

Cindy Lu: Good morning. This is Cindy Lu with CHRO Partners and HR Mastermind Groups and I'm joined here with Mike Dixon. Mike will introduce himself in a second but today we're going to talk about one of the skills that is so critical for senior HR leaders to have to be successful. Mike, our recent CHRO Skill Survey showed two big skills that were very different based on what HR felt was important versus what senior C-suite leaders of large companies felt were important. People will have to go and look at the survey but the two were corporate courage and being consultative.

Cindy Lu: C-suite leaders really felt like these two things are really important and it didn't even show up on the HR radar. I wanted to ask you today to just share with us why this topic is important, from your perspective.

Mike Dixon: Yeah, thank you Cindy. I think it's really important that senior HR leaders are able to be a consultative partner to the business primarily so that they don't find themselves irrelevant. One of the biggest things I've seen coming into HR from a consulting background is you need to be able to work as a partner with those operational business leaders to say, "Here's what's on the horizon," whether it be needing to re-scale the workforce, talent shortages, demographic changes, all those things. You've got to be able to read the tea leaves, to an extent, and act as a strategic partner in consultation with the business. Otherwise, the business will go out to consultants, other organizations, and work around you.

Cindy Lu: Yeah, I've seen it happen. It's interesting because you have perspective both as outside consultant and now internally. Tell us a little bit about what your role is today.

Mike Dixon: Yes. Currently, I'm Senior Vice President, Global Learning and Development at Epsilon. We are a large digital marketing analytics firm and recently became part of Publicis, which is one of the world's largest media and communications firms. One of the things I've seen as I've come through the HR ranks with a background having spent several years with a large tech company in a consulting role, both embedded as part of an HR outsourcing and working a number of short term strategic projects for clients, is that increasingly it's table stakes to deliver what we think of as the basic HR services. Increasingly, the business is demanding a strategic consultative partner who can create that world-class associate experience who can help forecast trends and help the business get and stay competitive for the long term.

Cindy Lu: Yeah, yeah. I was going to say what's interesting is that in our definition in the survey consultative means to foresee needs before they know they have them. You have examples of that or some stories that ...

Mike Dixon: Yeah, absolutely. I'd say one of them in particular that comes to mind is thinking about the technology practice of a healthcare consulting company where I was internal HR. One of the challenges was that tech practice wanted to expand rather dramatically to serve a growing healthcare market. They wanted to be able to have platforms that would provide analytic support to customers and even do some machine learning, some predictive analytics; if possible, even AI.

- Mike Dixon: The challenge that we brought to them, even before they got underway on launching this initiative, was the talent space for data scientists, for those who develop machine learning, is an exceptionally competitive space. One of the challenges we brought forward to the organization when we began working on the career ladder that directly impacted their business growth strategy was, the old assumptions we had about the cost of labor to bring off these programs were now invalid.
- Mike Dixon: When you look at the market, particularly in major areas, major metro areas where you tend to find these the concentrations of these people; Dallas, Chicago, San Francisco, New York, LA, Austin, Houston, it's a very tight labor market. This was three, four years ago now and we've only seen it grow increasingly more competitive. One thing that HR had to do in this was to reset expectations for the business that you're going to have to budget more, much more for labor in this environment. You're also going to have to bring in the supporting tools to feed and nurture these kinds of people in the workforce.
- Mike Dixon: You don't just bring in the Java developer and leave her to her own devices. She needs to have the learning and the development, the growth ladder, where even if she remains as an IC there's nurturing for her to continue to advance her career and become a highly sought after technical expert for the organization. That's a different assumption than a lot of business leaders have had in the past; was basically, "I can hire these people, they're going to cost a certain percentage of my budget. I don't have to make a lot of incremental investment after that."
- Cindy Lu: It's so important for the top line too. If you know that your technical crew, is in cost of goods sold includes all these things to get the right talent on board, then as a sales leader I know I need to charge higher revenue if we're really going to get the talent and deliver on the value proposition that we say we're going to.
- Mike Dixon: Yes, and I think HR as a consultative partner needs to help the business realize that the world has changed economically from a labor standpoint. It's been changing for decades now but we've really come into the circumstance where ... India is a great example. The great Outsourcing model was low cost labor in India that can deliver on services. Fundamentally, for the business, to your point, you do have to price in changes in the product development model because folks in India now are not doing back end delivery.
- Mike Dixon: People in India are almost as advanced as anywhere else in the world when it comes to data science, analytics, and programming. They now are in the position to build and deliver their own products in that growing Asian market so there has to be a value proposition for them. They can't be treated as back office second class citizens in that Legacy outsourcing model. They may now be the front line of your product development or service efforts. That, in itself, is also a significant shift strategically that HR has to help people understand. The India labor market is exceptionally competitive right now.
- Cindy Lu: Yeah, it's interesting. It reminds me of a situation I had when I was running a professional services firm out in the Midwest. When we would interview consultants in the Milwaukee market it would take probably 10 interviews for us to want to hire one person. Our goal, we'd take eight people and want to hire eight of them. We had to

