Why the Partnership with Chief Human Resource Officers Matters

Anyone with the ties to the human resources function knows how much it has evolved in recent years – and with it the role of the chief human resources officer. The biggest shift seen is in how the CHRO has progressed from fighting for a seat at the table to playing a key role on the executive team.

According to executive recruiters who ply their trade placing some of the best ones in the field (see accompanying story page 5), a great CHRO can be one of the most vital strategic human assets a company can have – closely partnering with the CEO and CFO. This leadership triumvirate is today equally responsible for executing business strategy, with distinct yet highly interdependent roles to play: the CEO defines or leads the vision and strategy; the CHRO articulates and drives the people agenda; the CFO manages financial resources and investments.

Working in Unison

But it takes the three of them, working in unison, to keep all the organizational gears well-oiled. It takes people and financial resources to implement a business strategy, and this alone explains why the relationship between these three leadership roles is so vital. All of this is laid out in a new report released by executive leadership provider Spencer Stuart.

Based on the latest research by the recruiting firm, the role of the CHRO is becoming increasingly complex and is continuously changing due to a wide range of factors, including the advent of technology, artificial intelligence, automation, the changing profile of the workforce, new ways of working, and the increased focus on talent.

Julia Modise, a consultant in Spencer Stuart’s industrial and human resources practices, said the “profile of a CHRO has shifted from a traditional HR professional narrowly focused on his/her function to a well-rounded business leader who can contribute meaningfully in all areas of the business.” Today’s CHRO, she added, is “a culture carrier and change agent who is commercially astute, analytical and technologically savvy, who speaks truth to power and influences softly yet assertively.” It is no surprise to find a CHRO with a combination of human resources functional experience and commercial operational experience, the Spencer Stuart report stated.

The New Normal

“Human resources in 2019 is much more personalized and professionalized than ever,” said Shelli Herman, president and founder of executive search firm Shelli Herman and Associates, a specialist in the HR field. “The modern workplace is more focused on culture and absolutely focused on the individual. Associates must feel valued in ways that have never existed before. Flexible schedules, extraordinary benefits, and opportunities to build and use new skills are now the new normal for best in class cultures,” she said. “Human resources executives are now culpable for being the architect and implementer of some of these high touch offerings.”

BY THE NUMBERS

What Drives Board Diversity

The CHRO role is the only one in the C-suite to have gender parity. 55 percent of CHROs across industries are women.

The industry with the largest percentage of women CHROs is financial (66 percent).

Source: Korn Ferry

“The modern-day human resources officer is ubiquitous,” Ms. Herman said. “He/she will be expected to serve in a myriad of roles which focus on the most strategic company interventions to a more boots on the ground servant leader to everything in between.” Executive searches focused on identifying superlative CHRO talent are challenging, she said. “The list of ‘have to haves’ has become prodigious when it comes to the ideal candidate.”

Eleven Capabilities

Ms. Herman said that in a world that has become all about social media, smart phones, and technology, the CHRO is now called upon to build leaders who can actually... (cont’d. to page 2)
shake hands and network outside of the use of computers. “But, that is easier said than done,” she noted. “Core to this is the development of a culture that is balanced on innovation, while never forgetting the power of a relationship.”

The Spencer Stuart report noted that the CHRO role is continuously changing, demanding different capabilities, including:

1. **Strategic mindset and business acumen**

   “The CHRO is expected to be discerning, future-orientated, open-minded, commercially judicious and able to make evidence-based decisions,” Ms. Modise said. “She/he is expected to develop robust people plans aligned to the business strategy. A people plan cannot merely serve internal HR functional requirements, it must demonstrate impact to the business.”

2. **Change and transformation management**

   The CHRO plays a leading role in defining and adapting corporate strategies, structures, procedures and technologies to handle changes in external conditions and the business environment. “The people side of change management is often the most important element above the technical tasks necessary to enact change,” said Ms. Modise. “When the people side of change is poorly managed, change often fails or doesn’t achieve desirable results,” she added. “Driving change management and transformation requires an organization to embrace learning agility and innovation as a culture.” The CHRO is often expected to embody this agility and be the catalyst for change and transformation.

