

The HR in Harrods

How we helped a world-famous department store create a world-class HR department.

ORION CASE STUDY



Ask anyone to name the world's most famous department store and most people will say Harrods. With its landmark building and iconic green bags, it's one of the city's most well known brands.

Between late 2010 and early 2011, we helped Harrods improve the focus and service of their HR team. It was a project that drew on all our areas of expertise – from helping design a new service and structure to cutover planning and building HR capability. It was also a project delivered at the speed demanded by the pressures of a fast moving retailer.

All in all, a busy 9 months...

The challenge

“We felt we needed to review how our HR function was working. The objective was not necessarily to save money, but to do everything we did better.”

Sarah Andrews, Harrods

For several years up to 2010, Harrods had had a decentralised team structure. That meant that each of its business units (called ‘directorates’) had a dedicated support team that sat together.

Each of these directorates also included its own HR team, normally an HR Business Partner (BP), an HR adviser and a number of HR coordinators. This came with several advantages – each HR team was close to the team it was supporting, and the function had great commercial exposure. But it also created a few challenges. In particular, BPs often got drawn into admin, teams worked in silos and there were different levels of understanding of company policy and procedure.

Instinctively, the team knew they could improve how the function performed and so approached Orion to see how we might help. The challenge was to see if they could keep the advantages of having an HR team that was close to the business, but avoid the problems and inefficiencies that came with it.

It was an interesting challenge, and one we answered in four separate steps: an initial diagnostic review, HR Service redesign, change management programme and capability development.

Harrods highlights

- Harrods was founded in 1824 by Charles Harrod
- In 1898, Harrods launched England’s first ever ‘moving stairs’ (made from leather, wood and glass)
- The company’s current building in Brompton Road was opened in 1905
- On peak days, 130,000 customers walk through the doors, visiting the store’s 330 departments and 32 restaurants
- The Harrods motto is Omnia Omnibus Ubique – “All things for all people, everywhere”.

Starting at the top

“At the early stages of a project, it’s important not to become too immersed in the detail too quickly. Part of the value you can bring as a third party is a fresh pair of eyes.”

Jane Chesters, Orion Partners

As a first step we spent a few days interviewing the core HR management team and looking at the available data to see how efficient the department was. This gave us an overview of the issues to focus on without getting bogged down in the detail. We found an HR team with huge commitment and passion for the business – often working long hours to deliver to their clients. But, as suspected, a lot of senior HR time was being spent away from the commercially focussed work that would provide the bigger benefit in the long run.

With this in mind, we worked with Sarah Andrews, Harrods’ HR and Retail director, and suggested moving the HR operations back into a centralised team. This would help the operational experts work together more efficiently. It would also allow the Business Partners who remained out in the business to deflect administrative requests and concentrate solely on what they were there for – contributing to the commercial strength of the business.

Scenario planning

“With Orion’s help we mapped out all our processes, adding dotted lines where manual intervention was still required. It looked like spaghetti junction.”

Sarah Andrews, Harrods

Bringing HR operations into a central team would mean restructuring how the whole HR function operated. It was essential this structure be based on what the business really needed from their HR team. So again the starting point was to establish what service was really required through a series of interviews and design workshops with both the business and HR.

At this point we did drill right into the detail – to the point of knowing how many calls and ER cases different teams were managing on a daily basis.

However, the real key to making this process successful was to avoid asking ‘what sort of HR team does Harrods need?’ (the standard answer to that tends to be ‘the same as it is now, just better’). Instead, we used a scenario-planning approach. We took the company’s top-ten people management activities. We mapped out what was required then worked through what those actions meant from an HR perspective and how BPs and line managers would work together in these scenarios. This approach was invaluable when it came to determining what resources needed to go where in the new HR structure.

A new structure

With the help of this process, we developed a new HR structure for Harrods made up of four key areas:

-  **Business-facing HR**
Each directorate would have a slimmer HR team made up exclusively of BPs. Their remit would be to provide commercial HR support to senior business managers.
-  **Centres of Excellence**
These were already in operation and weren't changed. They would continue to provide recruitment, learning and development and other specialist services.
-  **HR operations**
This new centralised HR operations team would include:

The People Support Centre, responsible for all HR support for line managers (and made up of advisors and co-ordinators brought in from the separate directorates).

A systems and management information team who could report HR progress, respond to adhoc information requests and manage systems across the whole of the business.

A specialised Employee Relations team that dealt with Employee-Relations cases. This way all cases could be dealt with quickly and consistently by a team of real experts.
-  **An 'employer brand' project role**
The final part of the restructure was the formation of a new role – head of employer brand. This role would be responsible for formalising and communicating the vision and strategy of the HR team on an ongoing basis.

A smooth transition

“In our experience, the key to a good cut-over plan is constant and consistent communication.”

Jane Chesters, Orion Partners

With people moving roles and converging from different parts of the organisation, the next big issue was how to avoid the crossover to the new structure becoming a headache. As Sarah Andrews said, ‘from a change process point of view, we weren’t formalised or structured. Orion made sure we had a really robust plan’.

The core of that plan was strong communications. We set up meetings with all HR and line managers so they understood exactly what was going on, provided material they could pass on to their teams and engaged with them at regular intervals in the process. We worked with the senior HR team to create very clear rules guiding when and how old ways of working would cease and the new processes kick in (this is crucial if you’re to avoid key activities falling between the cracks or people from the business using old contacts and processes). We also made sure all this information and more was readily available on a newly set-up HR intranet site.

Roles in the new structure had been redefined, so we also helped Harrods through the job reapplication process. In particular, we helped interview people to fill the senior HR roles first – enabling those senior HR people to then interview for and fill the rest of the posts in their teams themselves.

Finally, we put together a special HR ‘launch day’ a week before go-live date. This was an opportunity to make doubly sure everyone understood the rationale for the restructure.

“We’re a traditional organisation. People tend to let you know when they’re not happy with something new. We were waiting for the big bang, but the cross over was absolutely seamless.”

Sarah Andrews, Harrods

Building BP capability

“Harrods were lucky in that they already had a highly skilled and motivated team of BPs.”

Jane Chesters, Orion Partners

To make sure Harrods’ BP team could transition quickly into the commercial role they needed to play, we designed them a bespoke training programme. This programme was based on our research into the specific qualities and mindset that make a great business partner (take a look at our ‘difference that makes a difference’ research), and was made up of two parts:



A development centre

The first thing we did here was emphasise that this was development, not an assessment. We ran role-plays where each BP ran a meeting similar to the type they were likely to face in the future. Afterwards they received feedback from our coaches. We also encouraged them to analyse their own performance through a process of open questions and self-assessment.



A development programme

A series of modules delivered over 3-4 months. This programme focussed on specific strengths identified by our research as necessary to fulfil a BP’s commercial role: knowing the business, leading change, self awareness and resilience and the ability to build relationships with business leaders and colleagues.

Just the start

“We’ve still got a lot to do, but Orion have stayed very close, above and beyond the call of duty. The nice thing is that they’ve genuinely wanted us to make this work.”

Sarah Andrews, Harrods

The new structure at Harrods went live in April 2011. But the relationship with Orion has endured. We have since worked with the team on a number of projects to help build and improve the service, including: a review of the HR technology strategy, support with talent management and delivery and further reviews of the HR operating model.