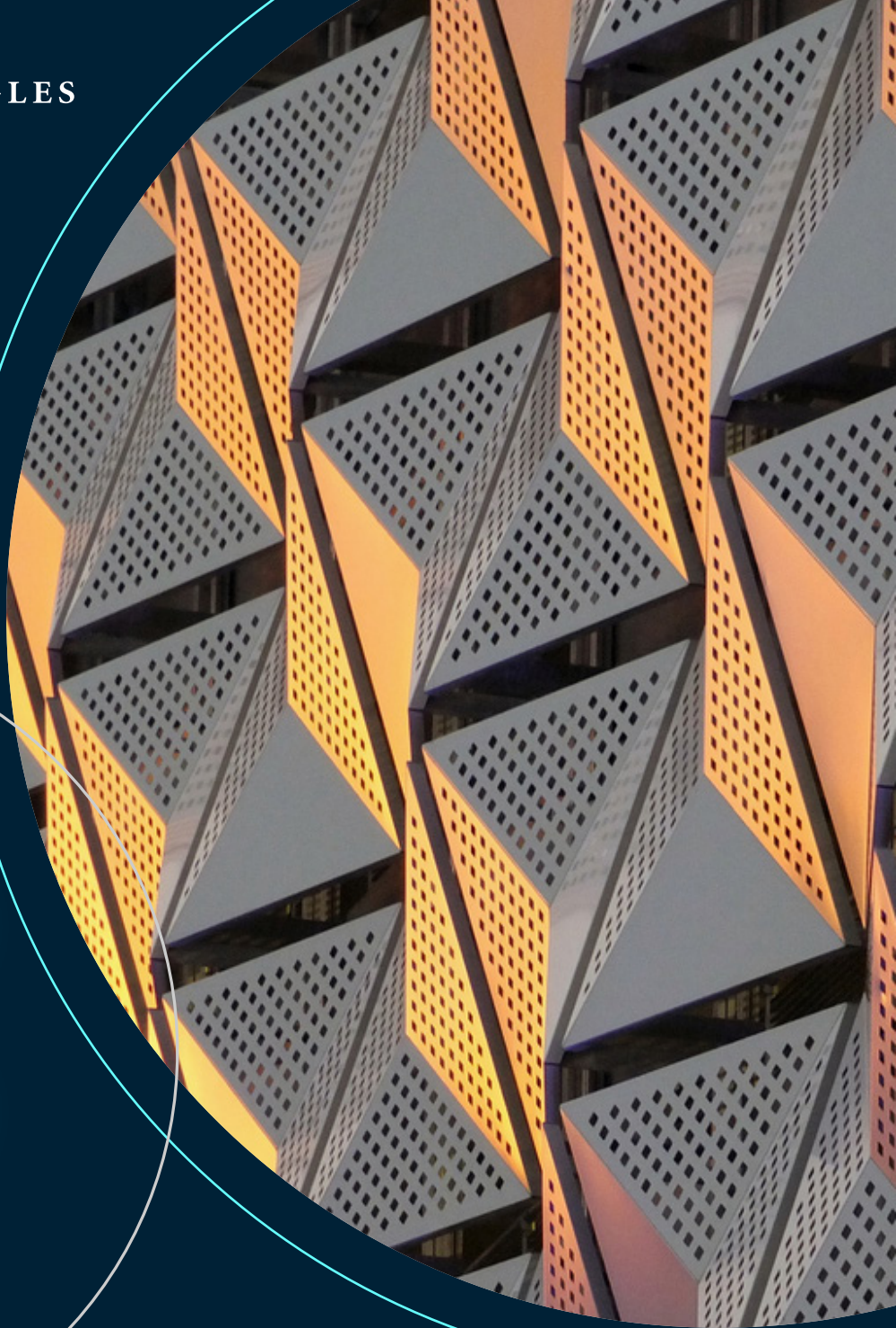


HEIDRICK & STRUGGLES



First Time **Chief People Officer**

A guide from current to future Chief People Officers

HEIDRICK & STRUGGLES, GLOBAL HUMAN RESOURCES PRACTICE

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First Time Chief People Officer

Advice from Current to Future Chief People Officers



What advice would you give yourself if you could go back to the start of your time as Chief People Officer? **What didn't you know then that you wish someone had told you?"**

We asked these questions of 50 CPOs from a range of global multinationals and UK listed businesses, across the FTSE 100, FTSE 250 and private equity backed businesses. We invited them to share their wisdom with the next generation of HR leaders. This report embodies their legacy to the HE leaders set to succeed them in the future.

Against a backdrop of the rise of stakeholder capitalism, the CPO role now incorporates greater complexity, encompassing the demands of a broader range of stakeholders than the HR function previously served. Impacts including ESG; diversity, equity and inclusion; investor interests; the future of work; commercial outcomes driven by people data insight; digital transition encompassing the Metaverse and Web 3.0; and climate change are increasingly falling within the CPO's remit.

This broadened remit is giving them greater influence over organisational shareholder value and operations. As investors and shareholders increasingly rank business performance on

culture and employee engagement as well as financial results, CPOs are having a direct impact on investor valuations, and can advise CEOs on how to inform shareholder perspectives.

We've distilled the combined knowledge and experience of our interviewees into a roadmap of the **nine key steps** to becoming an effective, holistic CPO. We've also tailored a guide to successfully navigating the first 90 days in the job; created a checklist for those looking to become a CPO in the future; and produced a conclusive summary of the step changes people encounter when they take on the CPO role.