3. **Mastery of executive compensation**

   Issues of pay equality continue to gain prominence in the market and CHROs must play a key role in designing competitive, equitable compensation and incentive structures to attract and retain key talent. Ms. Modise said that “the role of the CHRO is to continuously test internal pay structures against the market and changing legislation; where potential gaps and risks are identified, the CHRO must develop risk mitigation plans.”

4. **Clear understanding of board governance**

   The remuneration/human capital committees are increasingly scrutinizing executive compensation, examining linkages of talent and performance, focusing on CEO succession and the broad talent agenda.

(cont’d. to page 3)
“The CHRO role can add value to the board by bringing expertise in compensation, succession, talent, and the people implications of mergers and acquisitions,” Ms. Modise said.

5. External focus

Today’s CHRO has to have a good sense of the external industry competitive landscape. “She/he can keep abreast by playing an active role in relevant industry bodies,” Ms. Modise said. “Talent is becoming increasingly mobile, which makes it all the more important for the CHRO to have a global mindset.”

6. Shape culture

The CHRO has a key role in defining and co-creating the organizational culture with the executive leadership team. “A company’s organizational culture can make or break the most insightful strategy,” Ms. Modise said. “The executive leadership team and the CHRO have a shared responsibility in creating and driving a culture that is aligned with the business strategy.”

7. Committed to diversity and inclusion

The Spencer Stuart report noted that in order for diversity and inclusion to be successful, it has to be a top-to-bottom business imperative that is embedded in all aspects of the organization. “Diversity and inclusion cannot be an HR-led initiative but rather it should be CEO-led in partnership with the CHRO,” the report stated. “The CHRO plays an important role in articulating the business case for diversity alongside the CEO.”

8. Leadership gravitas

The CHRO must possess referent power underpinned by competence and an undisputed delivery track record. “Referent power is acquired through strong interpersonal relationship skills, the ability to influence others, and being respected and admired,” said Ms. Modise. “This type of power is particularly important in a CHRO, since it is built on collaboration and influence rather than command and control.”

9. Balance agendas of high-level stakeholders

The CHRO role serves multiple high-level stakeholders such as the CEO, the board, shareholders and employees who often have competing demands. “She/he must effortlessly navigate and balance the various demands through effective communication, seeking alignment and managing expectations,” the report said.

10. Visible, value-added partner

“The CHRO must be seen everywhere within the organization,” Ms. Modise said. “She/he must be in touch with the pulse of the organization at all times to make unpleasant surprises less likely to happen.”

11. Courageous

“In order to keep up with the changing demands of the world of work, CHROs and aspiring CHROs need to be intellectually curious and have a desire to learn,” said Ms. Modise. “They must keep abreast of developments, embrace technology, adopt a data-driven approach, obtain business experience, develop a strong network, keep growing, have a
business mentor, a coach, and seize opportunities to participate in a wide range of business projects.” In short, today’s CHROs are required to do a job that would have been unrecognizable a decade ago. There is every reason to believe the role will continue to evolve rapidly over the next few years.

Q & A

Building Relationships with Search Firms

Jill Larson is executive vice president and chief human resources officer (CHRO) at Medidata, where she oversees HR and workplace resources functions. Ms. Larson has more than 20 years of experience establishing and transforming human resources processes at global, high-tech companies. Prior to her current position, she was with Cisco, as both a global HR business partner and leader of talent acquisition.

Ms. Larson is a two time finalist for HRO Today’s TA Leader of the Year Award, a winner of the YWCA Women’s Leadership Award, and a winner of the Bob Gatti HR Leader of Distinction Award. She is an active public speaker and board member for Montage and Prezentium, both privately funded technology startups.

Ms. Larson recently sat down with Hunt Scanlon Media to discuss working with executive search firms, the challenges facing CHROs and what she believes is the typical career path for this executive.

Jill, what are some of the current challenges facing CHROs?

CHROs are dealing with attracting talent in today’s competitive environment (especially within the technology sector), retaining key talent and prioritizing diversity and inclusion. We’re seeing increased scrutiny and attention on diverse representation, especially in the C-suite and board of director roles, as well as transparency in pay parity practices.

Discuss the partnership of CHROs and their external search providers.