build that into our model and say, "You know what? Here in Milwaukee if we're going to scale that fast we're going to have to build in training and development so that we can get people up to speed. That was all part of the model. We were having awesome gross margins because we built that in but if we didn't have that data from HR you can just imagine it could have been a real disaster.

Mike Dixon: That's a great example. I would highlight as well, as a consultative partner you need to be able ... As an HR professional, you've got to be able to stay abreast of the latest research and data on it; I mean really good, hardcore academic meta research studies and that's where you're also a consultative partner. In the past, we've had chicken and egg discussions, does culture determine operations? One of the interesting things is about a year and a half ago there was good data that came out from Journal of Work Behavior pretty definitively saying culture drives operational performance.

Mike Dixon: Not just an academic study with undergrads, they'd actually worked across several dozen car dealerships in the upper Midwest and had a very controlled, very tight study. When you can bring that kind of data to a business leader that's saying, Well, I need to focus on operations and the culture will follow." Well, let's step back a sec, maybe that's not what the science tells us. That's, I think, where you bring power to the relationship. Also ...

Cindy Lu: I couldn't agree more.

Mike Dixon: Oh, I'm sorry, go ahead. Yeah. I think it's part of knowing the craft as well and being able to politely but firmly weigh in on areas where there may be some of those common myths out there about what's important for the people strategy, what's important for the organization, and you can weigh in and help correct some of those.

Cindy Lu: I think there's some statistic that says most CEOs are driver analytics, so they've got the driver personality, they need the data. I happen to be one of those so I'm always like, "Okay, show me the numbers, right?" Just your gut feel is never good enough. I think probably because intuition ... Maybe a lot of CEOs struggle with that intuition piece so they need the data to help them with that. I love your example of bringing outside case studies in so that you can show that there's proof in the pudding.

Mike Dixon: Yeah. I think also, you've got to appeal to both sides of the argument. In particular, you'll get some operational leaders, COOs or practice presidents that they've been very successful, they've climbed the ladder. Maybe you have that EVP, your practice president and she absolutely knows in her gut this is the way it has to be. I think part of it is understanding the subtle emotional appeal to people to get them to reconsider. It isn't, "Yep." The CEO analytic driver is absolutely you come with the data.

Mike Dixon: Other folks, you may not be able to come with the data, you may have to come with the story, the thing that connects to them emotionally. That's part of being a good consultant is reading the room, reading your audience, and figuring out how can I best connect with these senior leaders in order to convince them of the best way to the value proposition. I think that's much more of the ... There's the science of consulting,

knowing the data, crunching the numbers, being able to reference it, and then there's the art of figuring out the right persuasive lever to pull.

Cindy Lu: Yeah. I want to jump into that a little bit deeper in a minute but what's it feel like when you get it right, when you truly are that consultative partner to your business leaders?