This guide will benefit anyone with the ambition to become a CPO, whatever stage they are at in their career. You may be in a divisional HR role today, considering the transition to CPO, or a first time CPO in the early months of your new role. This is also a valuable resource for CEOs, who might not be fully versed in the demands of the role, and therefore unsure of who they should be looking for to fill it.



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Bring a fresh perspective."

Step 1 Being accountable for the whole business as part of the Executive Committee



When the CPO role is done well, it is one of the broadest roles in the executive, and has a strong commercial impact on the organisation. With the move up from HR director into CPO comes a remit that encompasses the entire organisation and requires a strategic understanding of the business's priorities. "When you take that top role, you have an overarching view and many different stakeholders; you don a wider commercial hat," points out one CPO.

"What struck me is the breadth of the agenda and the mental agility you need," says another. "You just can't be prepared for all the new conversations. I drew on my innate curiosity to get around topics that I was not as prepared for as I would have liked."

Joining the Executive Committee, you need to both slot in, and bring new thought processes to the table. "Find the balance so you become part of the club but also challenge the system," recommends one incumbent. "The more native you become, the less value you can create in the role. Bring a fresh perspective." The CPO can also be the conduit between members of the executive, and the board.

"I hadn't appreciated how much time and effort needs to be put into being the grease in the machine between the board and exec," admits a current HR leader.

The CPO helps the executive team gel, a task that shouldn't be underestimated. "Getting alignment is an exhausting process," reveals one. "It's a collaborative role and requires you to exert influence and drive without losing pace. There are strong personalities in the C-suite, everyone has a view, and you need to find a way to listen, take on the input and make decisions." You will also encounter opinions on your expertise and role as CPO, she adds. "Cut through the opinions, take a point view, communicate it and deliver it."

A strong relationship between the CFO, GC and CPO will help align the executive committee. Each has a holistic view of the business, taken from differing vantage points. "You often find that the CFO is at odds with HR. They are on their guard," warns one CPO. The CFO should be helped to see that the CPO drives commercial value through the people strategy, and people analytics should form part of finance analytics. "Make sure your own house is in order, and that you can deliver some really clear value products that make a difference to the organisation," she adds.

The GC or legal director, meanwhile, will have a focus on governance and guiding the Board, including how it handles employee relations. The GC's relationship with the CPO is crucial because if there is a disconnect between legal governance and the people strategy, it creates operational risk.

The CPO functions as a businessperson with domain expertise – while you represent the HR function, you are also a key member of a strategy, execution and performance team. "That requires a very different mindset – you need to have the courage to have an opinion, and be comfortable with the commerciality you need to have," says an experienced CPO. "You spend less of your time on HR and more time dealing with pan-enterprise issues – governance, sub committees of the board and strategy."

Sitting on the executive team, you are expected to have a view on marketing, finance, operations, and understand the business at a grassroots level. "You must do your homework. Understand every aspect of the P&L, so you know how to meet the commercial objectives of the business," advises one CPO.

Executive status requires courage. "It will fall to you to have some very difficult conversations with important stakeholders. If you are not mentoring, coaching, being conciliatory, you are not doing your job," believes a current HR leader. It can also be a lonely position, with few peers and a team of people looking to you. "People interpret things from your actions, phrases, decisions that previously might have not caused as much of an impact," warns another.

For the first time, there is no one above you to go to for counsel and advice, and the regular rhythm of reassurance from a line manager has gone. You may need to rely on annual reviews for confirmation that you are doing your job properly. That requires resilience and confidence. "But remember," says one CPO, "you have been appointed to the role because you are good enough to fill it. So leave that imposter syndrome at the door."



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Step 2 Building a relationship with the CEO



As a relatively recent addition to the executive committee, the CPO's primary focus should be on forming a productive, mutually appreciative relationship with the CEO. This is the most important relationship you will have, but if their working style and business strategy differ substantially from your previous experience, aligning with them can be challenging. "I didn't get off to the best start with my CEO," admits one of our interviewees. "Things were getting lost in translation between us. It's important to explore thinking patterns, especially if you're not coming into the role from within the company. Embrace the fact that there may be tensions."

Clearly demonstrating what you bring to the table will bring the CEO on side. Show that you have strategic, data analytics and commercial attributes by addressing the organisation's business agenda, as well as the 'softer' ability to support them from a human perspective. "Make an impact early, have a voice and deliver in a meaningful way," advises a current CPO. "That takes strength of personality, humility, and good EQ and IQ to build that relationship."

With your CEO, investment in a high-trust, two-way relationship is the foundation of successful collaboration. "It starts and ends in trust," states another interviewee. "They need to know you view your role as part of the solution – and see you roll your sleeves up." Honing that relationship means being several steps ahead, looking round corners and anticipating future needs. Be a forward-thinking business strategist rather than a reactive enabler.

“Show the CEO that you can advise and challenge them,” advises an experienced HR chief. Bringing a different, complementary outlook will forge robust outcomes. “You have to be able to tell the chief exec things they don’t want to hear, and you can’t do that unless they trust you,” points out another CPO. “But every CEO is different. Some will call you five or six times a day, while others are more self-reliant.”