Most CHROs have a select group of executive search firms they work with. We try to get ahead of potential succession risks by having our recruiting firms create pipelines of strong candidates in advance so that, when the need arises, we already have a slate to evaluate. By building relationships with search firms, we help them to more deeply understand the needs of the CEO and the board as well as the culture of the company, which will ensure a better fit.

Can you describe the typical career path leading to the CHRO position?

Most CHROs move into their position from a No. 2 or deputy role via a succession plan. However, an alternate route to the CHRO role can be via a chief talent or experience role.

We have seen a number of CHROs transition into executive search. Have you seen this among your colleagues and do you think it is a natural transition?

Yes. CHROs tend to be very collaborative and because leadership in attracting talent is core to the CHRO role, it is a logical transition. When a CHRO has a strong network and solid reputation, they can be very successful at connecting candidates to opportunities.

Identifying leaders for higher education since 1976.

As the subsidiary of the American Academic Leadership Institute (AALI), Academic Search provides significant funds each year to AALI so that it can deliver professional development programs to educators who have been nominated by their campuses to enhance their leadership potential.
Following a record-breaking year of recruiting top HR leadership into some of the best well-known brands across industry, Hanold Associates has just been tapped by the National Football League to lead its search for a new chief human resources officer (CHRO). Jason Hanold, CEO and managing partner of the Chicago-based recruiting outfit that bears his name, is leading the assignment which has kicked off just days before Super Bowl LIII.

The incoming leader will oversee all of the NFL’s HR functions including organizational design, leadership development, learning, benefits, compensation, employee and labor relations, HR operations, talent acquisition, and talent development. The right candidate will bring 20+ years of operating, financial and people leadership experience in consumer-centric, well-branded organizations.

Mr. Hanold recently sat down with Hunt Scanlon Media to discuss the search, the importance of the role within the NFL, the supply and demand curve for top HR leaders, and some of his better known CHRO placements.

Jason, how are you handling this search and what type of candidates will you be seeking?

The League is continuing to transform and elevate the caliber of talent at all levels. The NFL needs a seasoned HR leader who is accustomed to driving tough conversations, and can balance their strategic perspective with an analytical capability and the ability to execute – all this while they continue to build the requisite infrastructure to support a significant transformation. Specific industry experience is less critical than the leadership characteristics required to be credible with and influential to an incredibly accomplished stakeholder group, including the 32 club owners.

How important is this role within the NFL?

A distinctive chief HR officer sets the tone, tempo, and behaviors that define the culture, and then the strategies, methodologies and practices to attract, retain and develop the organization’s talent. This, in turn, either elevates or erodes the company’s results, community, brand and profitability. Besides the CEO, no other C-suite position has more opportunity and potential to broadly impact the entire organization.

With the CHRO role evolving so much in recent years are there any new traits that companies seek in their incoming HR leaders?

The expectations continue to heighten as boards and CEOs become more sophisticated in their appreciation and understanding of what ‘great HR’ looks like and can accomplish. Today’s contemporary HR officer must possess ever deeper business acumen, and credibly voice substantial perspectives on the business beyond just people practices. Unfortunately, too many CEOs report that they simply want one who is ‘proactive’ in their approach. That is a pretty basic operational characteristic – it’s fundamental – and some still occupy that top role yet do not drive and own their results. More companies are thinking of the CHRO as a potential successor C-suite executive role, including that of the CEO. More are being recruited to public company boards. It’s more common to recruit CHROs who have had rotation into other areas of the business, and then coming back into HR. Fundamentally, we hear less about ‘new’ traits, and more about the lack of effective execution or a credible voice among other executive committee leaders. So the demand heightens for stronger leadership traits over different experiences.

“More companies are thinking of the CHRO as a potential successor C-suite executive role, including that of the CEO.”

Discuss the current supply and demand curve for CHROs.

The demand for exceptionally talented HR officers, both contemporary leaders and those with non-traditional backgrounds, is at an all-time high. Organizations with healthy, well-functioning cultures and higher caliber talent are mostly thriving, and CEOs across industries understand this key competitive advantage and potential for differentiation. With equally good news, the supply of truly distinctive HR leaders is better than ever. More companies are viewing HR as a key rotation in the development of their executives, with some choosing to remain aligned to HR because they understand the opportunity for major organizational impact.

