and identify clearly how HR could make a positive impact on their business unit. I then needed to regularly communicate with them, tracking progress against the agreed goals and addressing any areas of discrepancy.'*

*'With the launch of the first HR function in IMarEST, it became apparent that all the Institute's policies and handbook would need updating to reflect our new goals. Writing a handbook is one thing but without the buy-in from the line managers, the documents are merely pages of text. My goal in this exercise was not only to get the line managers to buy into the policies but also to understand why they were needed. Line managers needed to understand that the policies were not being imposed by HR for HR's sake but were there to add value.'*

*'Overall, when introducing a new approach or practice, it's important to get the buy-in from all areas of the business prior to its launch. My colleagues on the senior management team are happy to encourage any initiative that will support or improve the performance of the business. Therefore, the key questions I need to answer are: will this approach or practice improve performance, reduce costs or benefit the organisation in some way or other?'*

also be a nervousness that an HR function will mean more and more policies and formality that will eat away at the flexibility, informality and agility that have made the business successful to date, and undermine innovation.

Overall, two main issues about how the introduction of HR structure and process can affect business operations were raised by our case studies. The first is how organisation growth could affect the customer experience with their company if the adopted structure and processes were not appropriate. Neville Pritchard, CEO, HR in Flow, explains the challenge: *'One of the issues may be that as*

*you grow, you can start to introduce things that negatively impact the customer experience. So customers you thought were solid start to wobble, because they are no longer receiving the level of experience that they had before, or that they expect.'*

The second issue is that the introduction of structure and process and more defined job roles can prompt turnover. Some staff who joined the organisation in the early days when it was seen to be totally flexible, job roles were far-reaching and they had frequent personal contact with the owner, may now feel that it is no longer the organisation they joined and decide to part company.

It is important to bear these potential concerns in mind and think about how you will manage people leaving. For example, is there key talent you will go out of your way to retain? Are there others who have been great employees, and have made a significant contribution to the business, but you both realise they have either outgrown the business or they have different goals? Can you help them to move on? This approach sends a positive message to the rest of the staff that you will support people to be the best they can be, even if that means parting company.

Overall, it is likely that you will need to find ways to show some

*‘Deliver an integrated people management approach, with line managers owning the people agenda alongside you, not just doing what HR tells them to do.’*

people in the business the added value HR can bring, beyond the obvious benefits. For example, in addressing the common challenges of filling vacant posts, demonstrate how your approach has also addressed skills gaps, how an added focus on values has made it more likely the new recruit will stay with the business, the establishment of career paths, the creation of internal development opportunities and enabling business growth.

One of the main issues to address is how people management responsibility is split between HR and line managers. Ruth Bennett, Head of HR at Youthscape, explains: *‘I thought about how we could streamline our roles, saying “if we now have HR, what is HR’s centralised role in the organisation? Am I doing every part of the people processes? Am I just advising the process?” Along with the other leaders I’ve had to work out what that looks like. Now I’ve developed a flow chart of what has to be done in each people process and who is responsible for each stage of that process.’*

Kate Sanderson, EducationCity, reflects: *‘Certainly when I came here, I did a big job on selling, “What is HR? What can it do for you?” because I thought, “I can’t go in and assume they know what I’m here to do.” So, I very much tried to tailor it around what did people need from me, and become the trusted friend, before bringing in the things that maybe they felt less comfortable with, but that needed doing. I think that really helped to establish trust very early on and the understanding that I wasn’t there to do the perhaps uncomfortable jobs for them, but I was there to support them.’*

Romax has been doing a lot of work developing line manager capability to take responsibility for their teams. Hilary Rapinet, Head of

HR, explains that, *‘HR having all the people management responsibility wasn’t sustainable for the business as it grew so we needed to make a real transition, training managers to manage their people, be accountable and lead their teams effectively.’*

Good-quality relationships with line managers are essential if people management practices are to be enacted in the way intended, and consistently across the organisation, without it being luck that you have a good manager. And setting clear expectations of how you best work together to deliver an integrated people management approach, with line managers owning the people agenda alongside you, not just doing what HR tells them to do.

Sara McTrusty, HR Manager, MJF Cleaning, spends time with managers on a regular basis to update them personally on changes in the business. This gives Sara the opportunity to hear directly from managers about how any new approaches are working on the ground. *‘Managers come to the office a couple of times a week to pick up stock so I catch them then. I tell them about a new process, for example the interview sheet, and ask how things are going so that I know of any issues they’re facing. I ask them to try the new approach and let me know if they think it works or not. Some of the feedback they’ve given me I’d never have known otherwise as I’m not dealing with what they’re dealing with.’*

Diane de Souza, HR Director at Julia’s House, explains, *‘I have always made myself accessible for anybody. My view is that the managers’ needs are more important than some of the other things that I have to do. I can always juggle that. Making sure that the managers are fully supported,*

*and they know how to manage their people is vital. If they have a worry or a concern, they always will pick up the phone. I am thankful that I don't have situations where they try and go it alone and then you are trying to dig them out of a problem later on down the line. Over the years, I have spent a lot of time training managers, working with them and giving them advice. They know they can just pick up the phone, or drop me an email, if they want any help with anything.'*

Developing a beta version of a policy and then inviting managers to feed back and shape it is a successful approach for Sarah Muzzelle, HR Director at Fox Parrack Singapore. *'I develop things in collaboration with managers. You're not going to get everything right first time, so I do position things with them as "evolving". We operate an agile principle anyway, with 80% being good enough for people to start using and then they feed back and can contribute to its shape.'*

*'My background is in large heavyweight corporates, but when I joined I realised that I needed to make sure policies and processes were right for this business. It's a fine balance and we don't want to be too onerous with policy as here it's a small, friendly environment. And we have a lot of creative*

*people who have great ideas about what will work for us.'*

### **The reality of working in an SME is unlike a larger organisation**

Working in an SME is a significant career opportunity and our interviewees pointed out how different working in an SME is from being part of a team in a larger organisation. We therefore thought it appropriate to note this in this report. Decisions can be made at speed, your impact can be immediately visible, the role evolves and changes over time, and your closeness and constant exposure to the rest of the business means business acumen and commercial awareness are often naturally acquired.

In a smaller organisation there is the opportunity to get involved in all aspects of the business, decisions can be made at speed. As the HR manager of a medium-sized charity states: *'As long as you get the buy-in from staff, things can change instantly – proposed changes don't have to go through six committees.'*

Change can happen fast as there tends to be less formal red tape, and it is possible to quickly see the impact of what you do. For example, Diane de Souza, HR

Director, Julia's House, said: *'I think the key thing is that in a smaller organisation, if you identify that something needs dealing with, you get on and deal with it. In a large organisation, quite often you have to go through layers and layers of management, or red tape, or project meetings to be able to achieve anything. It is having that flexibility, that ability to flex the organisation or charity to meet changing demands and having that ability just to say, "This is right for the organisation. Okay, let's get on and do it.'"*

Simon Jones, Ariadne Associates, reflects on the immediacy of HR's impact on the business: *'It's rewarding in the sense that it is easy to see the impact of an HR decision on the business overall. A poor recruitment decision or the failure to tackle a performance or attitude problem can have immediate negative impacts, while a positive HR decision (for example a pay rise or filling a role that's been vacant for some time) can be seen straight away in the atmosphere of the organisation. There's no agonising on "what does HR add to the bottom line" here! Equally, there's no ivory tower for HR to inhabit. You will usually be out there in the business, and be as familiar with the cleaner as with the managing director.'*

