

CEO of the future – CHROs increasingly first in line for succession - WorkLife

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Ivy Liu

In a once-unlikely move, CHROs and CPOs are claiming the top rung on the corporate ladder.

In the last year and a half, fashion house Chanel, venture capital firm Anthemis Group, food chain Greggs, and supermarket group Tesco Ireland all promoted C-suite leaders in human resource roles to CEO.

The ascents come as businesses in a wide swath of industries contend with talent and culture demands such as creating flexible work options, fostering a more diverse workforce, and determining how to balance recruitment, retention, and potential layoffs in a bumpy economy.

The people-focused elements of a CEO's role "have never been more critical than now," said Matt Seiler, a three-time CEO during his advertising career and now a managing director and executive-in-residence at search firm Raines International.

He and other corporate leaders and workplace experts say that while business expertise remains essential, emotional intelligence and empathy — traits often associated with HR roles — are increasingly important for a CEO's success.

"Care, compassion, humanity, understanding. More and more, those things will define the CEO of the future," Seiler said.

An uncommon role

It was relatively rare for a chief human resources officer or a chief people officer to take the top leadership slot in decades past.

A smattering of CEOs, such as General Motors' Mary Barra, had stints in HR, but that was mainly the exception. (In Barra's case, she moved from HR to global product development before her promotion to CEO.)

In general, most CEOs are known for their extensive financial and operational experience. Over the past 20 years, 85% of S&P CEOs rose up from COO, divisional CEO, and CFO roles, or leadership positions from below the C-suite, [according to executive search and leadership consulting firm Spencer Stuart](#).

While there are still relatively few CEOs with HR backgrounds, Society for Human Resource Management's chief knowledge officer Alex Alonso expects that number to increase dramatically in the future. His prediction: by 2050, close to 20% of Fortune 500 CEOs will have had some HR experience.

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Tim Ringo, director at global HR consultancy LACE Partners.

"That sounds like a lofty aspiration," he said. "But, more often than not, HR professionals are the people who bring core leadership skills when it comes to tackling strategy and building a culture where you have strong people managers. And when you look at what the key lever is within any organization, it's 'can I take strong people managers and drive business results?'"

Thrust into the spotlight

In recent years, societal shifts have bolstered HR executives' stature. Among them: the pronounced emphasis on diversity, equity, and inclusion (DE&I) and environmental, social, and governance (ESG), with employees, job candidates, and investors scrutinizing companies' records in these areas.

Yet, the pandemic fully thrust HR leaders [onto center stage](#), as they had to set strategies on hot-button issues ranging from mask and vaccine mandates to work-from-home policies.

"The pandemic put the CHRO in the spotlight," said Tim Ringo, director at global HR consultancy LACE Partners. "It created an opportunity for them to really shine and take up very visible leadership."

He likens that exposure to when CFOs stepped up during the 2008-2009 financial crisis. "You saw a lot of them eventually get promoted to CEO," he said. "I think it will happen here. Probably not at the rate that a CFO goes to CEO, but it'll happen more."

He added that those with an HR background have an advantage when it comes to important workforce-related issues, such as handling layoffs with care. "CHROs that move into CEO roles will be more attuned to the impact on people of job cuts and be less likely to reach for that option as a first cost-cutting measure," he said.

A slow climb up

As CEO turnover continues and personnel matters remain paramount, HR leaders will have more opportunities to move up the corporate ranks. However, it's not expected to be a fast rise.

Ryan-Mae McAvoy, director of people operations at software application provider Blackthorn.io doesn't foresee a large increase in CPO-to-CEO promotions over the next five years. "The tide is turning, and companies are starting to realize the value add," she said. "However, it still feels like a long road ahead before we progress from, 'okay, we know why we need you,' to, 'hey, you're our next CEO.'"

A big challenge is that many people assume that those in HR lack proficiency in core business areas, such as financial management.

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Briana van Strijp, former CPO and current CEO at fintech and insurtech VC Anthemis.

"HR has suffered from a perception that they can't speak the language of business, being numbers," said Ringo. "There's a perception that HR people are more soft-skilled and not hard-skilled in mathematics. It's something I think is changing, but (that perception) will still remain for some time."

Transferrable skills

Those who shifted from CPO to CEO say HR executives are more than capable of taking on a broader business role.

“Designing strategy for an employee value proposition can translate directly into designing strategy for a business model or organization overall,” said Briana van Strijp, the former chief people officer at fintech and insurtech VC Anthemis, who took the CEO post in September 2021.

She points to transferrable skills such as building a robust culture, attracting and developing talent, leading change, and having “tough conversations” when negotiating or providing feedback to others.

Leena Nair, a Unilever CHRO who took the role of Chanel CEO in January, said [in a LinkedIn post](#) that those in HR should walk with a swagger, adding that “HR is no longer a backroom department, it’s a vital part of running any successful business.”

Getting board approval

Kevin Harrington, CEO of job search platform Joblist, notes that CPOs and CHROs have an advantage with their “deep understanding of how a company works across all levels and departments.”

Like Ringo, he notes that a setback could be the preconceived notion that their skills may not align with the expertise typically associated with the CEO role, such as making high-level, quantitative business decisions.

Harrington also points out another potential hurdle on the path to CEO: Winning over a company’s shareholders and board of directors.

“If the board and key shareholders have a narrow view of what skills and expertise are necessary for a CEO, or simply have more direct interaction and familiarity with the company’s CFO or COO, then this may limit the consideration of HR leaders for the role,” he said.

Yet, as the human relations role takes on greater prominence in the workplace, HR execs could get some needed support from their peers. Case in point: Across S&P 1,500 companies, the share of directorship roles with specific HR skills hit 19.4% in January, up from 11.3% two years ago, according to ISS ESG, the responsible investment arm of Institutional Shareholder Services.