Can you share some search work your firm has conducted for CHROs?

We lead CHRO and diversity searches across industries. In addition to the National Football League, some of our more recent CHRO searches include those for Under Armour, Patagonia, Mylan, REI, Vail Resorts, Paul Allen’s Vulcan, Blue Apron, Riddell, CDW, Laureate Education, Moderna Therapeutics, IT Cosmetics, Hanna Andersson, Ultimate Fighting Championship (UFC), Las Vegas Convention & Visitors Authority, Remitly, Carnival Corporation, Fossil, Marvin Windows & Doors, Outward Bound, Ferrara Candy, Foundation Medicine, Griffith Foods and Booking.com, lubCorp, Delta Defense, Western Dental, Heartland Dental and Sportsman’s Warehouse, among many others.
INSIDE LOOK

Top 5 Priorities for CHROs

According to research by Deloitte, 94 percent of executives and 88 percent of employees believe a distinct corporate culture is important to the success of every business. Culture in the workplace isn’t a new trend, but because of the growing responsibility of human resources and a shift away from HR as an administrative function, the role of the CHRO is now positioned as a company CEO’s most trusted advisor and strongest asset.

As the scarcity of employees and the cost of hiring talent increases, the role of the CHRO has grown into a key leadership position and primary driver for change in HR, particularly in the shift from “resources” to “people.” And HR now has the responsibility of the entire employment lifecycle, which the CHRO leads.

Contemporary career transition services company, RiseSmart, has outlined the top five areas people-centric companies and CHROs must focus on in order to be competitive in today’s talent marketplace.

1: Fairness
It’s important to treat your employees fairly, but here we’re specifically talking about wages and salaries. PayScale’s ‘Compensation Best Practices Report,’ says that “44 percent of employers say their employees are fairly paid, but only 20 percent of employees agree.”

2: Civility
Last year, 62 percent of employees were treated rudely at work at least once a month, according to a global, annual poll on workplace incivility by McKinsey & Co. Since the poll began in 1998, rude behavior has increased at an alarming rate — which means that every year, chances go up that your leaders and employees are being dismissive, demeaning, and discounting to one another.

3: Culture
People want to join and stay if they feel they belong in the company as opposed to belonging to the company. And a sense of belongingness is driven by a company’s culture as people experience it inside and outside the organization.

4: Well-Being
The average employee puts in 38.7 hours a week and works 46.8 weeks a year, according to a Pew analysis of Labor Department data. What’s notable, however, is not just that number, but the uptick in working hours it represents. We’re now spending roughly an extra 173 hours per year at our jobs in one way, shape, or form. This is why avoiding burnout is such a common topic among HR professionals.

5: Technology
According to a report from the Harvard Business Review, senior executives want a CHRO who is a strategic business partner and an HR organization that anticipates the talent capabilities required for a high-performance culture that achieves their business strategy and growth objectives.
The role of the chief human resources officer is changing again. Over the years, the best CHROs became much more focused on the business and its strategic needs. Today, however, the needs of the business have evolved – and with it so have the demands on the CHRO, according to a new report by Heidrick & Struggles.

Long-established business models face disruption across sectors, said the report, co-authored by recruiters Brian Klapper and Mike Theilmann. As a result, HR leaders are being forced to focus much more on radically different talent needs, including elevating the employee experience and encouraging diversity and inclusion, while strengthening corporate cultures. The disruption touches all areas of the CHRO’s traditional portfolio: who and how to hire, how much to pay, how to develop and train, and how to rate performance.

**Flexibility is Key**

The CHRO job, according to the report, has become much more like that of a chief transformation officer. To succeed, the 21st century CHRO must master five key skills that were barely even on the CHRO radar screen five years ago: embracing disruption, practicing agility, solving for organizational structure, employing data analytics and facilitating new work environments.