Mike Dixon: I think it feels good but be prepared to handle the volume that comes with success, know how to scale the model. In a number of roles I've been brought into, it's been, "Hey, fix this. Make your organization more strategic." The challenge you feel with that is all of a sudden you've got 50 people knocking at your door saying, "I want some of that that you did over there with the AB Dev Group." The challenge is being able to set priorities and being able to consult to yourself, basically, and say, "I need to make sure I'm aligned with the organization. I'm focusing on revenue top line, I'm focusing on an order that they need me to focus consultatively on expense reduction, or is it compliance and being able to say these are the priorities.

Mike Dixon: Sometimes you have to pause with demand management saying, "You know what? That's an expense reduction initiative. Strategically, I can advise you on that but we've got to focus on the top line first because that's the CEO or the board's priorities.

Cindy Lu: Yeah, yeah. Does HR almost become a consulting firm model where you have a core group of employees and then you make sure you have some bench? Of course, there's never any bench straight in HR. Do you have a network of people or consultants outside the organization that you can turn to when things spike up and you need to leverage others?

Mike Dixon: Yes. I think it's kind of a maturity model, to go to that question. You want to build the capability first and prove it out and pilot it. I think that starts with the senior leader in the organization modeling the behavior and taking a hands on approach. I think from there you've got to look at what's my internal bench and what are the priorities that we have to deliver on, and then how can I set up the processes so that I can bring in external partners to help deliver on that demand and make sure that they show up in a way that's acceptable to the organization's culture or to that subgroup culture, and then they can be managed in and out of the organization successfully.

Mike Dixon: I think there's always the ... There's a number of pitfalls with that as you build the model, that you want to make sure that you're managing people in and out successfully so that you build something sustainable. It only takes one bad engagement to turn people off to a consultative business model, I think that's the challenge. Also, as well as managing budget, you might bring in a high power player in a certain space and everybody will want a piece of that once they see that success. The question is, is how do you work with the business to achieve some additional budget capacity to do that again and again? Also, how do you take those things and scale them into repeatable processes so you can deliver some things off the shelf, maybe at a lower price point with your own internal team.

- Mike Dixon: Do I really need somebody external to come in and do a strategy session every time or can we do it once we develop the internal capacity? Then we feel like we can repeat that engagement, just take the tools off the shelf and help do that visioning exercise with the practice leaders.
- Cindy Lu: Yeah, that makes sense. What would be your top three tips if someone is trying to move from that technical transactional role to a more consultative role?
- Mike Dixon: Yeah, great question. I'd say the very first thing would be your listening and questioning skills; is we as HR oftentimes hear in order to react, we don't necessarily listen to find out what's really going on. One of the old saws in consulting as a presenting problem is never really the underlying issue. Almost like psychological counseling, psychology. I think learning to listen as an HR leader and really ask questions, dig into what's going on, and create that theory of the case. The second big skillset, I'd say, is learning how to research strategically. As an HR leader, what are your sources for maintaining strategic awareness of what's going on in your industry? What's going on in the future of work arena, and what may be going on demographically?
- Mike Dixon: Some good sources to research strategically, read something like the Wall Street Journal, particularly that weekend exchange section where they're doing the deep dives on industries and in C-level leaders. Are you membership of certain services, Gardner, Conference Boards, CHRO Partners, all those where you're getting exposure to other thought leaders and you're seeing sample products and services. Maybe you're signed up for the McKinsey app, all those sorts of things. You're scanning environment, you're picking out what you see that might be relevant and you're able to bring it back and apply it to those things you've heard in the organization.
- Mike Dixon: Third skill would be your ability to plan. A lot of folks will say, "Well, why not execution?" To me, execution follows your plan and it should be relatively easy to execute once you've established a good thorough plan. Coming from the background I do, with a lot of times spent in the military, particularly in units that were very thorough in the planning process and really drove that. Graduate of the Army's ranger school were the toughest things in there are the evaluations and how you plan, not the physical challenges.
- Mike Dixon: What I would put to HR leaders is you've got to get a set of frameworks. You've got to understand how to look at the problem, whether you start at Porter's Five Forces, and build a good project plan for what you think should happen that leverages that strategic research you did, and responds to and addresses the pain points you identified by listening and asking questions. Once you have that plan, you've got to run it past your internal client and made sure he, she, they sign off on it. I would really ... Not just an email but sit down with them and walk through that plan, bring out your assumptions. That's the hardest part of all this because in our rush to execute we forget the detailed plan and approval.
- Cindy Lu: Right, yeah.