Claire Alexander, HR and Talent Development Manager at DUO, reflects: *'I think the big thing that struck me, was that when you're in an SME, whether it's just one of you or whether it's a very small team, there is a greater amount of accountability. You've got a bigger opportunity to make a difference, so I think you have to really justify what you are prioritising and why.'*

*'It's really important to be accessible and approachable and be credible, because you are representing the HR function as a whole.'*

*'The other thing that really attracted me about working in a smaller company is that you can make significant changes. If I was still at a large organisation I wouldn't have touched on half the things I've been involved with at DUO, because your role tends to be more focused on one particular area. I've had to develop my generalist HR knowledge pretty quickly, which is such a steep learning curve yet also really interesting. In an SME you have a really good opportunity to see real impacts and effects of what you do, which I think is hugely rewarding.'*



## *‘In an SME you rarely have a role that is just HR.’*

Hilary Rapinet, Head of HR at Romax, talks about how you have to be comfortable with the fact the HR role will change over time. In a large organisation your role tends to be more set, but in an SME the role changes as the needs of the business do. *‘Obviously when a business starts you do need more of the basic HR operations, because it’s all about recruiting the right people and making sure you’ve got the right terms and conditions and the contracts are legal. It’s important all the way through, but it’s particularly important at the start.*

*‘Then it’s more about what the future shape of the business is going to be. How do we bring in talent? What’s the culture of the business going to be? For the business to be able to answer those [questions] they have to have the right HR person, at the right level, who can sit alongside other people running the business. They have to have enough experience to think commercially as well.’*

Similarly, Sara McTrusty, HR Manager at MJF Cleaning, recalls, *‘I hadn’t quite considered a large company versus an SME, but after coming in and meeting Martin [the managing director] it sounded like such a good opportunity. It was starting where there was nothing in place and really making it our own, working alongside Martin getting involved in different aspects of the business. The role has changed so much since I started, from getting the HR basics in place to making sure we have the right people approaches in place to help the business continue to grow and expand across the country.’*

But it is also important to be aware of the challenging aspects of an SME HR role, as Hilary Rapinet, Head of HR at Romax, goes on to explain: *‘HR in an SME is very hard work and often if you’re on holiday*

*there isn’t anyone to cover you. Another challenge is the amount you have to know. In a bigger team you can make sure one person’s an expert on a certain aspect of HR. Whereas when it’s just you, or you and one other person, then you have to make sure you know what’s going on in all aspects of the world of HR as well as what’s going on in your business. Having the whole HR remit sitting with you means you have to be very flexible.’*

Hilary also talks about an issue raised by many of our case studies, which is that in an SME you rarely have a role that is just HR. *‘You often have other things tucked in and under HR. So here for example I have health and safety, I have facilities, I have office management, I have reception. In a small business this often sits with HR. It’s important not to be too precious about what you take responsibility for; you have to be flexible. And not being too proud in terms of being prepared to get your hands dirty and do things that are not HR-related. In a small business the reality is that everything is everyone’s responsibility and although you have an area you have overall accountability for, there will be other things that you get involved in for the benefit of the company.’*

The final point raised about the reality of an SME role is about closeness to the business and what could perhaps be referred to as the privilege of working in an SME: operational understanding and business acumen comes almost naturally. This aspect of professional competence is invaluable and something we explore in more detail in the next section when we look at how to establish your priorities.

# Establishing your priorities

In many of our case studies, the HR professional we interviewed had been the first to join the organisation and often an HR consultant marked an SME owner/founder's first formal engagement with the people agenda. In some organisations there were no policies or procedures in place, so there was a blank canvas. In others the HR basics were in place, introduced by an office manager or finance manager perhaps. In all scenarios there are big decisions to make in terms of what to do first. Even in organisations with a more established people management and development approach, HR professionals said that given the fast-changing nature of their business, they needed to regularly revisit their priorities.

HR professionals told us that establishing their priorities had three main components:

- take some time to understand the business
- balancing the short-term imperatives with the long-term needs of the business
- keep taking the temperature of the organisation from an HR perspective.

## **Take some time to understand the business**

Understanding the operational side of the business is seen as an essential capability by all of our interviewees before making changes or introducing new policies or management practices. It was seen as important to understand what the business needs, the potential impact of changes and to be able to test out your ideas at an early stage, refining them through employee feedback.

Ultimately, having a deep understanding of the business enables you to formulate the business case for change. The very nature of an SME means you are constantly exposed to every part of the business, and it is clear from the interviews that acquiring operational understanding can therefore be easier in a small business. In general, SME roles provide invaluable exposure which, if embraced, can enrich professional competence around business acumen, commercial understanding and industry intelligence. The quotes illustrate how you can make the most of this opportunity.

*'The very nature of an SME means you are constantly exposed to every part of the business.'*

*'It's about talking to people, going out there and seeing what is required and understanding what it is your company wants. Is your company looking at growth? Does your company want stability? Do they want to make the business robust? That's going to make a difference. Understand your company's ethos and values.'*

*'It is clear from our research that you need to understand the culture before adopting a formal process or making the organisation structure more complex.'*

Diane de Souza, HR Director at Julia's House, advises: *'Ask lots of questions, make a nuisance of yourself, go and sit with people. Being proactive, going and finding out what goes on, having an enquiring mind – I think they are essential. If you are going to come in to this type of role, and you want to be effective, then you need to have a good understanding, a good grasp, of what that means for everyone.'*

Understanding the business also involves identifying where the main people-related risks are. Claire Alexander, HR and Talent Development Manager, DUO, reflects: *'When I got here, and during my induction, I went around and met a lot of people across the company and the two questions I asked were, "What do you enjoy most about working here?" and, "What one thing frustrates you?" It was really interesting that everyone had lots of really positive things to say, but there were also a variety of things that were just eating away at people.'*

Mark Pavlika, Chief Talent Officer at Morph Talent, stresses the importance of understanding his clients' businesses to deliver the most effective consulting solutions: *'I will go for one or two days a month, down to the client's business and spend time there getting involved in their culture,*

*immersing myself and being part of the team, rather than just being another person on the end of the phone when they have an HR issue and offering a generic solution.'*

Arguably the most important aspect of the business to understand and appreciate is its culture and values. It is widely accepted that taking people management practices and approaches that have been developed in large organisations and implementing them directly into a small business just won't work. They have to be tailored to the specific context and 'how things are done around here'. For example, a reward system based on individual effort alone is unlikely to work in an organisation with a tight-knit family culture if it encourages divisive behaviour which undermines the sense of being part of a team.

It is clear from our research that you need to understand the culture before adopting a formal process or making the organisation structure more complex. There needs to be serious consideration of whether that approach is the right fit for the culture of the business and appropriate tailoring. Will the new approach serve to reinforce or undermine your desired culture?

In an SME you are often physically close to all other business functions. But what if the workforce is remote? Sara McTrusty, HR Manager, MJF Cleaning, says the same fundamental requirements of getting out there still stand, but you have to make extra effort to do it.