“The best CHROs at global enterprises bring to the table the flexibility and ability to adapt – as well as that ineffable quality to see around corners – that we observe in smaller, venture-backed companies,” said Mr. Theilmann. “These leaders have what boards of directors and CEOs are looking for in today’s CHRO: transformational skills.” Such skills are embodied by the five key attributes, said Heidrick & Struggles:

1. **Embracing Disruption**

Big companies are seeing their long-established business models disrupted, often by nimble start-ups. They’ve seen what has happened in retailing (e.g., Amazon), consumer goods (e.g., razor blades) and the automotive sector (e.g., ride-hailing companies, autonomous cars). Navigating disruption has become a key skill-set for CHROs. “As a CHRO, how do you help your company disrupt itself before somebody else does the job?” asked Mr. Klapper. “Some are creating partnerships with start-ups – or example, in Silicon Valley – and putting people on the ground there to become part of the ecosystem so that they can learn and establish complementary partnerships.”

“Others are leading management teams by going offsite – not to stale meetings at lush country clubs or resorts but to visits with executives at innovative, fast-moving companies,” he noted.

2. **Practicing Agility**

Savvy CHROs recognize that industry disruption is anything but neat and linear and that even the best-laid corporate plans may need to be quickly altered to adjust to changing business dynamics. This makes agility a critical skill for CHROs to possess and to develop in their organizations. “Agility implies the ability to spot opportunities and threats and to adapt and pivot faster than one’s peers,” said Mr. Theilmann.
3. Solving for Organizational Structure

CHROs must also be able to leverage the organization in new ways if it is to benefit from agility and move nimbly. Mr. Klapper said that the challenge for a CHRO is significant. Leaders must ask: How can I put teams together to solve a specific issue or problem, complete the project, and then redeploy those people — and do this in weeks, not months or years? How is this project informed by the company’s strategy, and what are the deliverables?

4. Employing Data Analytics

Companies are beginning to employ data analytics throughout the organization, and the top CHROs are leading the charge in their areas of responsibility. Mr. Theilmann said they are using tools “such as machine learning and artificial intelligence to help assess performance and organizational gaps, including diversity and inclusion issues; to better understand where decision making is taking place; and to assess internal talent in terms of developmental needs and readiness for new roles.”

5. Facilitating New Work Environments

Not long ago, most employees went to work every day in offices. “As we know, that’s not how people work anymore,” said the Heidrick report. “They work on the fly. They don’t want to sit in an office all day. They want to be able to work out of a coffee shop one day and at home another. They want to have flexibility. They want to be able to collaborate with their colleagues. And since we’re speaking mostly of younger generations who want and expect this type of flexibility, we don’t think this approach to work is going away anytime soon.”

“Particularly in technology and financial services, we’re seeing the work environment as an area of attention for CHROs,” said Mr. Klapper. “At one bank, the job of one high-level human resources leader focuses completely on the work environment. This isn’t just about what kind of snacks to offer but how the work environment can have an impact on engagement, collaboration, innovation and velocity — for example, how to move employees to virtual desktops and virtual machines. How to do this represents a new skill-set for CHROs.”
Talent acquisition strategies at many large companies have become as complex as their balance sheets. And while chief human resource officers (CHRO) play a vital role in overseeing an organization’s broad-based workforce, it is the chief people officer who typically goes beyond overseeing its people policies. The focus, instead, is on building talent as a key competitive advantage, with more emphasis put on culture, which includes values, ethics, and mission.

Today, the chief people officer position is still a relatively new title within the HR function. It first appeared about a decade ago. But now, as companies look to build internal brand awareness and set their sights more on establishing and driving their own unique cultures, CPOs are coming more into vogue.

Executive search firms, meanwhile, have recruited chief people officers and one has recently hired their own. Atlanta-headquartered Lucas Group named Carolina King as the firm’s first people officer. In a broad survey of search firms, it is a role seldom found in the industry but one that is seen as needed as strategy and development come more into focus.

“Carolina understands the ever-growing strategic role that HR, and talent development in particular, plays in our business,” said Andi Jennings, CEO. “Her vision has transformed our corporate HR department into a vital partner in the associate development process. Carolina’s promotion to CPO reflects our commitment to ensuring Lucas Group is a leader in nurturing and attracting top talent.”

With a broad background in HR, Ms. King is adept at organizational development, human capital management, and performance improvement, said Lucas Group. She has provided expert organizational and leadership development for top global companies including CNN, AT&T and Siemens Energy & Automation. Prior to joining Lucas Group, she served in various HR roles with Turning Broadcasting, MarketSource and Fiserv.

