

7 Questions CHROs Should Ask Themselves About Their Role

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1. Do I report to the CEO directly, and am I part of the executive team?
2. Do I have a strong and direct relationship with the board of directors?
3. Is the CEO willing to be challenged?
4. Do I have the autonomy to advocate for the workforce and act in the business's best interests?
5. What is my operating budget?
6. What is capturing my CEO's attention?
7. Does my CEO care about our people, and do their leadership qualities reflect this?



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An engaged workforce is essential to a healthy business. Strategic leaders know that while their company may offer the best products and services on the market, if the leadership can't lead and inspire people to perform, the company will suffer, as Betterworks CEO Doug Dennerline and I point out in our forthcoming book, *Make Work Better: Revolutionizing How Great Bosses Lead, Give Feedback, and Empower Employees*.

Companies need a strong CHRO who can be a key part of the executive team and contribute accordingly. That person should have a seat at the table and be empowered as a business leader from day one.

The best CHROs establish a true partnership with their CEOs and everyone on the board. They constantly ask questions about what the company wants to accomplish. They also keep an ear to the ground to understand what's happening in all parts of the business so they can enlighten the CEO about human-centered issues.

Conversely, great CEOs enable the CHRO to facilitate growth, innovation, and change. When CEOs empower their HR leader to make decisions, it's a sign that the CEO trusts that the CHRO understands the CEO's goals and the company's vision.

As an HR leader, you should ask yourself the following questions to ensure you're in the right place at the right time for the right reason.

#1: Do I report to the CEO directly, and am I part of the executive team?

A savvy CEO views and treats the CHRO as an equal, a strategic partner, and a game-changer. In companies where this is the presiding view, the CHRO reports directly to the CEO. In these cases, as the chief people officer, you should participate in executive meetings and make key decisions as the voice of the workforce and the business.

Here's a red-flag warning: If you report to the CFO, you risk becoming a cost-based leader who is at least one step removed from making objective decisions.

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#2: Do I have a strong and direct relationship with the board of directors?

You should be able to access and receive support from the board when explaining the need for transformational change. The board should understand how the CEO and their direct reports are performing and be current with leadership onboarding and succession plans.

#3: Is the CEO willing to be challenged?

As a member of the C-suite and chief people leader, you should be unafraid of sharing what's happening in the organization. The most effective HR leaders understand what's causing issues the CEO doesn't even know about. They serve as a team of rivals — much like President Abraham Lincoln's cabinet — and a team of teams all in one. Lincoln aimed to assemble the strongest team with the broadest range of opinions. As with that team, the CHRO will tell the CEO what they need to hear, not what they want to hear. A truly great CHRO will remind the CEO what the goals are. They'll also challenge the CEO to think about whether the current portfolio of leadership skills is strong enough for the company to meet its goals.

#4: Do I have the autonomy to advocate for the workforce and act in the business's best interests?

CHROs should be strategically minded and operationally focused. That means the company vision is always top of mind for you. Importantly, you understand that your role as CHRO is to help the entire organization thrive.

You're not a pencil pusher focused on administrative initiatives. You're a game-changer. The CEO should trust you to run your team in whatever way is necessary to execute on behalf of the whole organization.

Most companies and their leaders don't differentiate between tactical and strategic HR. The main trait of a strategic HR leader is to share the long-term vision of the CEO and the company. This HR leader first considers the overall business strategy and goals and aligns their objectives with those goals, including talent recruitment, retention, company culture, work benefits, and compliance. Strategic HR leaders look at these issues through the lens of years, not weeks or months.

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#5: What is my operating budget?

The HR budget, and the CHRO's control over it, are vital considerations. If the budget is insufficient, or the CHRO can't independently decide how to spend it, they can only make limited strategic investments.

The HR budget should cover:

- Talent acquisition and recruitment, from job advertising to onboarding
- Learning and development to address skills gaps and train new employees
- HR team upskilling through e-learning, workshops, college courses, HR certifications, and personal training budgets
- Compensation and benefits
- Diversity, equity, and inclusion (e.g., DEI training and culture building and leadership DEI programs)
- Employee relations and talent management
- Employee safety and well-being
- HR technology
- HR administration

It's essential to start thinking about your HR budget in advance so you can manage human capital costs, ensure HR operational efficiency, and achieve organizational success. If you are considering a new role, ask how HR has built and spent its budget in the past. It should inform you about how HR is positioned in the organization.

#6: What is capturing my CEO's attention?

Is the CEO focused on short-term financials or the core market offering rather than what the organization looks like and how it needs to evolve to meet changing market needs? CEOs should be asking questions about whether the business is designed for success, has the right talent, and is investing in its leaders. Some CEOs don't spend enough time thinking about and planning for succession, which they should do for business continuity.

A succession plan also creates career advancement opportunities for other members of the C-suite and, by extension, managers and employees. At any given moment, the CEO should question whether the company has the right combination of skills within the context of future goals to make the work experience optimal for all.

#7: Does my CEO care about our people, and do their leadership qualities reflect this?

If CEOs are determined to make work better for their workforces, they need to reimagine their value as leaders. They must also create a culture where assurance, trust, a shared sense of purpose, teamwork, and collaboration can flourish. These are the four pillars of empathetic leadership. A fresh approach to managing performance in a mutually beneficial way enables everyone to do their best. It's what we call performance enablement.

Following are some traits of genuinely effective leaders, whether they are CEOs, people leaders, or others:

- Leads with empathy and truly cares about people

- Always acts with integrity, is sincere, and has self-confidence, but is not arrogant
- Possesses people skills necessary to help individuals or the team understand the reason for decisions, even though they may still disagree
- Thinks cross-functionally
- Understands the value of diverse teams and builds them as one who thinks globally
- Seeks the advice of many, asks for help and second opinions, and makes hard decisions with the correct amount of input without always needing to seek consensus
- Communicates proactively with other executives to improve understanding and involves them in the thought process
- Praises publicly and criticizes privately

The CHRO's role in making work better

The world is changing at a disruptive pace. One unprecedented event is followed by another. While navigating without a roadmap has become the typical mode of operation, the realities of these dynamic times call for a radical reimagining of work.

The CEO and CHRO must understand what skills are required to thrive and develop an agile and resilient workforce in the face of change. They must also help future leaders flourish and look for ways to improve the company's overall performance.

Meanwhile, the CHRO should constantly explore ways to create better manager and employee experiences.

If you aren't empowered to envision the future of work and what that means to your company's present and future state, perhaps it's time to move on. HR leaders can no longer be solely transactional and tactical. You have a strategic role to play in the future success of your company. Take it.