

CHRO SERIES 2021

# The 5 Pillars of the CHRO Role



ODGERS BERNDTSON

# THE 5 PILLARS OF THE CHRO ROLE

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# Introduction

We're delighted to launch a critical view of the most essential traits of today's leading CHROs.

During 2020 and 2021, the HR function has been catapulted into a position of vital, strategic decision making and change management. It couldn't be more timely to prepare upcoming HR leaders for what is now needed of them. They are the new enterprise change leaders.

It's imperative that they come to the top table equipped with broad business acumen which work in unison with the unique skills innate to their role. To lead company leaders in intelligently strategising for and managing their most defining resource, people.

We've always seen the potential for CHROs to play a pivotal part in strategic decisions at the very top levels in leading organisations. Their time to shine has arrived. We're delighted to offer insight and support to these inspiring leaders as they confidently step up.

We hope you find this 5 part assessment useful, inspiring and motivating. We'd love to hear from you with any feedback.



**Mark O'Donnell**  
Managing Partner

# 1 The CHRO as Strategic Decision Maker

**In 2018, Gartner's CHRO Global Leadership Board defined the global standard for a world class CHRO. This model places central emphasis on being an enterprise change leader. [1] Reviewed by acting and former CEOs from large cap companies, it pushes the CHRO further into a position of influence and strategy, adding a unique and critical viewpoint on how a company's most valuable assets can shape its vision.**

With burnout rates escalating, it's more important than ever for CEOs and board members to rely on an informed and engaged executive team that thinks strategically. An essential pillar in this structure is the HR leader, whose mark of excellence is in developing the same business acumen as C-suite members and stepping up to articulate how a people strategy enables the commercial strategy.

CEOs want to be able to scenario plan for the business, using their HR leader as a collaborative partner. HR heads must come to the table with both an internal and external view of the organisation and its business objectives from a human resources point of view.

## **A CHRO's seat at the top table comes from acting like CEO of talent solutions**

Of a company's overall costs, the people bill can come to 60-80% of expenses and most organisations witness a 10-20% staff turnover. [2] Having greater insight into a company's workforce assets, needs and turnover has greater cost benefits by far than merely performance management.

Internally, advanced technology can now offer a forensic view of what is driving talent costs. History can be used for predictions, these adjusted for current market trends and added real time input from managers at the coal face of people management. This reduces traditional guess work, makes budget planning more accurate and strategies more predictable. Return on investment in human assets becomes more transparent and this leads to a feedback loop, making data more useful in ongoing decisions.

## **Provide the picture that plots the course**

CEOs welcome insight into succession gaps in key posts, positions at risk and where talent turnover is highest. Being prepared with an accurate picture of the affordability of the human resources needed to fulfil plans puts the CHRO in a strong position when it comes to formulating whole company strategy. The impact extends beyond people management to the future direction of an organisation.

Presenting this informed, data-backed picture to the executive increases the CHRO's influence and trust. He or she is not just looking at where a business is, but to where it wants to go. By owning the human capital agenda, it raises the lead HR's voice to a vital one in tactics and strategy.

## **The best CHROs now provide counsel to CEOs**

CEOs have been asserting to their HR leaders for a number of years now that they want them to step up as enterprise changers. They want to be able to explore new directions with an intelligent and insightful viewpoint on how human capital can align with these possibilities and take them there. Switching to an external view of a business means pivoting from a functional, technical role to a strategic one. Today's CHRO needs an understanding of and familiarity with his or her company's P&L, competitive landscape, emerging trends and regulatory frameworks.

**“Now is the time to reinvent HR by pivoting from benchmarking and best practice to guidance.”**

Dave Ulrich





Traditionally, the administrative and technical tasks of people management were seen as the HR leader's main function. In larger organisations this has evolved, pulling CHROs to the executive table in the same way that the CFO role has moved upwards. No longer focused on the day to day tasks of accounting, controls and financial reporting, CEOs now look to CFOs for expertise on the financial implications of strategic issues. Similarly, the CHRO can play a crucial part in scaling a company when their command of the people agenda is aligned with the executive on a common vision and business strategy.

Experience in other areas of a business, like operations, legal/regulation, marketing or sales is of great benefit to HR leaders in truly understanding the core of a business. A broadened perspective on what affects performance and bottom line and the implications of large business decisions on people strategy is highly valued insight.

Conversely, not many CEOs have rotated through HR, so depend heavily on trusted, informed knowledge on their human resources. This makes the CHRO a valued advisor, one of few they can usually turn to when exploring all aspects of a plan. A confident HR head can mirror ideas and offer challenge or constructive critique on how plans could play out.

#### **Today's CHRO both shapes and manages change**

The CHRO's practical perspective often grounds the aspirations of a CEO with realistic possibilities. Familiar with current resources and capabilities, he or she can advise on how to achieve a new strategy from a people point of view. An added strength is that, as party to the vision, the CHRO partakes in both its development and implementation. He or she is in prime position to promote this favourably among employees and manage change with a positive momentum.

The future of work is a radically changed environment to just a short few years ago. The CHRO's role at the top decision-making level is not only ideal, it is now imperative.