As in all things, honesty is the best policy, but consider how and when to deliver the truth. “Judge your audience – and the right time to raise things, when they have capacity,” adds another CPO. “Don’t be negative, instead, find solutions-oriented ways to partner with them.”

In some cases, however, the only answer is no. “In my experience, sometimes the CPO does have to say ‘no’ to the CEO, as a truth teller, but this always needs to be handled with skill,” says one interviewee. “The CPO is the mirror, and the window, for the CEO – that requires courage, diplomacy and the confidence that if the CEO doesn’t accept the truth(s) that is offered by the CPO, then there will be another CEO who does!”

Being able to see the organisation through the eyes of your CEO will enable you to better support them. “It’s an intangible skill, reading someone and working out how you can help them,” believes one HR chief. “You are not looking to do their job, but you want to be useful in the right way, and not waste their time.”

Build an alliance, advises another CPO. “You need to garner their support for investing in less tangible business and HR priorities, such as inclusion, while promoting their own priorities,” she says. “Everyone likes a sounding board – but make it non-threatening.”



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Step 3 Leading the organisation's HR strategy



As CPO you are responsible for shaping, leading and delivering the company's human resources strategy. This may sound obvious, but the nuances and negotiations entailed can be less so. Clarity, says one CPO, lies in being realistic about what the role encompasses, how the HR objectives align with the business, and how to engage the CEO with your vision. "It's about creating a compelling employee proposition that is aligned with and supports the delivery of the business strategy," she elaborates. "Have a value proposition and show how it will drive compelling change, and how it plays into purpose, always taking the intent into the commercial space."

Once formulated, establishing how you are going to bring the people agenda to the fore requires conviction. "Be your own person," insists another CPO. "Have a risk appetite. If you think things need to be different, put a stake in the ground and don't go along with the flow. Push back if something is not in sync with the company's purpose. Have the courage to get topics on the table that make a difference."

The HR strategy boils down to three things, suggests another CPO: driving culture to enable strategy; building capability; and focusing on the design of the organisation. "Culture should be in service to the business purpose, not ahead of it," she says. "You know you've got it right when you are in service of your colleagues, making sure their experience is positive so they can serve the customers."

In a multi-stakeholder environment, successful CPOs will focus their strategy through an ESG prism. "Scrutiny is enormous, but I genuinely believe it makes you a better business, and that purpose and authenticity are really compelling drivers," says a current CPO. "You have to be socially conscious, and focus on wellbeing, and also how to drive creativity and innovation. We have to be the architects of that."

Organisations are changing in nature, and as they do, the HR strategy needs to keep pace. "Complex transformations are occurring, and CPOs are having to lead organisations through that, surrounded by ambiguity," says one. "HR leaders should stop being the pharmacist and start being the doctor – diagnosing the problem," adds another. "Historically HR was not always proactive. For previous CPOs the book was given to them, but now you have to write the book."



We create an edge through people, in an ever-changing environment, **in a way that is impactful and low cost.**

An evolution has taken place in how people strategy drives the commercial agenda. “We create competitive advantage in two places – talent and culture,” states one CPO. “We create an edge through people, in an ever-changing environment, in a way that is impactful and low cost.”

“The biggest measure for the HR function in the future will be around culture,” opines another current CPO. “Culture will drive performance. Organisations need to be less theoretical about culture, and more aware of external forces. Our future and soon to be current workforce is demanding a blend of how they work and live. They expect companies to treat them in a way that marries with their own values.”

The war for talent is defining HR strategies, and winning means creating a corporate culture that delivers what talent wants, whether its flexible working, a sense of purpose, or reaching meaningful goals. The CPO is the cultural custodian.

A corporate culture that aligns with people’s sense of purpose and offers benchmarks beyond profit making attract talents. “Purpose is a marker for how a business makes decisions – without that people don’t pull together,” says a current CPO. “Lot of companies have values, but behaviours are more powerful and impactful. If you can match your purpose with how people behave, you will have more clarity and connection across the different areas of the business.”

One perspective outlined by our interviewees is of employees as customers. Their priorities should be as important a commercial driver as those of your actual clients. Employees want to feel cared for both financially and emotionally – this is the ‘human deal’. “Human beings have many needs – physical and mental wellbeing, social purpose. We need to look at how we enable people to give back. It’s about making a broader offer to employees,” reflects one CPO.

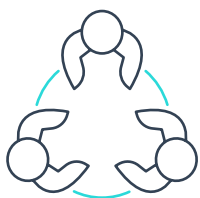
Another CPO believes that making that offering chime with current and future talent requires HR leaders to understand the neuroscience of employment – the drivers of human performance and the psychology of fulfilled, effective workers. “Rather than making assumptions about what helps people be their best, question the science behind it,” she says. “Understanding the human brain and how it interacts with society and how to show up on the day will provide the next edge in a performance perspective.”

Overall, while they must take the lead, CPOs should avoid the trap of becoming the sole owner of the people, talent and culture agenda at executive level, says an experienced Chief People Officer. “In my view, it’s the CPO’s role to lead this agenda on behalf of the executive team, but ownership and accountability should be shared, as the ability to deliver the people agenda rests on the executive playing their part fully.”



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Step 4 Working with the Board



Navigating the people agenda at board level is likely to be an entirely new experience for an incoming CPO. “It’s almost as if someone suddenly pulls back the curtain and there is the Board,” remarks one CPO. “Growing up in HR, you don’t get that exposure.” To counter this, aim to get as much board time as possible – joining the relevant board meetings before you become CPO.