*'You have to be in the place, living and breathing it. In our industry, staff are remote so you don't get to meet them all in the office – you have to go out there and see what they do and how they work. That's been the key thing for me to be able to work out what the business needs, how we need to do it and actually what will work for this company and the staff that we have. In my first month I met all the regional managers, sat down with the directors and understood how the company operated. Then I went to a few meetings with them when they were pitching for work. I had a look at who our competitors are, looked at their websites. I asked lots of questions of people – "What's a high reach wash?" "What's a sparkle clean?" "How many hours will a certain job take?" and so on.'*



Similar to most retail environments, Choccywoccydoodah stores have targets to reach. However, the target-setting process has been deliberately set up in a way that reinforces the team culture. The most important target to reach is the one for the whole store, rather than for individual teams.

Jenna Mullen, London Store Manager, explains: *'I have a target board and they know what they have to achieve every day. It's broken down into daily for café and daily for shop, and then it's broken down into what we have to achieve for the café for the week and the shop for the week. The main figure is the building.'*

*'If the café is having a bad day, because literally there is nobody, but the shop has taken 20 orders and we're having a fantastic day, we say, "It's okay, we've got this." The same with the café. Everyone is working hard and that's key. Just because the café has been quiet and they've done cleaning all day, that doesn't matter, they're still working hard. We make it as a building.'*

The pragmatic approach taken by Kate Sanderson at EducationCity when she first came into role as the sole HR professional was: *'Let's firefight first, and then worry about prevention once the fires are put out. At the start I was battling on so many fronts simultaneously. With inventing HR from the ground up, it just felt the natural way to do it, because I had to deal with things in different directions all at once.'*

One of the first things Kate did was review what was already in place and to what extent practices were suitable and being used. She found that although policies and benefits existed when she joined EducationCity, employees didn't know much about them or how to access them: *'in terms of statutory benefits, things like parental leave were not understood in the business; nobody had ever heard of them. So introducing and explaining the policies around the fact that, "You have a statutory right to this time," that nobody had ever told them about, and it was, "Really? Do you mean that I can do this?"'*

New processes and structure were welcomed by staff. The company got to the stage where the development and sales sections of the business were separately managed by leaders with different management styles. People were really open to having policies and procedures and systems because it meant fairness in their minds. And formally writing down and explaining the statutory policies was very well received because some of these had not been fully communicated in the past.

When looking at the recruitment approach needed, Alison Rathmann, HR Manager, Ford Aerospace Limited & Ford Component Manufacturing Limited, is looking beyond the immediate need to fill roles to show how HR can add deeper value, making better hiring decisions through aligning recruitment with culture. *'To demonstrate what value HR can bring I'm looking not just at recruitment, but at how we bring people into the business and keep them engaged with what we do. Engagement starts before someone joins the company, that is, from the placement of the advertisement and throughout the recruitment process. I want to put a better*

*induction in place - where we're going as a company and how we're going to get there, the products we make, and the importance of quality and for people to really understand and be engaged with what they're doing. We make parts for helicopter gear boxes and therefore safety is critical. Our employees need to understand the importance of the work they do and how they contribute to safety in aviation. Therefore engagement is very important to us.'*

Case studies also discussed how offering training and progression opportunities can send a strong signal to employees that they are valued and that looking after

your people is a key part of what you are all about. Many of the organisations we spoke to also had a core value such as 'supportive', 'improvement' and 'innovation', which could be brought to life internally through providing development opportunities. And of course they are a good engagement and retention tool.

To find out more about how to preserve 'what you're all about' over time, and read many practical case study examples, take a look at our other research *Keeping Culture, Purpose and Values at the Heart of your SME* - details at the end of this report.

## Balancing the short-term imperatives with the long-term needs of the business

Splitting your time between immediate operational issues and putting in place what the business needs to support its long-term growth is a challenge flagged by the majority of interviewees. Especially in the early days you are likely to be faced with many issues you need to react to. Putting in place fail-safes and guidelines should make these instances less frequent, but be careful to avoid too much red tape. There is a lot of foundation work to get to that point. How do you balance the competing demands on your time and resources?

Hilary Rapinet, Head of HR at Romax, reflects: *'One of the attractions of this role is it's operational as well as strategic. I think in an SME someone has to be happy with that – the learning in an SME is vast. But you can get drawn into all sorts of things. One of the challenges of doing an HR role in an SME is that typically you don't have a very big team. So you're very hands-on as well as strategic. One of the tips I would say is to plan some time for the longer-term HR work and some thinking time as it's very easy to fill your week with the reactive stuff and then a month's gone and you haven't moved forward the strategic HR agenda at all. It's very difficult but if you try and do it often enough, then at least some of the time you'll end up sticking to it!'*

One of our HR interviewees advocates two fundamental ways of working:

- 1 Every day, I focus on what the Wildly Important things are that will drive the business forward. The admin will always be there but if you don't have an eye on where the business is going and

what you need to do to help it get there, you'll end up going off down your own track away from what the business needs. And it needs to be thought about and advanced every single day.

- 2 Don't sweat the small stuff. You'll never get everything done. Just concentrate on the things that move the business forward.

Sara McTrusty, HR Manager, MJF Cleaning, also tries to ring-fence time for looking at the business's longer-term needs: *'I've been looking at how I can divide my time between the daily, reactive, operational HR versus the strategic "looking ahead" at what we want to implement and change. I have a day working at home to work on strategic projects, and the next one is how we reward and incentivise people. I work on that in the background while I'm still doing the day-to-day HR.'*

Alison Rathmann, HR Manager, Ford Aerospace Limited & Ford Component Manufacturing Limited, offers practical advice for juggling the demands presented in an SME role: *'For me it's about looking at when you have proactive periods of attention during the day, and the times of the day that are more suited to dealing with reactive issues, then planning your tasks around that. If you're most driven and creative at the start of the day, use that time to do your strategic thinking. Mid-morning when energy goes down, look at reactive things. Think about whether there's a time you can switch off your emails and blast through what you need to get done. Do your best ideas come in your downtime? We have so many demands on our time that we need to make the most sensible use of the different periods in the day when our energy levels change.'*

But she also talks about the reality of the role when you are the first

HR professional in the organisation. *'I joined the company just six months ago and there has not been an HR function for about six or seven years. In effect I'm setting it up from scratch. There's obviously a lot that needs doing but I think we need to walk before we run. For example, we need to have policies and contracts and a handbook in place before we embark on things like talent and engagement. When you first start in a role, there are some things you need to deal with straight away and I find that currently 90% of my time is putting out fires. Until I get the basics in place I'm only able to take small steps with the longer-term value-adding activity that I know the business needs.'*

For Ruth Bennett, Head of HR at Youthscape, HR is only part of her role. *'As an organisation we run at 150 miles an hour and that's part of our DNA. We like to be very productive and to get things done, so we need to find efficiencies somewhere to cut down on the admin side of things and be able to focus on the longer-term issues. I've just engaged a piece of HR software and I have this real hope that it's going to cut down my paperwork. Just really simple things like holiday request forms that I won't have to physically deal with anymore. I can click a button and see who's booked holidays – it will just be more manageable. You have to remember that as a one-person HR department you can't just let your workload continue to grow.'*

In a similar vein, Jeanne Le Roux, Founder of JLR People Solutions, a people management consultancy which works particularly with start-ups and small companies, suggests her clients:

- *'Set up an HR database to make you more efficient. Some are priced per person. Often we don't have the time to research*

these offerings but if you do then you can free up your time spent on admin and put it to use in other core areas for the business's benefit. To make the business case, think about:

- What is your time spent on?
- What amount of time would a different approach such as a database free up?

- What could you do with that time that would add value to the business?

