

## **Next Generation CHROs Success Mantras**





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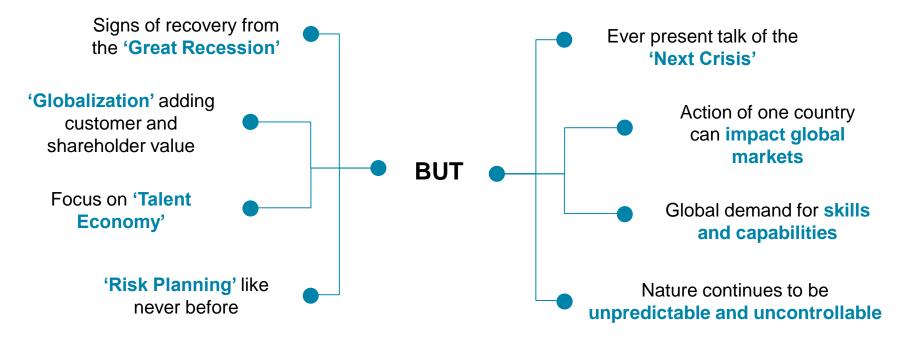






# The CHRO Role Today VUCA Environment and its Impact







**U** ncertain

**C** omplex

A mbiguous













### The CHRO Role Today

#### Importance of the CHRO Role Has Been Established



# CHRO is a critical stakeholder

Many organizations' HR functions have responded to the challenges of the VUCA world, and there is recognition of the fact that the CHRO is a critical stakeholder in defining the strategy of a firm







### The CHRO Role Today

#### As the Importance Has Risen, So Have the Expectations



# Is HR developing its own leaders to meet the expectations of a dynamic environment?



- Thorough understanding of business strategy and the link to human capital strategy
- Board presence and experience
- Confidant and advisor to the CEO
- Talent scout and developer of potential
- Insights based on data and analytics
- Lack of a clear plan to become CHRO
- Few cross-functional moves within HR
- Limited moves to other business functions or operations
- Need to balance relationship skills with data and analytics capabilities
- Limited Board exposure









### **Key Success Factors**

#### What Background Gives You the Best Chance at Becoming a CHRO?



A majority of the CHROs are not career HR professionals

60% of the CHROs are hired externally, only 40% are homegrown

Did you know?



**Career HR** 



Staff



Line HR



Consultant



**Career Mix** 





# **Key Success Factors**What Does It Take to Be a Successful CHRO?



# Different HR Experiences



Even career HR professionals took up multiple roles in HR in a planned manner.

Certain firms, like Pepsi, are actually breeding grounds for future CHROs by allowing them to plan their careers and seek experiences.

#### Global Mindset



It is important to be a part of (and hopefully lead) global initiatives, even if you are not placed abroad

#### Business Experience



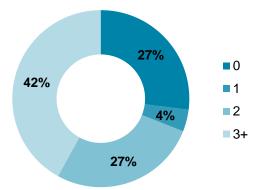
Taking up rotations / assignments in a line role helps build commercial and business acumen

# **Business Exposure**



Changing industries expands your horizons and also may get you to the CHRO position quicker

# Number of times CHROs changed their industries







### **Key Success Factors**

#### Capabilities Needed by a CHRO Today...and Tomorrow





#### **Emerging Capabilities of Future CHROs**

Data- and analyticsbased decision making, using data as a means to establish credibility of the HR function

Proactively mapping organizational capability needs to the future strategy of the firm

Architect and
assessor of the shift
in organizational
culture; ensuring
alignment of HR
programs to cultural
imperatives

Playing the role of an internal and external talent scout

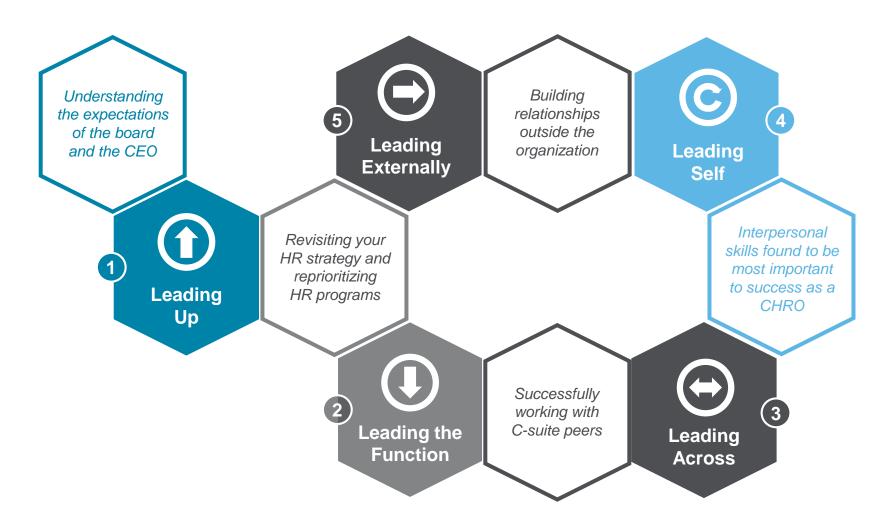






# **Developing Future CHRO Capabilities An Overview**











#### Leading Up: Expectations of the Board and CEO from the CHRO



Adapt to work style of various members of senior leadership

Translate board/
CEO expectations
and strategies into
HR outcomes

Ensure cultural alignment throughout the organization

Advise the board/ CEO on HR implications of the current business environment

Advise board/ CEO on executive compensation and succession planning



Importance of board exposure and executive compensation

- >>> 84% of CHROs highlighted executive compensation as a key requirement
- 66% of CHROs had prior board exposure