Board level activity may be new to you, but interest in the people strategy among boards is intensifying, and you will need to be conversant with topics including Remuneration Committee, succession, talent, culture, workforce representation, ESG and DEI.

Building trust with the Board through integrity and transparency will put you in a position to help them connect more closely to the organisation. “To establish yourself with a Board, you need to give them external perspectives. Show them you recognise where the problems are on the ground,” suggests one senior HR leader.

The Board meets on an irregular basis, doesn’t have a corporate memory, and brings different contexts from other sectors, points out one interviewee: “They take on a lot of responsibility with limited information – it’s a challenging position.” Another recalls: “I didn’t realise that you had to draw them the whole picture, as they come at things from a different perspective.”

The higher up you go in an organisation, the bigger the personalities and stronger the views you encounter. “I used to feel like a child going into the boardroom,” admits one CPO. “So I did a mock set up, physically practicing presenting in the space.” Remember that the buck now stops with you. “The change for me was that you own the decisions,” recalls another CPO. “You have to outline to the Board why your strategy is important to the organisation and articulate your vision.”

Meeting the Chair during your recruitment process can be useful groundwork for good relations early on. Once established, expand your contacts beyond the Chair and CEO, identifying board members to get onside, advises an experienced CPO. “Bring the NEDs in to meet the team and show them the HR agenda. Board relationships take effort, doing your homework and having one-to-ones. There is no secret sauce – trust comes with time.”



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Remember that boards are usually groups of disparate individuals with different agendas. “Board members may have alternate views to the Chair and you have to work on alignment. Be prepared to be tactical with the Board, don’t be one dimensional,” says one CPO. “Dealing with NEDs is difficult,” adds another. “They have their hobbyhorses and they get excitable. It takes up more time than you think.”

Being proactive in shaping the composition of the Board can help smooth your path. “Get involved in NED recruitment, supporting the Chair in the selection process,” advises one HR expert. “Also get yourself involved and ideally active in the Nomination Committee meetings, in the evaluation and appointments of the board members.”

CPO is one of the few roles on the Executive Committee that spans the executive and the Board. Navigating senior relationships with integrity is critical. You need to be both a trusted member of the executive and a trusted adviser to the Board, balancing complex and sensitive relationships. “You’re managing the relationship between the two and need to maintain the vault of trust,” says one CPO. “Develop the ability to not give anything away on confidential matters, and take personal relationships out of it.”



There is no secret sauce –
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Being a trusted advisor is crucial when it comes to working with the Board on CEO assessment or succession, which can be a highly nuanced situation. “At that level an organisation can be very political – not in a negative way, but it’s a fact of life,” says an experienced CPO.

Work out early on who you can trust. Conversely, be courageous in calling things out and telling the Board when they are not working. “Your voice has to be the one they hear when no one else speaks up,” insists a current CPO. “Play with a straight bat, talk directly, and you will build a powerful relationship.”

The ideal is an engaged, proactive Board which gets behind your people strategy. “We need strong boards that are demanding more of HR leaders in creating value for multiple stakeholders,” points out one forward-thinking CPO.





Remuneration has an impact on culture, so **if there are behaviours that need to change, have those discussions.**

Step 5 Working with the Remuneration Committee



While many CPOs have experience of reward, working with the Remuneration Committee at board level and interacting with shareholders may be unfamiliar territory. You need to have confidence in your ability to get to grips with it quickly, by accessing existing expertise in the business, managing your own expertise development, and investing the time needed to gain the necessary knowledge.

“Don’t set yourself up for failure,” warns a current CPO. “Hire and work in partnership with a very strong Reward Director on the technical areas – and always say if you don’t understand. You will win credibility and respect if you’re honest about it.”

Don’t underestimate how much of your capacity remuneration will absorb, especially initially. “Most of my waking hours were focused on reward in the first year. Fronting those discussions when I’d come up the generalist route was challenging,” reports another CPO. “Don’t delegate the details, but involve yourself, roll up your sleeves and prioritise time with your reward specialist.”

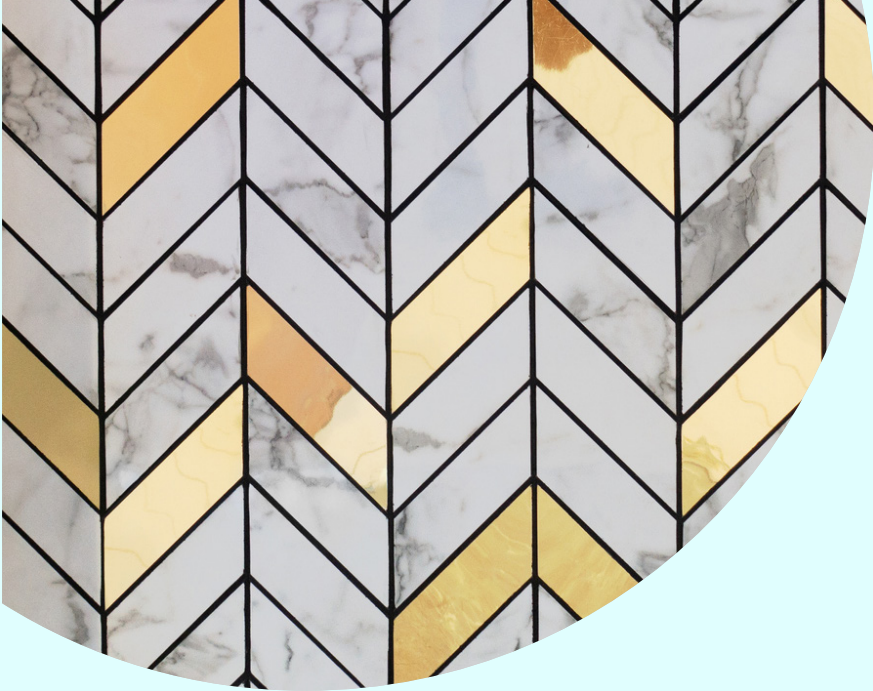
Prepping for your work with the Remuneration Committee will give you a head start, outlines a newly appointed HR chief: “Sit with the committee and run through the policies and history. I spent time with the Remuneration Committee Chair – I asked for her expectations and what she was and wasn’t happy with.” This will help you get up to speed quickly, and potentially make reward discussions more flexible agrees another CPO. “You need to be on the same page – and have a lot of off the record conversations with them.”