- Who does your payroll? Is this something your accountant could help with while you're a very small business?
- Do you need a provider to help you with employee relations issues if this is outside your

specialist expertise? What are the service options?'

However, as Cat Jones, HR Executive at Aroq Ltd, points out, sometimes the short-term issues present an opportunity to think about the longer-term needs of the business. 'I knew that the question people wanted to ask (the elephant in the room perhaps) was if they're able

Kristina Henry, Learning and Development Leader at NCFE, reflects on how she worked with internal teams to develop a new approach to learning which was more suited to the business now that it had grown. 'It was clear that the current training approach adopted by our customer service team for new staff wasn't totally suitable for the business anymore. I took the opportunity, when reviewing the current approach, to also look at how we can move our culture from one of up-front training for new starters to establishing a learning culture.

'Historically, the induction for our customer service team has been four weeks in a classroom environment working through the processes, systems, products, and so on, in a very engaging yet traditional way with one trainer for the duration. The challenges are that: a) the learners then outturn into their job roles and have to put into practice what they've learned in class, and the customer service team leaders may not be equipped to train them on the job. And b) that occasionally there may only be one or two people on the four-week programme so the trainer is tied up for the duration of the induction.

'There was a significant opportunity to rethink the training method, adding greater value by creating more and a greater range of learning activities. I've worked with the trainer to deconstruct the current four-week programme, critically review what would – from the learners' perspective – best be managed in a classroom environment and what would be best learned on the job and what would be required to make this a reality, that is, support tools and materials for team leaders.

'This review has reduced the core induction from four weeks to two weeks and the remaining two weeks would be spent "on the floor" with identified buddies to support their transition from classroom to job role with appropriate materials under the leadership of the team leaders. The benefits of this approach include more meaningful and relevant work-based experience for the learners, opportunities for skilled and experienced colleagues to be engaged in developing others, team leaders to share the ownership for development and increased capacity for the L&D team to support other development activities.

'Having just trialled this approach the feedback from learners has been that it was a great learning experience and they valued the balance of training and learning which supports one of my key long-term areas of focus in moving the organisation from a training to learning culture in the dual interests of cost-efficiency and learning effectiveness.'

When Diane de Souza joined Julia's House, she was the only HR professional. 'Literally the role was running from the day-to-day admin to setting up policies, procedures. It was great, because you were able to bring in every area of expertise to shape the HR function how you wanted, all the way through to the strategic. It was pretty frenetic, to say the least, when I joined.'

Since 2008, the HR function has expanded to meet the needs of the organisation, as Diane explains: 'It continues to be pretty much a hands-on role, but obviously you have the strategic elements within that as well. Later in 2008, board approval was obtained to recruit a full-time assistant. Now, as the charity has grown, the team consists of one full-time assistant, a part-time HR assistant, a facilities manager, and a volunteer co-ordinator.'

to ask for a pay rise. I anticipated this was going to become a bigger concern from employees. But rather than just addressing requests on an individual basis, I knew we needed to have some structure in place to make decisions fair and transparent. I developed two things: a performance appraisal approach with rolling quarterly objectives that are tightly tied to business objectives, and a salary evaluation process. To compare current salaries against market rates I created a continuum of skills and specialisms (from not skilled in that area, to highly skilled) and this was also tied to our values. People rate themselves on this continuum as to their current skill level and competence. Their managers then rate them as well and together we establish where they sit on that range. We compare their rated position with market rates.'

### Keep taking the temperature of the organisation from an HR perspective

Over time the needs of the business and the workforce size and profile will change. Also, of course, your focus will change, perhaps in the early days being on getting the basics in place to then anticipating the needs of a growing business, for example the challenges you face will diversify if geographically separate offices are opened.

Our previous work looked at how people practices and the overall people approach needs to change as the business grows or matures. We highlighted the main transition points small businesses tend to go through and the typical 'watch outs' from a people perspective that could stall business growth if not addressed. You can find a link to that framework in the further reading section at the end of this report.

What was clear from that work is that businesses will encounter those challenges at different rates depending on the industry context, size of the company, and the importance the business owner places on good people management, amongst other factors. Therefore, regularly taking the temperature of the business is vital to know what your own business needs.

One interviewee explains: 'One of the most important things that I ever introduced was the engagement survey. Often small companies don't do it, because I think if you get external companies it can be very costly. I just sat down and penned one myself. It isn't necessarily the most sophisticated tool ever and I do, every year, tweak it slightly. I think it's been really, really important in helping us to work out what

Claire Alexander at DUO introduced a yearly employee survey to highlight prominent and emerging issues that need attention.

*'I put together an employee engagement survey, so that we could get some proper tangible results to say, actually, "How are people feeling?" "What are some of the areas where perhaps I could really focus my attention more constructively?"*

*'The first year it became glaringly obvious that we needed to do something with our performance management approach. It was very inconsistent across the business and people just weren't feeling like they were being recognised or rewarded. I worked on revising our performance appraisal process as a priority and the following year there was a huge jump in satisfaction within the engagement survey results in areas relating to personal development and growth. I delivered the results in a presentation to all our employees to show that we listened, we did something about it and that their feedback made a difference.*

*'Every year since then I've communicated the results of the survey, what we've been working on and how we've made a difference from last year and our focus for the following year, which has usually been driven largely by the results of the survey. In 2013 it was our employee engagement survey results which led us to review and revise our salary and benefits package, which again resulted in an impressive improvement in engagement survey results for questions relating to our benefits and reward the following year.*

*'We're just starting to get in a position where we can be proactive rather than just reactive, and start to consider the longer-term HR strategy for the company. I've drawn up a long-range plan for HR and people focus within DUO for the next three years, which will include creating a process for talent identification and development. Although that was what I was originally brought into the company to do, it became evident to me very quickly that we needed some fundamentals in place first, such as an effective performance management process and a consistent and transparent approach to reward, as these will be bedrocks on which to build our talent strategy going forward.'*

*our focus areas should be. It was crucial in convincing the heads of department. They were all quite behind a lot of the things that I was planning to do, but to get the heads of department on board, because I ended up briefing them on, "This is what's come out, this is what people are thinking, this is where we need to go and this is why, this is what we think will solve it," and then, for them to be able to see, actually, yes, that did make a difference. So suddenly my credibility shot up.'*

Kristina Henry, Learning and Development Leader at NCFE, focuses on relationship-building with people across the business to keep informed of issues and opportunities. *'Despite being comparatively new, I have developed a broad network across the business at different levels. People are keen to share their views, opinions, ideas and concerns with me both readily and honestly; in part due to the approach I took when I started in getting around all teams, engaging them and their views about what was needed from an L&D team, in deploying a new performance management process, in delivering learning solutions and providing coaching for line managers.'*

*'This means I'm getting insight into the different temperatures at all levels, functions and teams and this creates a picture of how the business is feeling. I also provide coaching and feedback sessions to line managers after observing one-to-one performance reviews and this means I'm hearing, first-hand, how individuals are feeling and the impact this is having on their performance. I've used this insight to share some key common and recurring areas of concern with HR and senior business leaders to influence actions and accelerate some key priorities.'*

Having established your priorities and ascertained where investment (be that time, resources or finance) needs to be made, the next challenge is to get wider business agreement on the value of taking action. The next section looks at how our interviewees have gone about making the business case for people investment.



