Chief Human Resources Officer Academy XVI June 13-14, 2018

Role of the CHRO

Kevin Cox CHRO – American Express

Mirian Graddick-Weir CHRO – Merck

Sharon Taylor Former CHRO – Prudential Financial

Model of a World Class CHRO 1.0

Drive Business Results

Board's Leader of	Creator of Talent	Enterprise Change		Driver of Culture	Trusted Advisor and
Human Capital	Strategy	Leader		and Purpose	Coach
Plan and Support	Ensure Critical	Challenge the		Link Purpose	Advise and Coach
CEO Succession	Role Staffing	Status Quo		to Culture	the CEO
Build Shareholder- Supported Executive Compensation	Design Talent Management Processes	Plan Strategic Enterprise Changes		Measure and Communicate the Culture	Maximize Senior Team Effectiveness
Surface and Respond to External Trends	Direct Strategic Workforce Planning	Manage Stakeholders and Advocate for Employees		Hold Leadership Accountable for the Culture Promise	Coach and Develop Key Enterprise Talent
Business Acumen			Business Strategy Development		
Understand the business model, financials,			Shape and influence business strategy, and partner with executive peers to		
external markets, and customers.			move the organization forward.		

Functional Business Leader Create a future-focused, financially disciplined team to run the HR function.



Developing a Strong HR Function, Top to Bottom

Functional Business Leader

 The best companies work hard to attract and develop a tremendous HR team

- CEOs and Boards will dominate CHRO time
 - Your team must be mission capable – you can't do it all!

As CHROs elevate, they require a very strong HR team in order to deliver on all of the business requirements.

Deep Understanding of How Your Business Operates

Business Acumen

• Connecting HR work to the Income Statement

• Operating Expenses = Credibility

• Business Case/ROI: The Coin of the Realm

The best CHROs have a high level of Business Acumen. The very best are often asked to run parts of the business.

What Business Strategy Doesn't Depend Upon HR?

Business Strategy Development

- Trending: Deeper appreciation of the intersection between Strategy & Culture
- Days of "I understand the business strategy" have given way to "I help create the business strategy"

Old World: Implementing business strategy.

New World: Co-create business strategy.

A Bigger Seat at the Board Table...

Board's Leader of Human Capital

- Major focus on Critical Role Succession, especially in the C-Suite
- Aligning compensation and rewards with shareholder interests – becoming more complex in an age of activism
- Trending: External influences (ESG, Future of Work, AI, etc.)

Human Capital is not a synonym for Talent. Much more complex in today's world.

HR Provides the Talent "Fuel" to the Business Rocket

Creator of Talent Strategy

- Strategies to acquire, develop and manage talent, especially those in critical roles
- Employee Value Proposition developing and extending your company's employment brand that is credible internally and externally

Talent needs change as quickly as business strategy changes. HR needs to anticipate and modify talent strategies.

Change Leadership: One of Least Understood and Appreciated Role of Great HR

Enterprise Change Leader

- All companies are facing rapid change – winners will be those who can change quickly and sustainably
- Creating the need for change is more challenging than managing the impact of change

Change is a constant in business today. HR leaders help guide companies to implement change thoroughly and sustainably.

CEO Owns Culture: Great HR Co-Pilots

Driver of Culture and Purpose

 Today's organization needs to be clearer than ever on its Purpose, Vision, or Mission

 CEO owns the Purpose and the Culture...HR should be the primary collaborator

Strategy and Culture should be thought about in tandem. HR has a huge role to play in getting culture "right".

Often an Outcome of Nailing the Other Pillars...

Trusted Advisor and Coach

 To be "the last one in the room" with the CEO or Business Leader is the ultimate expression of being a trusted advisor.

World Class CHROs leverage their objectivity and principled business approach with CEOs who covet both.

Role of the CHRO

Topic for the Table Discussions (15 minutes):

Consider one of the five pillars and think about a "Defining Moment" that went really well or one you wish you had handled differently. Briefly share what happened, what was your role as the CHRO and what did you learn.

Role of the CHRO Key Takeaways

Be deliberate about your legacy – what do you want to accomplish during your tenure as CHRO?

Ensure you and your CEO are aligned around the "Pillars" you should focus on to drive the business priorities.

Build a strong and cohesive senior HR team to support the execution of the business goals.

When driving change – know when it's important for HR to lead the way.

Leverage the CHRO network and ask your colleagues for guidance.