**“It is imperative that HR functions are business driven and fully connected with the commercial realities of the business. This is not a new perspective, however translating this into reality can be somewhat challenging given the continual need for businesses to pivot and re-prioritise. The HR functions that are optimising their impact and value are invariably those that can pre-empt disruption with an adaptive and agile mindset.”**

Michele Carter, Astute Consulting Ltd, Dublin

The CHRO has to be close to the business in order to analyse and diagnose what type of organisational development would benefit the company's growth.

Discussions on people are becoming a priority over those on strategy, for a few reasons:

- **Culture and the Future of Work**

The Covid-19 pandemic magnified the evidence that the effects of culture change on the wellbeing and therefore ongoing productivity of the workforce is profound. It has infused a new understanding among leaders that, whatever the current conditions, a new level of care must be given to maintaining a consistent culture of support, communication and understanding among all stakeholders, particularly employees and team leaders. CHROs are best placed to keep in tune with talent temperature changes and anticipate new trends needing different approaches.

- **Succession management**

Similarly, it has never been more important to integrate succession management into overall talent management. This need has moved way beyond planning for specific appointments or key positions. To lead effectively, the executive team must rely on an unbroken stream of trusted team leaders who are tuned into and feed into the internal and external intelligence on which they make decisions; decisions which they can now be expected to make at lightening speed. Planning for succession at the level of CEO can be a delicate matter, but it is the job of the CHRO to keep the topic of transition on the talent management agenda. This can make it easier for the board to maintain a formal process as part of strategy.

- **Compensation strategy**

Optimising investment in people so it translates into the performance and outcomes that ensure a successful rollout of company strategy is the unique expertise of CHROs. To make the right decisions on key hires they simply must be involved at the highest levels, where discussions on strategy are born and bred.

**“HR leaders must reimagine and optimise the world of work and to align and integrate resources with moving goalposts in evolving business strategies. More than ever before there is a requirement for HR functions to be business driven HR, enabling and optimising talent along with creating the most compelling employee experience.”**

Michele Carter, Astute Consulting Ltd, Dublin



## 2 The CHRO as Courageous Advisor

Over the past decade, the CHRO role was steadily becoming more integrated with the CEO's. Company leaders were leaning more on their people experts for insight and guidance beyond the technical and administrative functions they were traditionally associated with.

For company strategy to be effectively planned and rolled out, it had become imperative to integrate both data backed talent pictures and professional HR opinion on how human resources strategy could be designed to help achieve goals.

### The CHRO's value on the executive team is immense

The suddenness and impact of the Covid-19 pandemic was a catalyst which accelerated this evolution significantly. It changed the course of business rapidly, often in unforeseen ways. A company's people were never before at the centre of a crisis as much as during this one.

It thrust the CEO and CHRO into a closely knit top team that was always on, working more closely and more regularly in unison than ever before. The CHRO's place as a trusted advisor to the executive team is now firmly cemented.

### Strategist and guardian of workforce wellbeing

This new level of influence, working hand in hand with CEOs on strategy more than operations, has given many HR leaders the opportunity to prove their worthiness in acting as a leading force. As well as daily conversations with senior leaders, weekly or twice weekly discussions with their teams became the norm.

Straddling the bridge between strategist and guardian of workforce wellbeing has stretched these leaders immeasurably. The toughest of decisions had to be faced. It has been a reminder of the need to put tools in maintaining resilience to work personally; to put their own oxygen masks on first, then carry on. Being a living example of this in practice also gives added clout as an advisor to the top team.

A model CHRO is not afraid of being honest with the CEO. The best relationships are when the CEO really values that honesty and works with the CHRO in partnership.

They're knowledgeable on how to maintain wellbeing in adverse situations, and have foresight into what can happen as a result of too much strain. There's no-one else at the top as well placed to give courageous advice when big decisions are on the table.

Such is the impact of today's working environments on people and their ability to continue to enable goals and strategy, with or without a pandemic, that crucial moments and announcements, which might in the past have seen a duo of CEO and CFO in close communication, are now likely to feature CEO and CHRO.

### Insight, oversight and influence

Corporate communication has risen in importance along with branding. A Qualtrics survey in March 2020 showed that people trust communication from employers more than traditional media or government. During the pandemic, 80% felt more confident as a result of messages from their companies and 62% wanted updates daily.[1] CHROs have a clear view of current perspectives and future aspirations to step in and lead communication decisions and the crafting of messages.



The CHRO is often the CEO's trusted (and critical) advisor and can be uniquely positioned to robustly challenge the CEO on how they show up as a leader. Challenging successful leaders requires courage, tenacity and diplomacy.

It's not just workforces that are under stress. Leaders today are under immense pressure and strain. Bearing all stakeholders interests in mind while planning their organisations' future is a multi-stranded responsibility. As if that wasn't enough, they are under a spotlight like never before. Every move is analysed and subject to much commentary.

#### **CHROs: now is your time to shine**

A courageous CHROs can give an invaluable perspective and objective advice on how their style of communication can best engage all stakeholders. Beyond that, HR leaders' ability to persuade, challenge and speak objectively to the executive team is unique. Practicing a high degree of emotional intelligence, they can be a source of balanced and impartial counsel to fellow executives while abiding by strict ethics and guaranteed confidentiality.