# Making the business case for a people-related initiative

*‘The trigger point was we had grown as a business. We were making money, we were doing the job, but we weren’t doing it as effectively, efficiently or profitably as we could have been.’*

Although SMEs tend to be characterised as having less red tape than large organisations, there still needs to be a compelling case for investments. The majority of our case studies made it clear that creating a business case wasn’t about lengthy or cumbersome form-filling; rather a punchy, compelling case for financial, resource or time investment. It needs to highlight the issue, the risks to the business of not taking action, and the benefits of change.

Understanding what makes your different stakeholders tick and the type of questions they’re interested in asking is the first step. Ruth Bennett, Head of HR at Youthscape, engages with a variety of stakeholders to get a new programme signed off. She has different conversations with each of them, focused on their particular stakeholder interests or style. With the chief executive she has an upfront discussion about the issue, and what a possible solution will mean for how she spends her time and budget: *“This is not manageable and I’m struggling with this, this is one thing that I could do that might help,”* and *“Actually, look, this is what it costs,”* for whatever it is a year, which is how much of my time?’

Conversations with other people in the business have the same key messages, but a different slant according to their interests: *‘Our head of finance was concerned about how compatible the software I was proposing buying was with other things. She’s had an ongoing problem with her accounting software that is still not functioning*

*how she needs it to. I knew I needed to investigate her concern before our conversation.’*

Mark Pavlika, Chief Talent Officer at Morph Talent, echoes the point: *‘Talk their language. I used to be a finance director myself. I give my clients a scenario of a non-producing employee that costs them £40,000 and a really happy and engaged employee that costs them £40,000: “Although they are both costing you the same amount of money, the production level between them is considerable. You have got somebody there that is costing you £40,000, but he is probably costing you an extra £20,000 because he is not doing half the job he should be paid for, and he is impacting on everybody else. The effect that person has on everybody else is quite considerable. If you have somebody else that is costing you £40,000 but he loves working there and he is really engaged, he is probably giving you about £60,000 or £70,000 worth of work and you are not having to pay for it.” You are talking around that, money-wise, but also, you are giving them some stats about retention, staff development, creating stars, about people not leaving, and about recruitment costs.’*

Secret Escapes are clear on the skills and capabilities they would look for in a future HR hire – with the ability to make a convincing business case a key one. *‘They would need to have a real metrics-driven, data-driven view of the world. They would need to try and work with us in our language. I think anything that gets put*

forward as a proposal in the business really needs to be as far as possible justified. There has to be a hypothesis which says, if we do this thing, it's going to make this bit of our business better by this much. Simple is fine, but you need to have an objective and you've got to be able to measure whether you've achieved that. That would apply just as much to the HR person as it would do to the office manager as it would do to the contracting team.'

Including acknowledgement of 'what's gone before' in your proposal can help avoid the common response of 'we tried that before' or 'it just won't work in our business'. From our case study work it is clear that legacy is really important to those who have been with the business since the early days.

Sara McTrusty, HR Manager, MJF Cleaning, reflects back on her first few months in her role: 'I was fact-finding about how people are currently working, why they have done it like that, if there's a reason for it, an industry-related reason.

Perhaps they tried to do it one way before and they've now tried a different way.' The managing director commented on how Sara was careful to not insinuate things were not being done correctly, and had respect and tact for how things had been done before.

With the typical lack of red tape and the natural flexibility of a small business, you often have the opportunity to test out ideas fast. Testing out initial ideas with people across the business means you can see if they have legs before you invest too much time in developing the business case. Use this quick testing period to refine your thinking, make adjustments or withdraw the initiative if it is not working. 'Never be frightened to try something and then drop it if it doesn't work. Sometimes the fear of failure can stop you doing something or it can make you carry on with something, despite it clearly not having any support.'

One of our case studies sent out a mini survey (using a free online survey tool) when she was

*'From our case study work it is clear that legacy is really important to those who have been with the business since the early days.'*

Neville Pritchard, CEO, HR in Flow, outlines what he looks for when deciding whether or not to adopt a new initiative or approach to the business:

*'Start talking about what difference it is going to make to the value of the company. Get to know who the decision-maker is. The founder will be motivated by something. So, if you understand the way that person wants to receive information and the logic that will actually convince them, you have got to tune into that.*

*'All you can really do is paint the picture of what life would look like should this issue be addressed, and these are ways in which we might address the issue and what would we expect as a result of addressing the issue. If we know the value of the difference is far exceeding the cost of trying to do something about it, you have got to be mad not to do it, right?*

*'Then be clear on what it is going to achieve. Be clear how what it is going to achieve is aligned to the business intent. Be clear on the difference it will make between the potential if nothing is done, and the potential if something is done. If these arrangements make sense, there is a fair chance they are going to happen. I think that is the way forward.*

*'Then tracking the implementation is important; reporting against intent. You know, "This is what we intended, this is what has happened." Accept that there are lots of people involved in the process of achieving that intent. Isolating the contribution of one department or another, particularly at a small or medium-sized business, is frivolous. Did the initiative that involved all these people work or not? Yes, hooray, we are moving forward!'*

Claire Alexander, HR Manager, DUO, asserts: *'From an HR perspective, don't be afraid to stick to your guns when you think something is important. Because it's not so much about fixing something that's wrong at the moment, as making sure that we're all in the right mindset to [be prepared for] things in the future that could potentially cripple us if it did happen.*

*'One of the things that came out of the survey which goes to all staff, which just raised a warning to me, is I put in a question about whether employees felt that DUO would handle situations of harassment or bullying fairly, and whether they felt that we were against discrimination. We actually came out with really good results, but there was a 2% "disagree". We want "disagree" to be 0%. We don't want anybody in this business to think that there's even a slight chance that we wouldn't address these kinds of issues appropriately.*

*'I did more about some dignity at work training for everybody in the business and I think that people were quite surprised and I know that took a little bit to get the rest of the heads on board with, because it's kind of like, "Well, you're asking me to train everybody on something that we don't really have a problem with, because everyone's agreeing with it." I said, "Yes, but not everyone is agreeing with it, we've got a couple of people, potentially one or two people that have said, "No." So, actually, this is kind of fundamental stuff that we need to make sure everyone understands that potentially could be classed as discrimination."*

*'I think it's a big scary topic and there was fear that it would just stir things up and suddenly we were going to get inundated with people claiming discrimination and harassment and bullying and, actually, that hasn't happened at all. I tried to keep the training sessions reasonably light-hearted and gave the facts and actually, we haven't had any issues at all. That area in our engagement survey is improved and now although we've only got 98% agreeing now, I think that the 2% [has moved to] the middle ground.'*

designing the benefits package to test out with people what they valued and what they would use. It was just a few questions and gave her instant feedback which she could then add to her business case.

### **Don't be afraid to stick to your guns when you believe something is right to do for the business**

Part of any business leader's role is to draw attention to any risks to the business. This can mean you need to fight your case when you know action needs to be taken when you spot a bubbling issue which could cause a problem (such as turnover or lower employee engagement) in the future.

One of our interviewees reflects on her learning from SME roles:

- 1 *'Never be afraid to challenge someone's thinking. Often the most challenging people to work with become the most useful allies once you assert yourself as a professional with insights that will help them achieve their goals.*
- 2 *Be the person unafraid of difficult conversations or who can help someone think logically about how to approach them. You'll instantly win over the manager or the employee who has a weight taken off their shoulders just by talking something over with you.*

- 3 *Recognise the baggage you come into the business with. You bring with you skills and experience from wherever you've been before, sure, but you also bring bad habits or impulses inappropriate for your new environment! If you can recognise and discuss them and work out what changes you need to make quickly, you get major points!*

Others' views of your business case will also be determined by your credibility as someone who knows the business and whose intentions are aligned to achieving its priorities. In the next section we examine how you can establish and demonstrate your credibility in these respects.