- Mike Dixon: I would say those are the big three, from where I sit.
- Cindy Lu: I love it. Listening and questioning skills so not just responding but you're asking questions to pull out, really, the answers to the test, right?
- Mike Dixon: Yeah.
- Cindy Lu: They'll tell you how to get this approved. Two, research strategically. Make sure you're involved in membership organizations or sign up for some white papers. I agree, and McKinsey has some really good ones. Lastly, to really plan, and I would add in there prioritize, right? Because, like you said, if ...
- Mike Dixon: Yes.
- Cindy Lu: As you have these behaviors, people are going to be like "Wow, he listened, he gets it. He asks really good questions and I think he can solve our problems," so everybody's going to be lining up at the door and then it's a matter of prioritizing.
- Mike Dixon: Yeah. Yeah. I'd say the bonus with that, when you're talking about the plan, all of it is knowing when to shift. You take the plan as far as it'll go but sometimes ... And to your point on priorities, they do change. External environment changes, the market changes, internal dynamics in the company change. There may be a point where you need to do that Deming model and observe what's going on with your plan and create a feedback loop and adjust it. The good news is, is if you have a plan you're shifting from a known point when priorities change instead of having to make something up on the fly, which is a lot harder.
- Cindy Lu: Yeah, that makes sense, that's great. That's, I think, very easy for anybody without a budget, even, to implement. None of these things necessarily mean that you have to go out and spend a bunch of money, you're asking the questions. I remember when we sold consulting we had this top guy who used to always say, "Number one, they'll give you the answers to the test, and number two, if you didn't hear them say it, you can't present it."
- Mike Dixon: Yes, yes. Yeah, absolutely. I think one of the easiest things to do to start down this road for an HR professional is to ask a business leader what their pain points are. Part of that's going to tell you what keeps them awake at late at night. You're going to start to get input into their psyche, their operational challenges. You can extrapolate, you can take that a couple steps forward and begin to predict the near future.
- Cindy Lu: That's great. Well, Mike, this is awesome. I could tell, just in many of our meetings, that you definitely have that consulting background just based on the way you helped some of the other members solution through their problems, by the questions you were asking them. I was like, "Okay, we've got to get Mike on to share his wisdom. In any case, thank you very much. I guess one more question, a little self-serving but how are the Mastermind Groups for you, HR Mastermind Groups?"

Mike Dixon: I think it's outstanding. To your point on being able to ask good questions, I think part of what you bring to that is just an excellent sense of facilitation to draw people out, create a safe space where they can share issues and get professional expertise. It's one of those things ... I think the Mastermind Group provides for people a way to become much more strategic and consultative because they can take some chances in that room, ask some questions and get some help. There's no risk to it, you can say yes or no. It's a beautiful thing.

Cindy Lu: Also, even if you don't have a challenge at that time, exercising your own critical thinking skills and questioning skills is something that you can then take back to your organization.

Mike Dixon: Yes. Sharpen the sword.

Cindy Lu: All right. Well, thank you so much for your time today, and we'll be looking for everybody's comments on their experiences with being more consultative with their firms. All right, thanks Mike.

Mike Dixon: Excellent. Thank you, Cindy.

Cindy Lu: All right.