When tensions arise from personality mismatches, they are the ones to point out the risks to the business of instability or the potential fallout from letting key people go. They can respectfully but firmly advocate for the most sensible course of action to resolve conflict.

#### **Leadership mentality**

An experienced CHRO builds good relationships with the executive team, individually and collectively, which can be instrumental in improving cohesion. A courageous CHRO has an ability to engage the CEO and whole board on crucial people issues and use grounded facts, broad knowledge and professional opinion to advise on a wise strategy for moving forward.

The well versed CHRO offers the benefit of spotting potential among the workforce early and recommending development paths for this talent. Subjective opinions from the CEO or other executive members can be challenged with an objective view backed with practical data and evidence.

We expect that the elevated position of CHRO as close and trusted advisor to the CEO and executive during the pandemic will continue. Its value is indisputable.

[1] <https://www.qualtrics.com/blog/ready-to-work-from-home/>

**“The confluence of the ongoing war for critical skills and the impact of the Covid 19 pandemic have accelerated the evolving status of the CHRO role and highlighted its true value. People-related challenges have never been as pivotal to business success, catapulting this role to centre stage, where strategy and human resource management go hand in hand. There is a notable increase in the number of organisations seeking independent nominees from HR backgrounds to corporate boards. Having an external view and keeping pace with the change agenda by leveraging and building strong networks that can partner with the business has become of critical importance.”**

Paula O'Sullivan, Group HR Director, Fexco



### 3 The CHRO as Ambassador of Corporate Culture

Leading global brands worked out a few decades ago that company culture was as important as branding in their success. Peter Drucker's adage "Culture eats strategy for breakfast." has grown steadily more true as time passes. Just as personal success comes from a high degree of inner strength, resilience and emotional intelligence, a company's brand will be exposed for its lack of integrity unless at its core its values are authentic and solid. This begins with company culture. It has become a foundational part of a brand, and has risen in importance to equal strategy..

#### Ambassador of culture to employees, the external environment and leaders

The CHRO is guardian of company culture, and its ambassador. Ambassador to the community of talent that are the engine of the company machine, to the external environment and often to its leaders too. Strategy is definable, measurable and provides a roadmap for a journey ahead. A largely left-brained activity many leaders are most comfortable with.

Culture is an almost 180° about turn from strategy. It's elusive and intangible and needs right-brained intelligence to understand and shape. CHRO's, by virtue of their training and development, are well versed in the elements of human nature that are at the centre of organisational culture. They act as the living, broadcasting representative of these to leaders who might otherwise be less familiar with the dynamics of culture and how to nurture the power it carries.

**Executives are often confounded by culture, because much of it is anchored in unspoken behaviors, mindsets, and social patterns.**

Harvard Business review

#### Company culture is a critical component of its identity, its brand

Working together, a company's leaders can create a vision for its culture, guided by the CHRO. Each organisation's culture needs to be as individual as its brand and be in unison with overall identity. It should have clear values and principles and enact policies through which culture can be infused and strengthened throughout all its departments and entities.

"A CEO needs to be a living model of the culture he/she aspires to lead and must diligently emulate key behaviours and values in a way that is authentically true to himself/herself," advises , **Elizabeth Stewart**, Head of Executive Assessment and Development at Odgers Berndtson in London.

#### Belonging is the glue that unites all levels of a workforce

A company's culture needs to be strong, inclusive and purposeful enough to attract committed and talented employees who have similar values. People want to align with a force bigger than them that lives by and actively pursues its stated values and objectives.

Brené Brown, social science researcher, defines belonging as "the innate human desire to be part of something larger than us." Today's workforce is loudly saying that this entity must also have a purpose that's full of integrity and has high aspirations for an evolved society. When individual identity is aligned with corporate identity it creates that feeling of connection and belonging, which is primal. It helps the workforce to feel inspired, alive and engaged, leading to very high productivity.



An integral part of the CHRO role is the creation of values, culture, I&D, effective inter-generational leadership and engagement.

Research by Deloitte [1] found that 94% of executives and 88% of employees believe a distinct workplace culture is important to business success. The CHRO determines the shared behaviours, attitudes, values and assumptions that confirm on a daily basis that people are in tune with company culture.

#### How can your culture win you the best and brightest?

So, what is it that creates the basis for a strong culture, one that attracts top talent? Free snacks and comfortable surroundings are nice perks of an attractive culture, but not the basis of the enduring, purposeful way of being that is an irresistible force. There are three broad pillars that underpin stable, ambitious company culture:

- The company 'Why'. Why does it exist? Why does it do what it does? (Not about what it does and how)
- What are the core company values? What does it believe?
- What is the company vision? Where is it going?

Creating an ideal culture can be easy for a start-up. A small number of individuals begin with a set of beliefs, values and vision based around clear ideals and benchmark new recruits against these pillars. Changing or reinvigorating an already existing culture in a large organisation can be trickier. Each company's recipe is as individual as their brand and the people behind it. There's no magic formula and persistence is essential as it takes time to embed.

**Increasingly, the workforce wants to know that what they're doing is purposeful, that it's making a difference in the world.**

Elaine Roper Odgers Berndtson, Toronto

The CHRO needs to have some ownership of the corporate brand in order to work out what the brand and company culture mean to employees and in order to communicate with them effectively.