It isn’t simply a case of following the Remuneration Committee Chair’s lead, however. You need to establish a system which works for your HR strategy. “Remuneration has an impact on culture, so if there are behaviours that need to change, have those discussions. Be prepared to navigate conflicts of interest,” advises a current CPO. Executive-level remuneration can be a tightrope affair, warns another: “Remuneration Committee is a pretty emotive place, because people are people whatever level they’re at, and a lot of people find money difficult to talk about.”

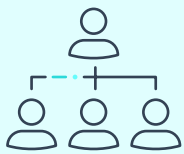
Beneficially, time spent working on compensation delivers an insight into what drives the organisation, supporting the commercial strand of the CPO remit. “You need to understand the mechanics of the business and how it makes money, its track record, and what investors are looking for, otherwise you can’t do this job well,” points out one CPO.

The CPO will come into direct contact with shareholders, accompanying the Remuneration Committee Chair to outline reward policy changes. By understanding investor priorities, and proactively learning how shareholders think about the businesses, the CPO can help to meet the priorities of current shareholders and attract future investment.

Reward can also be a lever for enacting strategic agendas such as carbon reduction and environmental initiatives, DEI and other ESG issues. This can help the business meet the needs of external stakeholders. Consequently, in listed organisations, accountability to external stakeholders will shape the reward structure. Remuneration in a regulated industry can be even more complex.



Step 6 Leading the HR function



When stepping up to an enterprise-wide, strategic role, you need a good HR team supporting you. A smoothly functioning team gives you space to think and operate at executive and board level. Prioritise getting the right people in place to give you succession options and a robust pipeline, so you can focus fully on your executive responsibilities, even if that means bringing in someone new. “I had to make a tough call on my number two, as I realised they couldn’t step up,” recalls one CPO.

Build the team you need for the function you’re leading. Constructing a diverse group will help highlight if any capabilities are still missing. Consider the skills you need and cast your net beyond HR professionals if necessary, advises another CPO: “We have a small team and need specific experience – such as project management and data analytics capability – so bring in different, transferrable skillsets from outside the function.”

Identify or hire a second in command – not necessarily an HR professional, but someone who can help you keep the plates spinning. “You need a business partner, not a PA,” believes an experienced CPO. “The volume of work that needs preparation is not to be underestimated, so a chief of staff really helps. Get someone who complements you, from a different generation or with different skills. It gives you someone in your corner.”

In an ideal world, suggests one interviewee, a new CPO will be able to put their people in place before they start. “It helps CPOs joining on a transformation agenda to accelerate if by the time they join they have already assembled their team,” she says. “Make your case in advance to the CEO and outline the budget needed to hit the deck running. If the right people aren’t immediately available, bring in interim, on demand talent to enable you to work at pace from day one.”

HR is responding to shifting priorities driven by the rise of stakeholder capitalism, and the technological and structural changes that are driving it. “It’s really challenging juggling a wide range of stakeholders and at the same time serving people,” admits a current CPO.

HR can’t afford to exist in a silo, and your role is to enable the HR function to connect to the business strategy, and understand how to help grow the top line and reinforce the bottom line. “You need to deliver in meaningful ways that are cost effective,” states one CPO. “Set the function three or four clear objectives. If you try to do 10 things, it will be average, but if you chose the right three things, you can move the needle and be impactful.”

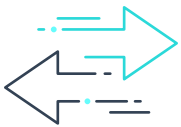
But never forget you are the champion of people in your workplace, adds another. “The value you bring is through a people lens. You have a unique role: don’t be afraid to fulfil it.” This is made more complex by the increasingly varied makeup of the people you are working for. “Look at how many generations you have, look at your demographics and think about the diversity,” advises a current CPO. “You have to work out how to reach them all.” CPOs, he suggests, can learn a great deal from marketing departments on how to approach this.

“We now have five generations working alongside each other,” adds another CPO. “So much is expected of HR now, we need to ensure we don’t get overwhelmed. Too many organisations over engineer and don’t focus enough on the people – then wonder why they have so much attrition.” The ability to really look at the impact of decisions on different groups in the workplace will define success in the future, concludes another HR chief.