# Demonstrating your credibility as a key business contributor

Following on from the earlier section about the importance of understanding the business, case study interviewees shared their wider reflections on what else helps them establish their credibility as a key business contributor. It is through having this credibility that HR can shift expectations in the business from HR being an operational provider to a strategic contributor, and therefore maximise their impact on business performance.

One HR professional we interviewed believes her flexibility to get involved in wider business problem-solving helped to build her credibility in the business. *‘You can’t always sit there and say, “I’m HR.” You have to often go and sort things out that aren’t relevant to your role. In a small business, if they see HR doing that, you win them over immediately and I’ve had to win over some difficult people in my time.’*

Another talked about being able to talk in the language that will get the leaders’ attention, in this case the figures. *‘I start with the numbers. I start with the benefits of what it’s going to save them. For example, “I’ve got six recruitment agencies signed up and we’ve agreed a flat 10% rate on all of them.” I also talk about the risks to the business of not doing anything about an issue, like the risk to employee morale, but ultimately they care about the pound notes, not whether we’re happy.’*

And that relationship with senior decision-makers is important – do they view you as a trusted and credible business adviser?

Ian Mercer, Project Manager, Compliance Management Services Ltd, reflects back on the transition point where he demonstrated the potential of his contribution to the business. *‘The CEO knew he couldn’t keep doing everything as the business continued to grow. I suggested I do a coaching session with him – prompted by a throwaway comment from him that he was concerned about where things were going for him and the organisation. That was then my opportunity to demonstrate my abilities of insight, challenge, support, knowledge, wisdom etc etc. Everything else really grew from that intervention.’*

*‘This was the critical point that allowed me to travel towards credibility as an HR business partner (rather than the IT systems person and safe pair of hands that I was originally envisaged as). I think you have to take advantage of these critical moments to make an incisive intervention and really show what you can do and draw on your capabilities as a people management expert, a coach and a trusted adviser. But to do this successfully, OD skills are essential and a mentality that if what you’re doing isn’t addressing a business need, then why are you doing it?’*

Every profession talks about the importance of being business and context savvy and of course this is no different for HR. Having wider business knowledge to be able to engage in debates outside of the traditional HR sphere was cited as an integral skill by both those working in SMEs and consultants supporting SME growth.

*‘One HR professional we interviewed believes her flexibility to get involved in wider business problem-solving helped to build her credibility in the business.’*

Kate Sanderson, EducationCity, reflects that, *'it's about making sure what I am doing fits with the strategic direction of the commercial side of the business. I make it clear how I am enhancing that as well as creating a great place to work.'*

Similarly, Katie Bellingham, Director at Focus HR Solutions, said, *'In our consultancy business we tend to go into companies and provide a business partnering-type role. This has moved our business to being more of a business adviser. So our clients ask us for our opinions on a range of matters, not just what they'd traditionally think of as HR.'*

*So in our business not only do we need somebody that's excellent in the HR field, we need somebody that understands how businesses tick, because often our key point of contact within any client is the business owner, and you need to understand the pressures that weigh on their mind.'*

Ben Saunders, Director of HR and Professional Development at IMarEST, asserts: *'Although it is essential to demonstrate your credibility as an HR professional by being approachable and competent within the field of HR, it is also important to really understand the business in*

*which you operate in order to demonstrate your credibility as a key business contributor. It's not acceptable for me to sit at senior management team meetings and only talk about the HR issues. I am expected to understand and have opinions on the different aspects of the business. My role currently incorporates a people function, which not only deals with our staff but also the Institute's members, applicants for registration and volunteers. Therefore, the performance of the membership team against its renewal target is equally as important for me as is the production of the latest version of the HR handbook. Being able*

Jeanne Le Roux, Founder of JLR People Solutions, explains her views on what it means to have commercial acumen:

*'I think my background really helps me to demonstrate commercial acumen and my credibility as a business mentor. I started my career in auditing, reviewing business processes and developing the audit team. I've worked in finance and in risk management and I brought these skills with me into HR.'*

*'Having commercial acumen is about being able to couple your expertise about the people requirements with a detailed understanding of the business. For example, the wrong kind of reward won't engage people which will then have a dire impact on sales. You need to link everything back to the numbers. My experience has also taught me that entrepreneurs like you being direct and straightforward. I talk to them about people management rather than HR as for many people HR is still thought of as being about employee relations issues and admin. I talk about how people values and behaviours will help you achieve your strategy.'*

*'How do you build commercial acumen? There's two main things you can do:*

- 1 Shadow the MD and the commercial/operational director.*
- 2 Spend time with other departments – find out about their role and what their challenges are – how can HR help them?*

*'It's so much easier to develop this commercial mindset in an SME as you're so close to the operational side of the business. You need curiosity though.'*

*'Some people can be surprised when HR has a view on other things in the business. I think the credibility comes from that. It also comes from building a relationship of trust with the key people in the business. It's asking good questions and understanding each person's issues, drivers and where they may need help. Then I find how I can add value and help them do their roles.'*

*'When I arrived there were some key vacancies in the business that had been vacant for some time. I got stuck into those quickly and delivered results. And there were a few other things where I could see instantly something could have an impact. Simple things like quarterly business briefings to the whole workforce.'*

*'Being practical is very important in a smaller business because you might not be able to come up with the best solution with bells and whistles. From a pure HR point of view it might not be pretty, but it might be what will work here as there are limited resources and the business is growing fast. So I think you have to be practical and pragmatic. It has to work in, and be tailored to, your business.'* Hilary Rapinet, Head of HR, Romax

*to fully understand the business in which you operate and having worthwhile opinions about its performance and challenges are, in my opinion, the only way to fully demonstrate your credibility as a key business contributor.'*

Part of demonstrating your credibility is establishing the trust and respect of your employees. To do this HR professionals have to show they not only add value in monetary terms but they also add value from the intangible aspect such as employee engagement, employee well-being and employee respect and understanding of HR. Employees will then in turn trust that HR will consider both the needs of the business and the needs of individuals when making decisions.

Tracey O'Neill, HR Manager at Caljan Rite-Hite, reflects: *'When I first started, one of my first objectives was to align terms and conditions of employment pretty much upon joining. As there had not been an HR presence before I joined, I did not feel it was appropriate to conduct this straight away. I proposed that I needed time to establish relationships with the stakeholders of the business before implementing further changes. In addition, I needed to win the trust, respect and confidence of the*

*employees and management team. I needed to make this a better place to work to show that management and HR genuinely care about their employees. And yes, of course we need to make the change, but we need to communicate with people, keep them informed of the change, explain what it means to them and make them part of the process. If we didn't do it that way, my credibility in the business would be zero. I was up front that if we didn't do it in a more considered way then it was a risk to the business, especially as I needed to understand the business before making changes.'*

You also have to have a clear sense of employee feeling in the business. Reflecting back to the point made earlier in this report, you need to keep close to the issues and understand how things are on the ground. What are the main challenges for line managers? What are the rumbling concerns among employees? How is your approach suited to this particular business and how will it be received?