#### Take a macro view of brand and talent market

Good understanding of an organisation's brand, and how all stakeholders, external and internal, relate to it is a must for the CHRO. It's also vital to be in tune with the pulsing talent market the company is operating in and its cultural trends as these change with each new generation.

A great place to start is with an intention to treat extremely well the people who, day in, week out keep the wheels turning, the flag flying and the telescope to the future sharp. Investing heavily in employees is a hallmark of enduringly successful companies like Toyota, UPS and Costco.

### Corporate culture matters. How management chooses to treat its people impacts everything for better or worse.

Simon Sinek

#### Investment in talent creates a stir

Even though labour costs are a proportionately dominant company outlay, rather than viewing extra investment as an unaffordable luxury, recognising the extra value good investment brings contributes to an expansive ambition. This doesn't just benefit people already on board and therefore performance. Word travels quickly about such faith in talent and a creates a solid reputation that ambitious people are drawn to. You don't meaningfully add to people's lives with delicious lunches or team-building games, though they do help. The rubber hits the road when a company is prepared to offer benefits like on-site childcare, reimbursement for college education and paid leave. Consistently prominent companies know how much dedication and loyalty this kind of intelligent investment leads to.

#### Encourage creative thinking or stagnate

But there's much more to culture than rewards. When we work with high performing organisations, the energy they run on is palpable. Employees are not just there because they need to be. They are energised, engaged and, most of all, confident. Not just in their own performance, but in the future they know they are part of, being led there by admired leaders.

A subtle but vital part of a culture that enjoys this luxury is one that encourages creativity and openness.

Businesses that thrive in our rapidly changing world are those that adapt quickly. True creativity steps outside and beyond what exists, introducing a new idea, a new direction. But some companies, unwittingly or not, stifle the creativity needed to pivot often and swiftly by instilling a fear of being wrong.

Bright team members are the ones on the ground noticing how things could be done more efficiently or how to offer a new advantage to customers. Questioning the status quo is the bravest of actions but can subject the instigator to vulnerability unless in an atmosphere that welcomes innovation. Encouraging creative thinking means promoting a culture that makes speaking out a safe and supported practice. Whether eventually followed or not, new ideas must be encouraged and celebrated. The CHRO leads this part of culture.

#### Listen, respond, cheer

Advertised communication channels, both formal and informal, are the pathways that show this openness to creative thinking. Views, perceptions, feedback and suggestions can help inform a CHRO's and company's decisions. When employees feel heard and their opinions matter they feel genuinely represented in their organisations. This builds trust and makes the CHRO's job of managing change much easier. Trust means new directions are more likely to be supported. Even radical change is welcomed more than resisted.

We cannot stress enough the need for regular communication especially in times of uncertainty and dramatic change, as during the disruption of the Covid-19 pandemic. The companies that maintained productivity best were those that listened closely to what their people needed to do their work in a suddenly changed world, and immediately implemented the support needed, both technical and psychological. They followed this with regular, scheduled human support, often.

CHROs who are a true ambassadors of good culture let their people know when their dedication translates into wins. They update the workforce often on where they are on their strategy journey and mark and celebrate milestones. This keeps motivation high, underpins loyalty and inspires leaders, managers and change agents to model and reinforce key behaviours.

### A CHRO needs to have their finger on the pulse of the market they are operating in from a talent and culture perspective.

#### Show values through inclusion

A company's demonstrated values and behaviours are firmly in the realm of the CHRO and need to be taken charge of pre-emptively, not allowed to be determined outside of a company's control. One clear declaration of these is through inclusion and diversity practices.

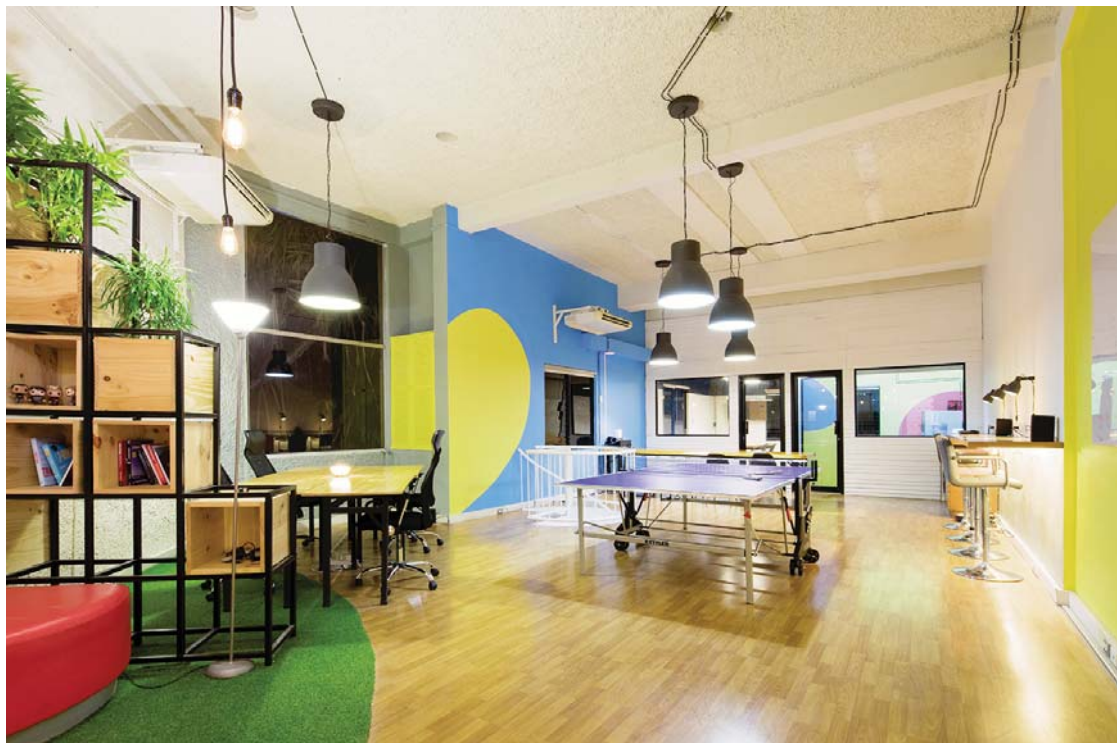
Documented policies should be enshrined in practice that actively integrate team members who are recruited and progress purely on personal merit. Subjective opinions on potentials for promotion must be replaced with an objective, data backed approach.