Digital transformation is happening and is not going away – **you need to be comfortable with it.**

Step 7 Technology and digital transformation



The CPOs we interviewed agreed that digitisation and agile use of technology will underpin HR strategy going forward, with increasing reliance on data driven decision-making. Doing an early review of the HRIS landscape is key, says one. “Assess the existing capability in an objective way and match it to future needs. Identify what new capabilities are needed, and the people needed to lead it.”

The HR function will need to justify its activities with quantifiable business intelligence. “Digital transformation is happening and is not going away – you need to be comfortable with it,” states a current CPO. Develop your skillset and don’t let it become a club you’re not part of, warns another, even if that means studying the ‘dummies guide’ to data analytics.

CPOs should be au fait with artificial intelligence and machine learning capabilities, as well as the potential of Web 3.0. The former can process vast amounts of data, leaving HR professionals free to focus on strategic decision making. “AI and ML will give us data for insights, then you need to be able to communicate those insights,” says one. “If you have a leadership team that is very data led, you have to be able to present a business case that is supported by numbers.”

Ensure you have the right skills in your team to interpret what the tech tells you, hiring data analysts if you need to. “I invested in a best-in-class people and analytics function,” recalls another. “It was the best decision I took. It helped me make my conversations much more about data and facts, rather than subjective topics. It helped to remove emotion.”

Digital systems for improving HR leadership decisions will include identifying talent that may not be immediately visible. Technology will help HR to manage more diverse workforces, support the continuous improvement mindset, and allow people to control their own careers. “Societal context has a huge bearing. The world of work is changing and employees want different things – a lot of that is driven by technology,” says a current CPO. “Look for opportunities to exploit technology to improve employee experience.”

With hybrid working models increasingly prevalent, organisations are hovering at the brink of the Metaverse – an entirely virtual world where people can work in the same space regardless of geographical location. This doesn't just require the application of new technology. As employees continue operating across a range of virtual platforms, CPOs need to be conversant with the potential impacts on their wellbeing and productivity. Monitoring, harassment, fatigue, and isolation are all potential Metaverse issues that need to be planned for.

The HR function needs to collaborate with IT on developing functionality, adds an incumbent CPO. "It's possible that HR might have responsibility for internal tech as it evolves. Help-desking, for example, sits with IT in most organisations, but if you envisage employees as customers, it could make more sense for it to come under HR."

Enabling this is the evolution of algorithms and AI to optimise workforce planning and resource management, enabling people operations and services to be better integrated and delivered more efficiently, and with more customisation and sensitivity. This will allow organisations to move away from silos of expertise, into more flexible groupings, believes one CPO. "It's about optimising the hell out of systems and then having agile service pools. That's where it's going for the foreseeable future."

Meanwhile, by allowing business to develop bespoke applications and access them via the cloud, Web 3.0 will help HR navigate the growing complexities of people management, supporting a hybrid workforce, introducing efficiencies, enabling employee engagement and helping to monitor and increase wellbeing.

CPOs cannot afford to rely solely on digital tools, however. Intersecting and integrating human skillsets with intelligent technology will be essential in delivering successful outcomes. "Technology is critical to the function, but data and tech aren't the panacea for everything. I see the value of data for business discussions and predictive analytics, but we can't lose that gut instinct telling us what's really going on. Keeping the humanity in the organisation is going to be important," concludes one CPO.

"I think judgement and EQ will remain," agrees another. "We will draw upon data analytics and automation as we continue to evolve the function, but they are tools – judgement and EQ, along with capability in organisational culture, talent to value, and transformation are all still going to be important."



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Step 8 The outside-in lens: responding to stakeholder perspectives



It also falls to the CPO to bring the outside-in perspective to the boardroom. The people function needs to be fully engaged with and a driving force in DEI, climate issues, social transformation, and corresponding external stakeholder demands. “The CPO has a key role in aligning ESG issues to the purpose of the organisation,” says one HR leader.

The CPO is also exposed to direct shareholder pressure, and needs to respond commercially. “Now you’re looking at the business from the point of view of investors,” underlines a current CPO. “Take an active interest in how agencies rate you and how competitors are doing. Build sensitivity on how the market views your business.” Find out what works for your investors, and how you ‘sell’ the business to the City by attending investor meetings with the relevant Executive Committee and Board member.

In the era of stakeholder capitalism, corporations are being held accountable for their ESG (environmental, social and governance) policies, and HR can help manage external expectations. “Some ESG issues drive competitive advantage – but others are just the right thing to do,” believes one CPO. “As HR leaders we are custodians of how we do business – how we operate is as important as what we do.”

Getting ESG right is essential in attracting a diverse workforce, which in turn delivers business benefits. “It’s about diversity of thought and experience – how their individual perspective adds value to the customer or the strategy,” says a CPO who believes there is a long way to go in this area. “Without diversity you limit your opportunities – it’s a commercial imperative to bring through our next generation of leaders.”

That takes work around social sustainability, adds another HR leader, including youth employment and minority hiring. “Employee experience becomes the pinnacle: how you embrace difference in the workforce so everyone wants to be part of the organisation.”

As the shape of the workforce alters, CPOs are navigating complex cultural challenges to emphasise good ethical decision-making, while also driving performance. “You have the opportunity to mould a more positive way of working, creating sustainable careers, embedding social responsibility and purpose in the executive, engendering intergenerational fairness to build a brighter working future,” believes one forward-looking CPO.