#### Leading the Function: Expectations from the HR function



Flexible HR plans that allow for adaptability in VUCA environment

Develop HR strategy with clear connections to business strategy

Be your team's external champion

Build the team, create alignment, and demand quality performance

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Specific actions based on organizational context



#### **Founders**

CHRO is trying to establish/ reestablish the relevance of HR in the firm



#### **Transformers**

CHRO is leading the organization's transformation as a member of the executive team



#### **Directors**

CHRO's role is to align, optimize, streamline, and prove that the HR function can perform efficiently and create even more impact









#### Leading Across: Expectations of Peers in the C-suite



Have an opinion on the strategy of the firm and the actions taken around it Help peers drive business results both across the enterprise and for each LOB

Develop common agendas with other C-suite peers

Balance the role of a confidante to the CEO with being a peer of C-suite members

Understand people's agendas but steer clear of politics Coach other
CXOs about their
individual
performance
and style



# Unique relationship with the CFO

- CHRO and CFO handle the two most important kinds of capital: human and financial capital
- Unique roles to advise from a point of impartiality and objectivity
- Boards and CEOs expect the CHRO and CFO to present a common agenda







Leading Self: Expectations of the Organization



Use different soft skills to tackle difficult situations

Have the courage to stand behind his/her decision and justify it

Be resilient, especially when things don't go as planned

Make decisions and take responsibility for their success or failure

Be curious and have a learning mindset



# **CHRO Top Functional and Behavioral Competencies**

	CHRO Self Rating	
86%	Thinking Strategically	4.0
84%	Business Knowledge	3.7
84%	Driving Change	4.0
84%	Organization Effectiveness	3.7
65%	Executive Compensation	2.9
65%	Leadership Assessment and Development	3.8

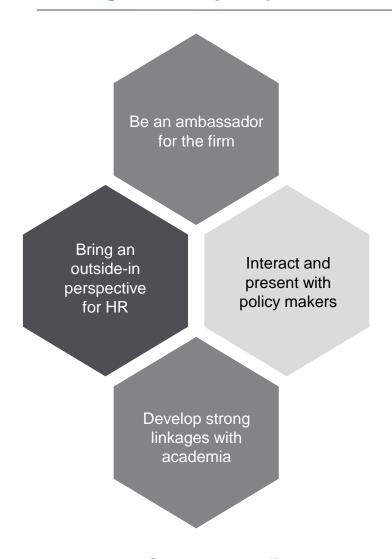






#### Leading Externally: Expectations of the External World







Regulators: Bane or boon?

- Since recession, the regulatory oversight has increased
- Regulators monitor the risk culture of organizations, but the processes can be cumbersome
- >>> Some organizations use regulators as sounding boards for risk processes



Suggested Actions for CHRO aspirants





Assess your "fit" into an organization before joining it



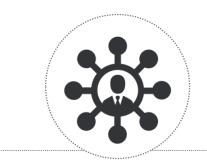
Structured Translation of business strategy into HR



Gain board exposure to get direct interaction with the board



Coach peers to handle their own issues



Maintain a network to keep abreast of changes



Self-awareness is key



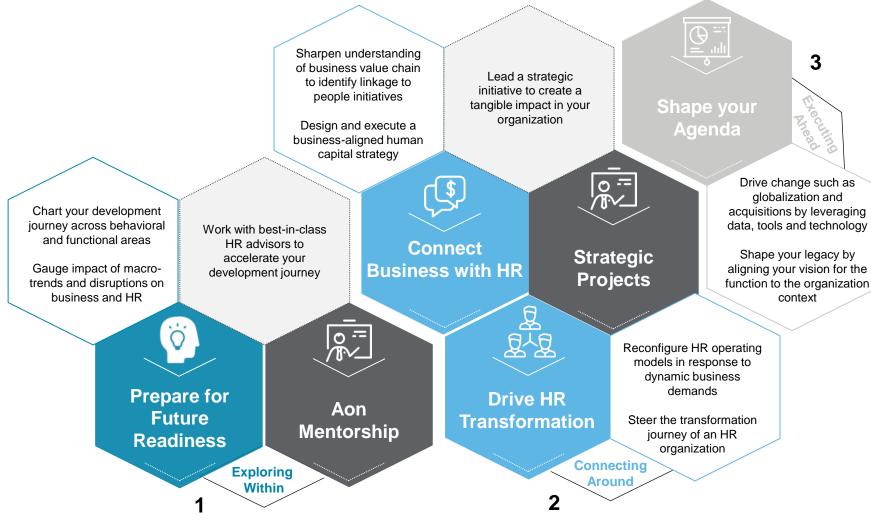






# **Introducing Next Generation CHRO Programme** *Learning Journey*







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# **Introducing Next Generation CHRO Programme**

#### **Dates and Registration**





Last date of Registration: 05 October 2019







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#### **About Aon**

Aon is the global leader in human resource solutions, with over 30,000 professionals in 90 countries serving more than 20,000 clients worldwide. Aon empowers organizations and individuals to secure a better future through innovative talent, retirement and health solutions.

#### **About Indian Institute of Management Bangalore**

The Indian Institute of Management Bangalore (IIMB) has been ranked No. 1 Business School in Central Asia by Eduniversal, a French Consultancy Group for the eighth year in succession. IIMB is ranked No. 1 in the India Rankings 2016 in the Management Education category under the National Institutional Ranking Framework (NIRF) by the MHRD.







# Join us in the Journey! Next Generation CHROs Program