It may mean calling out tendencies for biased impressions among leaders. When you focus on unbiased inclusion, diversity will follow, bringing fresh perspectives, broader experience and a greater balance in outlook. Groupthink is reduced and a richness of backgrounds helps your organisation to continually look at things in new ways.

**Edgar Schein**, author of Organizational Culture and Leadership said “If you do not manage culture, it manages you.” We agree.

**“Leaders can feel it’s difficult to change company culture. Part of the CHRO role is to make the topic as tangible as possible and point out the cultural levers they have their hands on. Their modelled behaviours set the tone of company culture, impacting the talent they attract and ultimate their ability to serve their customers and partners. The CHRO acts as a senior business partner posing the questions that shape a compelling culture that serves all stakeholders. What do we reward? Where is the emphasis in development programmes? What behaviours do we promote? When we communicate, where’s the emphasis? What are we communicating as important? A great CHRO helps to align all the people processes which ultimately shape culture and makes it a more accessible topic for leaders to embrace and own.”**

Mary Purcell, HR Strategy Consultant





## 4 The CHRO as Data-enabled Leader

# Technology is helping to expand the HR function and giving its leaders critical tools to deliver actionable, strategic value to a company's leadership.

People management has not been the first department to rush towards technology as an operational tool, but data has strongly emerged as a compelling aid in strategic planning, giving the CHRO an enviable position at the top table.

Focus on virtual tools has increased, especially as there was no choice but to operate remotely as a result of the COVID-19 pandemic. HR leaders are depending more on the insights data offers and engaging with their CEOs to shape their human capital resources accordingly.

### A dynamic union of data and human perception

The handling of companies' most valuable resources, people, for best effect is reaching an ideal balance between using soft skills and technical. Technology does not replace the essential human factor that forms connections and relationships, understands what makes people tick and forms a unique understanding of individual people. Only a rounded human can do that. But, when these trained skills of perception are married with hard data, the two-way union is dynamic and advantageous.

When the management of an organisation's values and behaviours is supported and underpinned by rich data, that's a really powerful combination. But the ability to use big data appropriately depends on a CHRO's soft skills and the relationships they've built in the organisation. A good CHRO still has to have that human element.

### CEOs want to understand their people in more detail

In 2017, Deloitte report found 69% of organisations were building a people analytics system. In 2018, LinkedIn tracked a 61% yearly increase in the listing of HR analytics as a skill across EMEA.

A background in analytics is now a distinct advantage to a HR team. But with or without, leading CHROs are honing their skills in translating data into actionable leverage to tackle business problems. HR face challenges like poor productivity, cost overruns, attrition and unsuitable hires which can be difficult to tackle.

CEOs want more data in HR reports to plan more effectively and react strategically, and for this analysis to be presented clearly, simply and regularly. They want to know why people leave, what's behind the level of absenteeism and how staffing shortfalls will impact

revenue targets. Data takes away much guesswork. The truly data-enabled CHRO impresses the executive with conclusive reports that show the revenue generated per employee, the performance turnover in key positions, how diverse hiring results in increased customer engagement and loss of revenue per absent employee per day.

### Interpretation of data helps recruitment, retention, development programmes and planning

But reports can be labour intensive. Multiple sources of information can be stored in unconnected formats. The more data savvy a CHRO becomes, the more cleverly data can be seamed together holistically. Starting with a specific problem and matching relevant information to this gives more focused results than attempting to aimlessly make sense of a sea of data.