With social and environmental issues impacting recruitment and retention, HR is pivoting around how people now view their careers. “The social sustainability agenda and environmental agenda are coming to the fore. It impacts how you attract and retain people. How you encourage lifelong learning. How people own that and think about careers in a different way,” says one interviewee. “I see a core role in creating the employer value proposition. It’s about making it better for your people internally and externally. You are uniquely positioned to champion and shape the company’s position on ESG,” adds another

“Driving a positive culture will drive the social purpose,” underlines a current CPO. “Promoting the role the company has in society will resonate with stakeholders including future talent and customers. The CPO needs to enable the organisation to think about it holistically, making sure everyone understands how big the agenda is externally.”

The role of CPO around stakeholders and ESG is can seem overwhelming, encompassing sustainability, reputation, governance, corporate affairs and the people agenda, and surfacing underlying purpose. “Identify the things you can authentically enhance, without going so far that it becomes unnatural,” advises one HR leader. “Dig deep into the organisation’s culture to bring forward what will meaningfully resonate with stakeholders.”



Dig deep into the organisation’s culture to bring forward **what will meaningfully resonate with stakeholders.**”



I sought out people I could turn to when I needed to talk things through, including a former CEO. When the buck stops with you, **it's good to have external sounding boards.**"

Step 9 Personal leadership



Stepping into the CPO role requires you to project yourself out to audiences including employees, the Executive Committee, the Board, and shareholders. But there is also a requirement to look internally to develop your personal, one-to-one leadership style. This will define the type of CPO you are, how you interact with your team, and the example you set for people and culture.

When you lack a direct peer group within the company, an external network can be enormously helpful in shaping your leadership skills, whether they're industry experts or other HR professionals. "I sought out people I could turn to when I needed to talk things through, including a former CEO. When the buck stops with you, it's good to have external sounding boards," points out a current CPO. A network of other CPOs who you can draw upon in real time will allow you to access a speedy advice on important issues.

Cast your net within the business as well, as this will give you a direct understanding of commercial and strategic issues. "I identified 100 roles that had disproportionate impact on the organisation, and from that group built a network of people I could turn to for advice and insights," recalls another CPO. He recommends as broad a network as possible, including multigenerational connections.

Build out your network beyond the company too, by constructing a personal mentoring board of advisors that cover different aspects of the role so you can access support immediately if you don't know the correct response to a specific issue. "Think about your 'personal board' covering topics such as board management, reward, people operations and so on. And include people you can gain support from on a personal level," advises one HR expert.

An executive coach is useful as a personal auditor to sense check your direction and decisions. "You're giving to everyone else, so you need this outlet for yourself," says an experienced HR leader.

"It's helpful to discuss the difficult things in a safe environment." Having a coach, says another, forces him to reflect deeply on his ideas and projects.

As well as seeking external support, back yourself up by working on your leadership skills through self-development. "Belief that you are ready for this role is invaluable, as is knowing what you are and what you are not," says one CPO. "Self-awareness is key," agrees another. "It requires doing enough self-work to know your triggers in certain situations. Learning to manage yourself is part of the resilience you need to remain at your best."

"Don't take things personally. It's inevitable that you'll get resistance to making change, but don't try to fit in. The reason you were hired was to make a difference," states a CPO who experienced an initial culture clash. "Don't play a role, but rather play your own leadership style, engagement and values," adds another. "You do this with soft influence, which has longer-term impact in delivering change."

Leading with authenticity breeds respect. "Vulnerability and humility are essential. I don't have all the answers, but I do have a vision. Bringing in an element of co-creation, working together to define a culture, is also empowering for the team and organisation," says a current HR chief.

Spending time with people in the organisation will hone a leadership style which complements the company culture. "Keep informal channels of communication open," advises one CPO. "It's important to hear raw, first-hand feedback. It's the best antidote for ivory tower syndrome." Immerse yourself in the organisation, agrees another. "The more visible, curious and knowledgeable you are, the more respect and credibility you get."

Concludes one interviewee: "You have to question why and how work gets done, you have to pick it apart to understand it. You are front and centre, and you need courage, courage, courage."

This report outlines the step changes that people face when they get into the CPO role, some of which they may previously have considered, and others which fall far outside their sphere of experience.

The main themes emerging from our interviews are:

- **As CPO, you are now part of running the business.** Sitting on the executive committee, working with the remuneration committee, reporting to the board, and building relationships with the chair and CEO are all significant steps up from the responsibilities of HR director.
- **The realisation that you're on your own can be countered** by establishing networks, finding sounding boards, and shaping your own personal leadership style. Integrity, authenticity, identity and courage all count here.
- **Leading the HR function also means letting go of running it on a day-to-day basis.** Formulating and instigating the HR strategy is a broader role, and requires wider business skills and the ability to get the organisation's leadership onside.
- **The breadth of the role is big and getting bigger.** It is commercial, political, strategic, personal – and varies from business to business. To succeed you must have the Board's ear, the Executive Committee's ear, and your ear to the ground.
- **The role is both internal and external.** All the business's stakeholders are also your stakeholders. You need to understand their priorities, whether they're shareholders, customers, employees or regulating bodies. These priorities are entwined with ESG issues, and you have to own these, as well as the future of work and impact of technology.
- **The expertise you have is essential.** The expertise you don't yet have is myriad. It will need to include the P&L position, what makes the business money, and how investors assess the business. Study finance for non-finance people, work hard to get up to speed, ask questions, and don't be afraid to admit you don't have all the answers.
- **Identifying business trends before other members of the executive committee** and bringing them into the commercial conversation, outlining the risks, opportunities and implications of ESG issues is now a key part of the role.