When you pick up on an issue that needs addressing, your credibility depends on you being prepared to make tough decisions when required. *'You need someone with exceptionally good emotional intelligence. You*

*need someone who is intuitive and skilful at understanding people's personalities and motivations. If you have a command and control person in that role, or if you have a process merchant person in that role, I think you'll miss an awful lot of things. You'll miss an awful lot of the diagnostic, intuitive listening that should go on that allows you, as a management team, to prevent an awful lot of problems from escalating. But when the chips are down you also need someone who's tough; who is prepared to say, "Right, we've gone through that process of listening and supporting, now it's time to get tough."*' Martin Edwards, Chief Executive, Julia's House

Ultimately, *'it's not a one-off thing to do, to establish your credibility. You need to keep working with leaders and managers and show what HR can do for them. And to make sure they keep seeing results!'* HR Manager, Medium-sized charity

Our interviewees also discussed how their personal development has helped to fine-tune the core capabilities needed in their roles. We devote the next section to looking at the different personal development options they have adopted.

*'I work closely with the rest of the management team so I make sure I understand what is happening in each of the functions. I get on the shop floor, seeing what people actually do. I need to have a good understanding of our operations metrics and I work with operations managers to understand where bottlenecks are that are affecting those metrics. We look at those bottlenecks and carry out a root-cause analysis to determine whether the issue was caused by people or machinery. Once this has been identified, we can then put the right intervention in place.'* Alston Rathmann, HR Manager, Ford Aerospace Limited & Ford Component Manufacturing Limited

# Personal development as an HR professional

*‘When you’re in an SME, especially when you’re in the lead HR role, your external network becomes more important. You’re picking up a very wide remit.’*

If you’re the only HR professional in the business, you’re not going to have people on hand to bounce ideas off. Even if you work in a small team, you are likely to still be faced with development limitations around budget, and still need to think creatively about certain areas of development such as knowledge of wider industry trends. Where do you go for support and advice? Who challenges your thinking or shares alternative approaches? How do you continue to develop your knowledge and expertise?

Many of the HR professionals we spoke to seek out opportunities to network with other HR professionals working in SMEs or within their industry.

*‘I participate in a local HR forum, where you have HR professionals from small organisations who all get together and share experiences, confidentially. Occasionally they bring in employment lawyers to give employment law updates etc, or they bring in a particular speaker with knowledge or expertise. That is really useful. Obviously I use the HR forum on the CIPD website.’*  
Diane de Souza, HR Director, Julia’s House

*‘There’s a group of Christian HR professionals who meet a couple of times a year. I’ve met people through that way, which is good because it links me in with people in similar sectors, not identical but they understand some of the particular issues. I do enjoy going and visiting people. I’ve done a couple of odd days or a couple of days visiting people in other organisations. I think one*

*of the reasons that I find it really important to try and engage with other people in different places is because, if nothing else, then I can learn a little bit from an odd conversation here and there.*

*‘I was talking to my boss about creating a talent pool of people who are interested in youth work. Then I went to an event one evening about recruitment with social media and one of the things they talked about was talent pools. These things are great to catch other people’s ideas and make them into your vision.’* Ruth Bennett, Head of HR, Youthscape

*‘I go to a lot of free HR and legal events. HR professionals need to keep up to date with employment law changes. I find the free seminars very useful and networking another useful way of keeping in tune. I am a CIPD member and CIPD volunteer. I also work at Milton Keynes College mentoring students studying Level 3 in HRM. Giving something back to the community makes me feel a sense of well-being. I am a people person with great negotiation skills – now that is what makes a great HR professional.’* Tracey O’Neill, HR Manager, Caljan Rite-Hite

*‘I go to CIPD events, HR networking events, business networks to widen my knowledge of certain industries, and the breakfast events put on by law firms. It’s important to keep personal development going as you’re your own personal brand as well as needing to serve the changing needs of a growing business.’* Jeanne Le Roux, Founder of JLR People Solutions

*'I had been used to having a big team that I could bounce things off and discuss. When you're in an SME, especially when you're in the lead HR role, your external network becomes more important. You're picking up a very wide remit. So I don't have as much time as I'd like to, to read articles and to attend seminars.*

*'What I have to do is be quite selective about what I do to make sure that I've got some development, from a professional capacity. I have a community of other people in SMEs – we meet once a quarter. That's really interesting because some of the things we're facing are identical.'*

Hilary Rapinet, Head of HR, Romax Technology Ltd

Kristina Henry, Learning and Development Leader at NCFE, engages in *'a range of quite unconventional CPD-related activities to stimulate my learning and wider business knowledge and understanding.*

*'Amongst these are fulfilling the role of an online undergraduate and postgraduate tutor for a leading UK university provider of business and management degrees via a virtual learning environment (VLE). Performing this role means I need to be credible, authoritative and informed across a range of business disciplines and this involves extensive reading and research. This role also means I am familiar and confident in using virtual learning technology as a platform for learning delivery, which is useful [for me] as a learning practitioner! As well as learning about the different businesses, sectors and industries my students work in, I also learn a lot about global business and management as there are a number of international students.*

*'In a similar vein I also act as an associate for a training provider delivering CMI and CIPD qualifications across my region and this means that I need to be credible and informed around the latest thinking around the HR and L&D and business/management fields. However, some of the greatest development I get is from learning about the different sectors, industries and businesses and the challenges and priorities inherent within these. I also perform the role of a professional mentor as part of the regional CIPD professional mentoring programme and this fulfils a number of professional development areas for me. Curious by nature, it means I get an insight into the way in which different organisations are structured and operate, which broadens my understanding and experience. It also challenges my leadership and coaching/mentoring skills and abilities.'*

HR-specific development is coupled with increasing your knowledge of your specific industry by a number of interviewees. Cat Jones, HR Executive at Aroq Ltd, explains: *'I'm currently studying for the CIPD Level 7 qualification; I'm active on CIPD communities as I find certain discussions useful. But I also take a much wider interest in development outside of my HR role. Our CEO is keen to encourage people to develop through free services such as MOOCs. Our business is purely online so I am looking at doing a Javascript course as coding is something I am interested in. But it will also mean I can provide some online resources for line managers such as HR dashboards without having to rely on our tech team to do it when they have spare time.'*

Ben Saunders, Director of HR and Professional Development, IMarEST, equally combines HR and industry-level personal development. *'Continuing professional development is critical for any professional so he/she can keep up to date with advances in the profession. It is, however, sometimes lonely being a stand-alone HR practitioner, especially, when in many scenarios, you are not only juggling your HR commitments but are also responsible for another remit. As a Chartered Fellow of the CIPD, I view membership and professional registration of a relevant professional body as an invaluable way to keep up to date with the advances in the field of practice. Whilst I engage with the CIPD on a number of levels (for example attend conferences, access*



resources and discussion groups), I have also established a network of my counterparts at like-minded Institutes to discuss specific areas and topics within our industry, I attend update sessions on relevant topics and I currently mentor a number of people towards their professional goals.'