Benefits that can be achieved with relevant application of data include:

1. **Better retention:** When the CHRO tracks the factors that lead to attrition and mitigates the problems, outcomes improve.
2. **Productivity increase:** By knowing the number of hours on a particular activity that lead to optimal results, person/time allocation can be indexed and optimised.
3. **Recruitment:** Methods of talent acquisition charted against costs and performance help to identify the best routes to successful hires and also reasons why people didn't make it through the acquisition funnel.
4. **Compensation:** Documented information on reward packages might seem like a potential source of acrimony, but it helps to lead to fairer rewards, clarifies competitiveness and ties performance ratings and attributes to pay.
5. **Development + training:** The ROI in outsourced education and programmes can be proved by linking to measurable outcomes and achieved goals.
6. **Diversity:** The value in an increase in diversity can be made more visible with metrics and issues around conscious or unconscious bias understood and mitigated.





Overall, a CHRO that can use people analytics to understand current workforce strengths, weaknesses, gaps and potential is a strong strategic influence in discussions on the talent needed to match business objectives.

**A great CHRO will have a strong appreciation of data analytics and human capital management software and will know how to interpret data and use it to drive workforce planning. The data collected by the HR function can be instrumental in strategic decision making.**

#### **Help your robots to speak truth to people diplomatically**

Resistance among teams to the perceived changes of a more data-led CHRO position can be soothed as evidence gathered through data replaces gut led, subjective analysis. This can lead to better represented and therefore more productive, happier employees. For example, profiling software can be used to assess both technical and behavioural characteristics. These results can be used to match skills to various stages of a project. Creatives and innovators can be the instigators when designing a new initiative. Those who naturally focus on detail, implementation and testing then take over in the middle and later stages.

Rather than instil fear that machines will increasingly judge character and performance, CHROs can assuage uncertainty by showing how data can be used to personalise and enhance the employee journey through tailored development and support. Also, as we move into a the future of work, a percentage of remotely located team members will be a norm. HR leaders will need to work hard to include these people in company culture and avoid a feeling of cold scrutiny and marginalisation.

#### **Technology is put to best use when it complements human resources, not replaces them.**

This is where the human cloak of understanding and connection needs to envelop the collection of hard data. Use of software such as Slack and Teams encourages inclusion and strengthens culture among those working remotely. They hold a space for teamwork, human connection and storytelling. Some leading organisations value an inclusive culture so highly they design feedback loops to include engagement as a key performance indicator. Management can see which team members are networking, where collaboration is helping productivity and who the key leaders and influencers are. Each CHRO will learn quickly what approaches work or not with their people.

**Data analytics is being widely applied. It is being used to identify diverse talent pipelines, to ensure that talent develops at an appropriate pace, and to make timely, targeted interventions for people's wellbeing.**

#### **Not all data needs analytics training**

Internal surveys are an easily translated form of data for the CHRO. Aspects of work life balance and wellbeing that are helping or hindering productivity and job satisfaction can be explored. These results are invaluable in integrating wellbeing into the design of work practices at individual, team and leadership levels to increase happiness and engagement. Similarly, regular enquiry into subjective career progression among a workforce helps the CHRO to tailor development, training and team bonding to add balance.

Tracking trends in recruitment, retention and attrition means these can be given attention continually, or at crucial thresholds, instead of being tied to calendar intervals. Hiring targets are monitored and key departures are responded to swiftly. Many businesses are still unaware

or not utilising the potential for improvements in people management through the use of simple data. There's a world of information that can be gathered and used for the benefit of both business results and its people.

#### **Ethics, security, privacy**

Reliability of data and the accuracy of its conclusions needs to be carefully considered, especially when generated by machine. The human oversight of an experienced CHRO is always needed. How trustworthy are the results? Do they make sense when put in context of the CHRO's sense of the individual or workforce?

Artificial intelligence (AI) and data are infinite in their scope but must be given boundaries by astute data managers. Access, control and the responsibility for processing data must be given careful consideration. Security and privacy laws can be inbuilt in systems and processes, but ethics still need a human perspective. Employee trust is paramount and should be top of mind when making decisions on gathering and using information. An intention to use data to solely to empower individuals and the business will lead to a mutually beneficial outcome.

It's good practice to welcome data as an operational tool, not a master and to always utilise it with careful and responsible human oversight. AI, when used in the recruitment process, can reduce candidate screening time significantly, benefitting the employer and candidates with more time to get on with core business or life. However, a Manpower survey of 700 candidates found that almost two thirds preferred the human connection of in-person screening and interview to digital assessments. All data driven scenarios should have the sanction of wisdom before wide adoption.

The rise of people analytics software and online platforms are helping the HR function track accountability, performance and engagement like never before. As such, CHROs have to be data literate to understand what is possible and what is just noise in the market.