The CPO role has a complete, holistic view of the business. The quest for competitive advantage runs through everything the CPO does. For future-focused chief executives, hiring the right CPO is a commercial imperative. Their work impacts all of the people in the organisation, not just the HR function. It's a business risk if the hire is wrong, and without a good fit in the role, business opportunities will be missed.

Similarly, those with ambitions to be a CPO need to find the position that aligns with their motivations, sense of purpose, and which will set them up for success. By understanding the breadth of the CPO's remit, and how much the role differs within different organisations, you will be better placed to find your fit – whether it's a multinational, a group FTSE 100 CPO role, a FTSE 250, or an agile, emerging business establishing its C-suite.

By doing your due diligence into the requirements of the job, you will find the right culture, the right goals, the right CEO, and ultimately the right CHRO role for you.

First Time Chief People Officer: How to thrive in the first 90 days

1

Have a plan



"Start with the end in mind – if you don't know where you're going, you'll end up someplace else, to quote Yogi Berra." Go in with a growth mindset and a focus on how you are going to support the organisation commercially. "What type of CPO do you want to be? That will inform how you make decisions and conduct yourself. There is no one answer – just have strong principles and vision."

2

Accept you don't know everything



There is a massive learning curve ahead, even if you have been with the organisation a long time. "Don't take relationships for granted, and treat the first 100 days as if you were working for a new company." Be prepared to be challenged – what's worked previously won't necessarily work again. "And be kind to yourself – recognise you will not become an expert within a month."

3

Deep-dive the business



You're an executive first, the people leader second. Find out how the business works, run the numbers, get the facts, and test the strategy, purpose and values behind top-level decisions. "There's a window to learn, then the Chair will want to know what you think. Take a forensic approach to the first 90 days, so you can deliver your opinion."

4

Capture the culture



Every organisation has its own pulse, and you need to move to the beat. "I didn't anticipate the slow pace of my new company: I came from a super-fast organisation where you would be fired if you didn't deliver instantly. Here, I had to take my time." Get a handle on the culture, then figure out the best way to win people over.

5

Be accessible



"Visibility, visibility, visibility – people have an expectation that the CPO will be available." Hold induction meetings with managers and set out what you stand for. "Call people all over the organisation and meet people at all levels to ask how things stand."

6

Build the right team



You may be firefighting to begin with, but the emergency team may not be the one you need going forward. "Pause, take a breath, work out which people you really need and get them in as quickly as possible." Acknowledge that former peers may now be your juniors, and set out how the team is going to work together in future.

7

Stay neutral



Identify the Board's agenda, what they are worrying about, the scrutiny they are getting and how you can support them. Fathom the board dynamic, in particular the relationship between the CEO and Chair. "You need to adopt an authentic and sophisticated style to not fall on one side or the other until you have a good read of the topography. Be Switzerland – occupy that middle ground."

8

Practice patience



Don't be in a rush to make an impact. Listen, learn, validate, and hear what is not being said. "You only get one chance to be the new CPO. You have a window when you're excused for asking dumb questions." Don't stake your position too early, as it may be hard to withdraw from. Instead, focus on delivering multiple small wins.

First Time Checklist: Set yourself up for a future Chief People Officer role



Know yourself:

"Be self-aware. What sort of CPO you are suited to being? Be clear about the sort of CPO position are you suited to. Many people are keen to jump into their first CPO role, but where you start out is important. If it's not the right fit, you'll have a miss-start and that is what will be remembered."



Construct a career ladder:

"Take responsibility for how you build your experience and marketability to get that next role. Sometimes taking a smaller number one role can be a useful broadening of your career, and a way to differentiate yourself."



Get business experience:

"If you haven't got business experience, go get it quick. Be curious about what the market is doing, have an external perspective. Is there a business project you can lead, or a broader change project you can do outside of HR?"



Work in reward:

"A lot of HR generalists don't have reward experience and that's a problem. You need be able to play in this area to be successful as CPO. Get experience in reward early in your career, because it gets harder as you get more senior."



Take a centre of excellence role:

"When I was Head of HR I knew I was too much of a generic business partner, and I had to take on a centre of excellence role. You have to make a conscious investment in your career, even if it's just a steppingstone."



Do due diligence:

"Manage risk by asking the right questions before you start the job. Meet a good cross section of people, ideally including the Chair and the Remuneration Committee Chair, do all the research you can online, put feelers out to your network, really explore what the CEO wants to do and what the agenda is."



Research the company:

"Learn as much as you can before joining – finance, strategy, customers – and have a cache of data and information that you can use to validate your points. Understand shareholder sentiment. Read analyst reports, the balance sheet, profiles of leaders, informal referencing, Glassdoor reviews, annual reports."

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Human Resources Officers Practice

We partner with organizations to help them identify strategic human resources leaders who are prepared to lead and create high-performing organizations. We help our clients find HR leaders with the business acumen, strategic and market insight, financial savvy, operational capabilities, and ability to harness data and technology to drive business success. These leaders must be culture shapers with the foresight, resilience, and adaptability to drive transformative change in organizations through strategic talent management.

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ONE LEADERSHIP TEAM AT A TIME®

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