“HR is the engine that drives a business like Lucas Group, where our product is our people,” said Ms. King. “Supporting them is our first priority. My goal is for our training and development programs to ensure every associate reaches their potential by providing a strong foundation, proactively identifying individuals who drive team success and empowering these individuals to be even more effective,” she said.
**CHRO Recruiting in the News**

**Kingsley Gate Partners Finds CHRO for Greif**

Kingsley Gate Partners has placed former veteran Xerox HR executive Bala V. Sathyanarayanan as the new CHRO at industrial packaging products and services company Greif Inc. For the past 27 years, Mr. Sathyanarayanan has worked in a variety of human resources, talent management and operational roles. He most recently served as executive vice president for human resources for North American operations at the Xerox Corp.

**Hanold Associates Finds Top HR Exec for Under Armour**

Chicago-based Hanold Associates has recruited Tchernavia Rocker as the CHRO for Under Armour. Jason Hanold, CEO and co-managing partner of the search firm, led the assignment along with partners Katie Wolf and Katrina Prospero. Ms. Rocker joins Under Armour from Harley-Davidson where she served as CHRO. She will lead all facets of the company's HR function. “Tchernavia is an outstanding HR executive who possess the perfect blend of leadership traits, wisdom and experiences with strong cultures, brands and results,” said Mr. Hanold. “Under Armour’s CEO Kevin Plank and Tchernavia have already forged a strong relationship through this fast-moving and diligent process. We expect that she will have a profound and lasting positive impact on Under Armour.” “We are thrilled to welcome Tchernavia to the Under Armour family and to our executive leadership team. Tchernavia brings deep industry experience in building best in class HR operations while developing strong workplace culture rooted in brand, values and transparency,” said Kevin Plank, Under Armour’s chairman and CEO.

**WinterWyman Places CHRO at Excelitas Technologies**

WinterWyman Executive Search placed Marc Reuss as the new CHRO at Excelitas Technologies, a global technology leader delivering innovative, customized photonic solutions. Senior vice president and partner Beverly Morgan led the assignment. Mr. Reuss is a veteran HR executive with a track record of building and leading world class organizations across aerospace, financial services, high technology, medical devices, vaccines and genetics sectors. Previously, he was executive vice president and CHRO for London-based Convatec Group, a global medical products and technologies company.
University of Oregon Taps Parker Executive Search to Find New CHRO

Atlanta-based Parker Executive Search has been enlisted by the University of Oregon to help find a new chief human resources officer. Laura Wilder, the firm’s president, is leading the assignment along with vice president of higher education Porsha Williams. The University of Oregon is seeking an individual with five to 10 years of progressive HR management experience within a complex organization serving multiple constituencies.

Shelli Herman and Associates Lands CHRO for San Diego Zoo

Los Angeles-headquartered executive search firm Shelli Herman and Associates has placed Rob Spooner as the CHRO of the internationally acclaimed San Diego Zoo. Recruiting firm president Shelli Herman led the search along with her associate, Michele Lyons. Mr. Spooner spent more than two decades with Hyatt Hotels & Resorts. Most recently, he was area director of colleague experience, which included oversight of the human resources functions for six hotels and 2,500 employees, representing upwards of $330 million in annual revenue. “Rob he has a strong background of exemplary business partnership,” said Ms. Herman. “In the interview, he described himself as a business person who happens to have expertise in human resources.”

Koya Leadership Search Heading CHRO Search for Skidmore College

Skidmore College in Saratoga Springs, NY has turned to Koya Leadership Partners to find its next CHRO. Managing director Andy Evans, vice president Beth Schaefer and consultant Charlotte Harris are leading the search. Skidmore is seeking a forward thinking, proactive and collaborative leader to play an important role in providing strategic and operational leadership, said Koya. The ideal candidate will have more than 10 years of progressively responsible human resources leadership experience, with demonstrated success in leading, managing and developing teams required. The new CHRO must also have “extensive experience and functional/technical knowledge in all areas of human resources including benefits, compensation and classification, employment and labor law, organizational development, talent management and HRIS,” said Koya.

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