#### **Accept that data-enabled reports are moving, morphing entities**

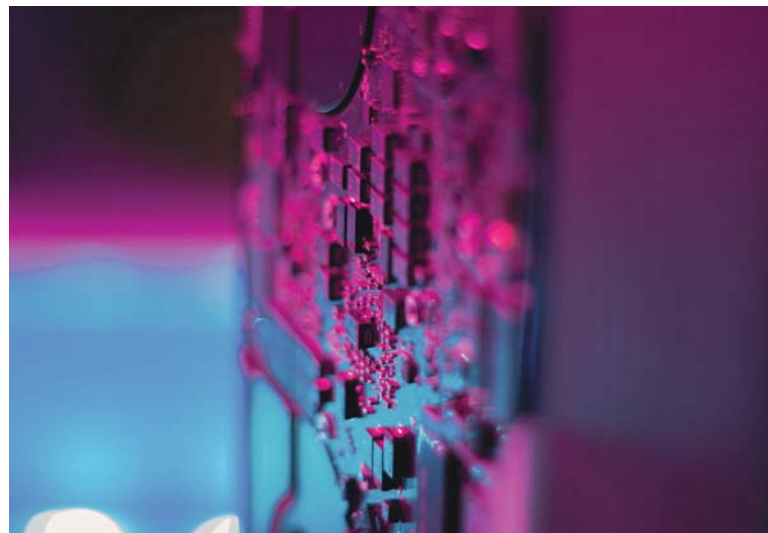
We are a big supporter of the use of data in HR practices, having seen the strategic advantages it can lead to. We also acknowledge the difficulty and complexity that can come with integrating it. This can be messy.

As more HR departments embrace people analytics, instead of trying for perfection with the integration of historical data and real time trends, aim for an accurate enough picture which will be fine-tuned with every set of new additions. Financial decisions are subject to perpetual change as cost changes and new circumstances shape current pictures, and this is widely accepted.

Confidence in the integrity of what a CHRO offers with both human perception and the backing of data is their winning formula.

**“Data is generated from people, processes and technology. As so much of the working day is now spent interacting with technology, the opportunity arises for the CHRO to garner insight from this data, and understand and personalise learning and development opportunities for team members that can be delivered through technology and in the context of their roles. At the same time, this data can be aggregated at a functional or divisional level and communicated to the CEO from an employee engagement and organisational health perspective. This advantage is invaluable in directing and planning company strategy.”**

Barry Guiney, Partner, Dublin



## 5 Stand out as a CHRO Candidate

### Combine broad experience and curiosity with high emotional intelligence

One of the biggest advantages a CHRO candidate can bring to a new company is eagerness to be involved in business decisions. When this is backed with the knowledge of how to take those decisions to fruition with hand-picked teams, it's a winning formula.

The confidence to be fully involved in developing business strategy comes from broad business experience, the defining credentials the world's top CHROs have pursued. International experience in particular and exposure to large markets is very appealing to companies who want to scale and transform. Whatever corner of the world a company is in, a global mindset is what will open global opportunities. The CHRO candidate who is both commercially aware and curious to explore new business solutions with a CEO has the edge.

Having worked on a big business transaction gives a candidate a deeper understanding of the business and the market. Working on a big, challenging project, like integrating an acquired company, and successfully creating a stable organisation with a clear culture will help you stand out.

#### Be a big influencer in growth and rapid adaptation

Continuous waves of disruption on a global scale—technological, social, demographic and political—are forcing CEOs and boards to think on their feet like never before. As a result, they are placing increasing emphasis on a robust and diverse talent pool, company culture, executive compensation and succession planning. They place the CHRO at the head of these direct report committees. Competitive candidates are aware of the enormous weighting in a company's balance sheet that talent represents. They know that strategy is heavily dependent on the right people to make it happen. Therefore they see their role as arguably the biggest influencer in growth and swift adaptation in a world operating at lightning speed.

The best CHROs are not afraid of being more involved in business decisions and having a seat at the table.

They want to bring diverse and broad experience to this vital position at the heart of a business. They come offering business acumen that will enable them to integrate people strategy into business strategy at planning stage. They want to be a key influencer in the

boardroom. Career paths into today's role of Chief Human Resources Officer have taken many roads less travelled than their predecessors just a decade or two ago. There is a push/pull influence in making this so; a push from within the role, a pull from those who depend on it.

#### The push from within the role

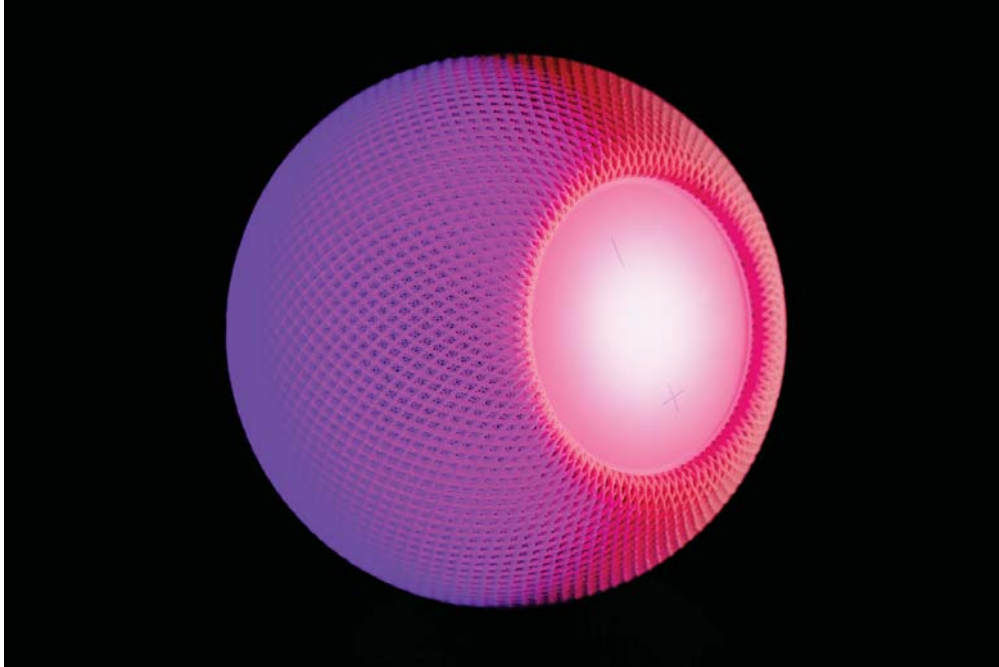
CHROs in very large organisations are applying their best talent management strategies to themselves and planning both role and sector diversification into their career paths. They know that to be in command of the kind of decisions needed at the top levels, a deep understanding of a business and all its departments is necessary. All business experience benefits the top people-management position. Some begin in HR and diversify function, others move into HR having gained broad experience in other roles.