'Work placements in other companies are really helpful, even if it's just a short time to see how they operate. It would also be good for our leaders to go to another business and see another people approach.' Sarah Muzzelle, Fox Parrack Singapore

And of course tying CPD to specific business needs helps to prioritise and get up to speed quickly. Alison Rathmann, HR Manager, Ford Aerospace Limited & Ford

Component Manufacturing Limited, ties her CPD to longer-term business needs: 'I enjoy researching popular literature and academic literature (looking at the science behind behaviour) and look at how I can put the theory into practice in the workplace. Talent attraction and longer-term talent pipelines are really important in our industry so I'm actively engaging with schools and colleges in engineering, and I am looking at how we can get more girls to feel confident about pursuing a career in this field. We engage with primary schools as well - we're sending our engineers out to help with their school projects. At the moment we're looking at building a talent bank of good candidates, keeping in contact with anyone who has impressed us during work experience or placements.'

Continual personal development is important to keep up with wider external and industry trends, with some great ideas for how to do this given by interviewees.

*'Though I'm a passionate believer in HR as a profession, I do believe that we in turn have so much to learn from other areas of business. A couple of key points I've tried to stick to:*

- *I use all methods available to network and learn from that network, particularly for me, social media use - both to curate learning content and begin relationships that are then taken offline to be deepened - and following up every chance encounter or offered introduction with a meeting, whether over coffee or at an event, in order to test the waters of a connection. You can learn so much from everyone, whatever level or function they sit in. It's all about investing the time, and I've found that in doing this, I make friends in my professional sphere and "make time" for networking by it becoming part of my social as well as professional life.*
- *I've picked up a number of skills through my work, such as coaching and advising on legal issues that have been valuable to others. If there's ever an opportunity to use them, perhaps outside of your day job, it's useful to apply your skills and knowledge (especially anything that might get rusty if you're not using them in a current role) where you can. I've advised on a number of occasions now (with appropriate safeguards in place regarding liability, of course) using TUPE expertise to help facilitate the spinning out of a community interest group from the NHS, writing contracts or advising on dispute resolution for early-stage start-ups, or career coaching.*
- *I've actively sought out people I consider mentors, and who have either agreed to take on such a role or who became one without a formal agreement. However, with each of those people I had a strong pre-existing relationship, and a reasoning understood on both sides as to why it progressed to mentoring and did so naturally. I meet up with them a few times a year to catch up, certainly, but also toss around bigger questions and challenges. The external perspective, whether in HR or not, is incredibly valuable to break away from the habitual thought patterns you can fall into as both a lone HR generalist without the internal professional sounding-board, and even if you have colleagues to discuss things with, as groupthink can affect those dynamics.'*

# Summary

Throughout this report our interviewees have given us a range of practical suggestions about how to maximise your impact as an HR professional in an SME. Their reflections differ according to the nature of the business they work in, its size or the maturity of the people approach.

What is really clear from all of our research in this area is that SMEs are a unique context which requires a tailored people approach and one which changes over time as the business grows and transitions. The people role in a small or medium-sized business is therefore certainly a challenge but also a huge opportunity to hone various aspects of

professional competence, including business acumen and commercial awareness. There are significant career benefits of working in this context, and given that around 99% of all UK enterprises are SMEs and they employ two-thirds of the workforce, good people management in small businesses is essential for UK productivity.

# CIPD resources and further reading

We've developed a wealth of resources specifically aimed at those working in or supporting SMEs.

[cipd.co.uk/smes](https://cipd.co.uk/smes)

## Professional development resources

### My CPD Map

Building on the standards for great HR and L&D set out in the CIPD's Profession Map, we have developed an online tool to support your continued professional development.

### CIPD Career Hub

Access career learning resources tailored to your level of membership. There are thousands of career articles, practical advice on a broad range of career issues, written tutorials, videos and podcasts to help you take control of your career.

[cipd.co.uk/careerhub](https://cipd.co.uk/careerhub)

### SME lens on the CIPD Profession Map

Our Profession Map sets out the activities, knowledge and behaviours that HR professionals need to display to operate effectively, and each behaviour is described across four bands of professional competence.

We detail what HR professionals need to do to be truly collaborative, working effectively and inclusively with a range of people, both within and outside of the organisation. In addition, the Map shows what HR professionals are doing to skilfully influence decisions and gain the necessary commitment and support from

diverse stakeholders in pursuit of organisation value. We shine a spotlight on the most important areas for those working in SMEs to focus on, depending on your stage of business growth, and maturity.

## Research, practical tools and case study examples

### Achieving sustainable organisation performance through HR in SMEs

**Research report:** In this research report we propose four stages of organisation transition in SMEs. Each is associated with different people management opportunities and challenges and requires consideration of whether the current approach and current practices are still suitable for the organisation's needs. We call out the typical 'tipping points' SMEs face through growth and provide practical case study examples of how organisations have successfully addressed them.

**Practical tool:** Building on findings of our SME-focused research, this practical tool will help you apply that learning to your organisation context and review the way people management can add value to the business. A diagnostic tool will enable you to do a stock take of where you are now and identify potential 'tipping points' on the horizon that need a people management response. We then help you to assess how aligned your people management practices are with the goals and how to make the most of opportunities presented to contribute to longer-term business performance.

### Keeping culture, purpose and values at the heart of your SME

This report examines how organisations can retain people's identification with their founding purpose and values over time, and hence promote the desired culture. We examine how you can create and embed the narrative around your purpose and values, and how to deal with the cultural implications of structural and organisation changes presented through growth. We then look specifically at the opportunity to reinforce 'what you're all about' through your people practices.

### Recruiting and developing talented people for SME growth

This report examines the different approaches organisations can take to recruiting and developing their people. Through case study examples we examine how you can find the recruitment process for your organisation. We address how you can make development a key part of working for your organisation to get the best out of your people and we look at methods of future workforce planning, including home-growing your own talent.

### Age diversity in SMEs: reaping the benefits

In collaboration with Healthy Working Lives, this report gives important insights into the levels of awareness and activities amongst small employers on this agenda and provides a strong response to the way in which ageing demographics are changing the face of employment. We present a strong business case for the value of mature workers and discuss



the demographic trends and therefore the people management considerations in enabling this section of the workforce to perform at their best.

### **Hands-on or hands-off: effective leadership and management in SMEs**

This practically focused research looks at how leadership and management approaches need to flex and develop as SMEs transition and grow. For example, how do you make the transition from pursuing a hobby or passion to leading a business? What do you do when you feel like you are spinning too many plates at once? How do we encourage leaders to 'let go' but also make sure managers are appropriately skilled to lead the business in a way congruent to the culture and values? And ultimately, how do you know what leadership style will work best for your business?

### **HR Outlook**

This report examines key issues for the HR function, highlighting current issues and emerging trends within HR. We have been able to construct a picture of HR today as well as look forward, considering future challenges that need to be addressed. We asked 630 HR professionals questions about the current and future priorities for their HR team, how they use metrics to demonstrate their impact on business performance, the size and structure of their HR departments, areas for personal development and their career paths. Throughout the report we highlight interesting sector differences, differences in views between those working in SMEs and larger organisations, and differences in views between HR professionals at different levels of seniority.

[cipd.co.uk/hroutlook](http://cipd.co.uk/hroutlook)

### **CIPD podcast series**

We publish a new CIPD podcast every month. Each episode is like a short radio show, focusing on a workplace or people management topic. These ones may be of particular interest to you:

Podcast 76: Maintaining employee engagement through SME growth

Podcast 79: Female entrepreneurs

Podcast 92: What we're all about – keeping true to your business's founding principles

[cipd.co.uk/podcasts](http://cipd.co.uk/podcasts)



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Issued: April 2015 Reference: 6970 © CIPD 2015