

Chief Human Resources Officer Academy XVI
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Role of the CHRO

Kevin Cox

CHRO – American Express

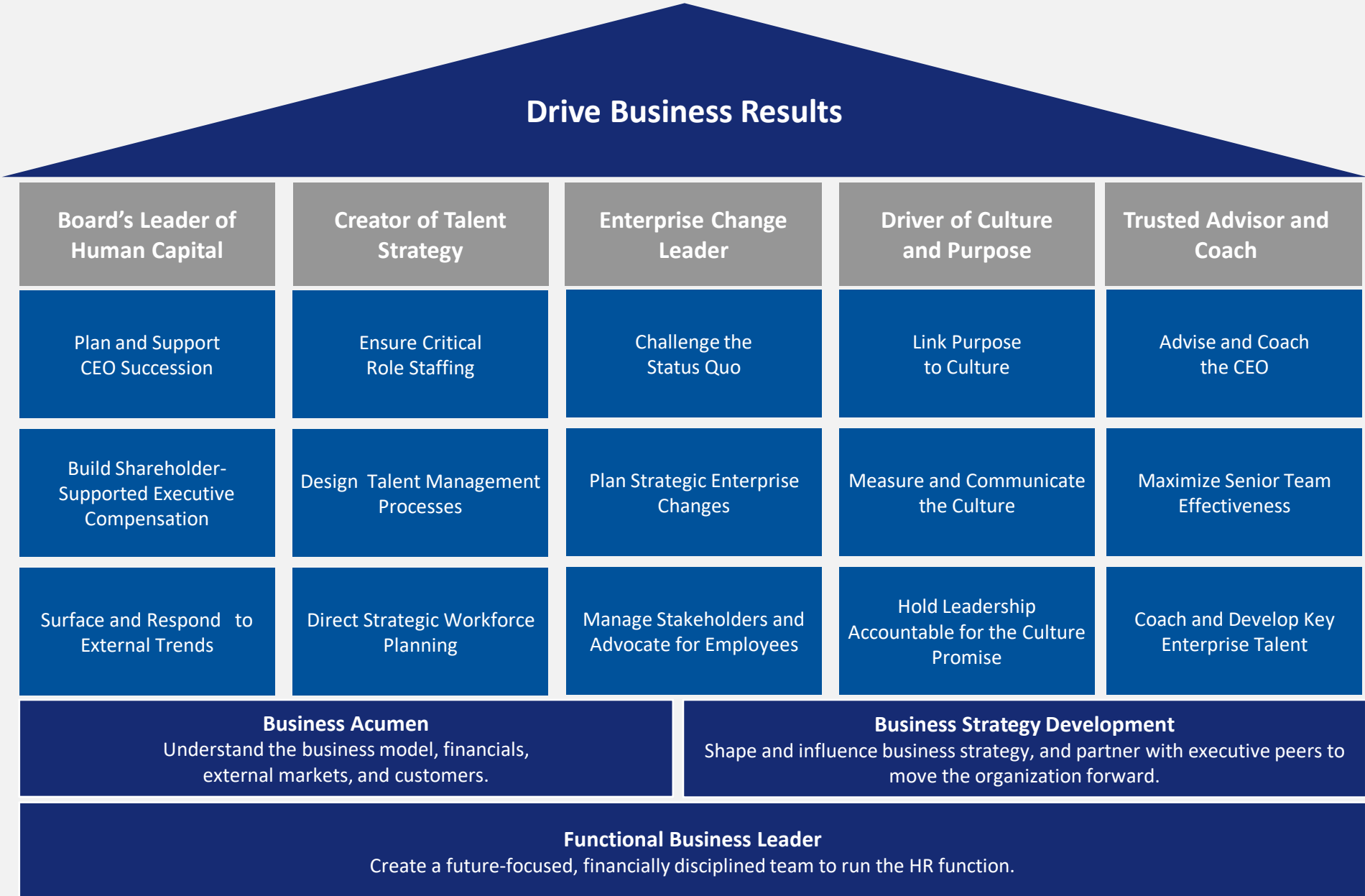
Mirian Graddick-Weir

CHRO – Merck

Sharon Taylor

Former CHRO – Prudential Financial

Model of a World Class CHRO 1.0



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.