#### And the pull from the top

Leaders want CHROs to understand how their organisations' activities relate to their P&L, to see where to break new ground and know how to identify and attract the talent to fulfil these goals.

Strong CHRO candidates can meet leaders where they are with business goals, but bring a unique voice that outlines the human element to these. This needs a broader view than merely the bottom line. They represent the employees to business leaders but also represent the business to employees. A CHRO candidate who understand how to serve all stakeholders; employees, customers, investors and state agencies is becoming steadily more valued.





## “Data will talk to you if you’re willing to listen.”

Jim Bergeson

### Strong data and analytics will set leading CHROs apart

As representative between a business and its people, a strong CHRO candidate needs to have good data literacy and analytics skills. The insight to be gained by adding metrics to experienced views and opinions is immense. IBM’s 2020 Global C-Suite Study “explores what it takes to lead in a world awash with data.” The resulting ‘The human side of data’ report reveals the views of over 2,000 CHROs.[1]

58% believe technology will be the chief external influence on their organisations over the next few years. When applied to their own departments, these leaders “don’t rely on instinct; they practice what they preach and draw on hard evidence to manage their organization’s human capital.”

Utilising data effectively comes back to the core human attributes CHROs are rich in; asking the right questions based on a career in understanding human behaviour. The importance of ethics in the gathering and use of data cannot be stressed enough. Unquestionable values need to guide rules, decisions and algorithms. A data governance model must protect employees’ security and privacy and data strategy must align with company culture. A great CHRO candidate will stand firmly behind moral obligations in handling sensitive, personal information.

**“I used to believe that culture was ‘soft,’ and had little bearing on our bottom line. What I believe today is that our culture has everything to do with our bottom line, now and into the future.”**

Vern Dosch, Author, Wired Differently

### Culture shaper and clear communicator

The ideal CHRO is courageous, authentic and empathetic, and has high emotional intelligence. She or he is also a great communicator and can relate to all tiers of an organisation and its external stakeholders with the appropriate mix of human understanding and professionalism.

This in itself models the kind of culture a company thrives on. As more CHROs diversify their experience in different functions and industries, it adds to the richness and openness that successfully leads a business. HR pioneers the behaviours, attitudes and values that will underpin longevity into the future. CHROs lead the charge on these, demonstrably, with a spirit of fairness and positivity. They recognise that without it, bottom line targets will probably not be met, at least not consistently.

### Ultimate leaders

In 2014, Harvard Business Review quoted research on leadership styles which showed that of all the C-Suite positions, except COO, the CHRO showed most similar leadership traits to the CEO. In 2019, TimesJobs India surveyed thousands of CHROs and discovered one in three were playing a vital role in executive leadership and three out of four believed they could take a CEO role in the future. That future is dawning. Ambitious CHRO candidates can have confidence in the opportunities in their future, through proving their value in the top people role. Whether the CEO position is in your sights or not, role models like Mary Barra, CEO, General Motors and Anne Mulcahy, former CEO, Xerox allow you to see the extent of your potential, and live it.

[1] <https://www.ibm.com/downloads/cas/AYOzZON8>



“The importance of the role of the CHRO as a common sense, commercially grounded trusted advisor and confidant to the CEO is critical not only to the operating model of the business day to day but to the ability of the senior team to grow and strive into the future. The CHRO must have more resilience than ever while at the same time demonstrate a very strong, empathetic leadership style. Not everyone will agree with your position all the time and you must be ok with that. This is also really important in the ability to attract key talent while meeting all the expectations of different generations. Differentiating yourself means you must be laser focused on employer brand and understand the unique positioning you have in terms of your business & culture. You can’t compete with everyone but maybe you’re not looking to...”

Paula O’Sullivan, Group HR Director, Fexco

At Odgers Berndtson, we work with different organisations to build outstanding leadership teams. In the process, we help transform our clients and the lives of the people they hire.

We deliver executive search, assessment and leadership development to businesses and other organisations in 30 countries.

We have a moral responsibility to our clients and candidates. This is central to our values because:

Nothing is more important for every kind of organisation than recruiting, motivating and retaining the best possible people in key jobs. Exceptional leaders are scarce, and we believe that finding and attracting them adds more value than any other professional service.

Few things have more effect on any individual’s life than being in the right job, so we keenly feel our responsibility to candidates as well as clients.







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