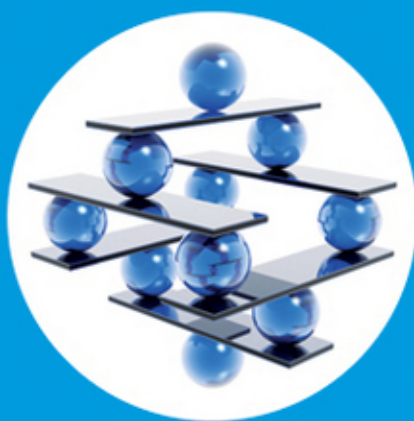


The CHIEF HR OFFICER

DEFINING THE NEW ROLE OF
HUMAN RESOURCE LEADERS



EDITORS

PATRICK M. WRIGHT » JOHN W. BOUDREAU
DAVID A. PACE » ELIZABETH "LIBBY" SARTAIN
PAUL MCKINNON » RICHARD L. ANTOINE

N | A
H | R

THE CHIEF HR OFFICER

Defining the New Role
of Human Resource Leaders

Patrick M. Wright, John W. Boudreau,
David A. Pace, Elizabeth “Libby” Sartain,
Paul McKinnon, Richard L. Antoine, Editors

A National Academy of Human Resources Book



J JOSSEY-BASS
A Wiley Imprint
www.josseybass.com

SHRM[®]
SOCIETY FOR HUMAN
RESOURCE MANAGEMENT

Copyright © 2011 by John Wiley & Sons, Inc. All rights reserved.

Published by Jossey-Bass

A Wiley Imprint

989 Market Street, San Francisco, CA 94103-1741—www.josseybass.com

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning, or otherwise, except as permitted under Section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the publisher, or authorization through payment of the appropriate per-copy fee to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, 978-750-8400, fax 978-646-8600, or on the Web at www.copyright.com. Requests to the publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, 201-748-6011, fax 201-748-6008, or online at www.wiley.com/go/permissions.

Readers should be aware that Internet Web sites offered as citations and/or sources for further information may have changed or disappeared between the time this was written and when it is read.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. No warranty may be created or extended by sales representatives or written sales materials. The advice and strategies contained herein may not be suitable for your situation. You should consult with a professional where appropriate. Neither the publisher nor author shall be liable for any loss of profit or any other commercial damages, including but not limited to special, incidental, consequential, or other damages.

Jossey-Bass books and products are available through most bookstores. To contact Jossey-Bass directly call our Customer Care Department within the U.S. at 800-956-7739, outside the U.S. at 317-572-3986, or fax 317-572-4002.

Jossey-Bass also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

Library of Congress Cataloging-in-Publication Data

The chief HR officer: defining the new role of human resource leaders /
editors, Patrick M. Wright . . . [et al.].

p. cm.

Includes bibliographical references and index.

ISBN 978-0-470-90534-0 (hardback); ISBN 978-1-118-02322-8 (ebk);

ISBN 978-1-118-02323-5 (ebk); ISBN 978-1-118-02324-2 (ebk)

1. Personnel management. 2. Personnel departments. I. Wright, Patrick M.

HF5549.C44794 2011

658.3—dc22

2010046805

Printed in the United States of America

FIRST EDITION

HB Printing 10 9 8 7 6 5 4 3 2 1

CONTENTS

	The Authors	vii
1	The Evolving Chief Human Resource Officer Role <i>Patrick M. Wright, Paul McKinnon, Richard L. Antoine, Elizabeth “Libby” Sartain, John W. Boudreau, David A. Pace</i>	1
PART ONE: TODAY’S CHIEF HUMAN RESOURCE OFFICER		13
2	Perform! Don’t Run! <i>J. Randall MacDonald</i>	15
3	The Art and Science of the CHRO Role <i>Eva Sage-Gavin</i>	23
4	ETC <i>Richard L. Antoine</i>	32
5	Roles and Challenges of the CHRO: Results of the Cornell/CAHRS CHRO Survey <i>Patrick M. Wright, Mark Stewart</i>	40
PART TWO: THE CHRO AS STRATEGIC ADVISOR AND TALENT ARCHITECT		55
6	Leadership and Employee Engagement: A Positive Synergy at Caterpillar <i>Sid Banwart</i>	57
7	Four Steps to World-Class Talent Management <i>L. Kevin Cox</i>	71

iv CONTENTS

8	Retooling HR and Avoiding the Service Trap: How Proven Business Models Offer Untapped Potential for Strategic Talent Decisions	83
	<i>John W. Boudreau</i>	
9	The CHRO as Cultural Champion	93
	<i>Michael L. Davis</i>	
10	When Crisis Calls	99
	<i>Laurie Siegel</i>	
11	Doing HR's Business with the Government	107
	<i>Ian Ziskin</i>	
	PART THREE: THE CHRO AS COUNSELOR/ CONFIDANT/ COACH	117
12	Who Do You Really Work For? Serving Multiple and Often Conflicting Constituencies as CHRO	119
	<i>David A. Pace</i>	
13	Partnering with the CEO	130
	<i>Elease E. Wright</i>	
14	Forging Effective Relationships with Your Boss and Colleagues	137
	<i>Pamela O. Kimmet</i>	
15	What Do You Stand For?	146
	<i>Elizabeth "Libby" Sartain</i>	
16	Great Leader or Just a CEO? Insights on CEOs from the Perspective of CHROs	155
	<i>Patrick M. Wright, L. Kevin Cox</i>	
	PART FOUR: THE CHRO AS LIAISON TO THE BOARD OF DIRECTORS	169
17	Working with the Board of Directors	171
	<i>Bill Rosner</i>	
18	CHROs and Boards: A Missing Link	183
	<i>Edward E. Lawler III</i>	

19	The Role of the CHRO in Managing Executive Compensation	193
	<i>Charles G. Tharp</i>	
20	How to Be a High-Performing CHRO in the Executive Compensation Arena	203
	<i>Ursula O. Fairbairn</i>	
	PART FIVE: THE CHRO AS LEADER OF THE HR FUNCTION	211
21	Making a Difference in the First 100 Days	213
	<i>Ken Carrig</i>	
22	Delivering Results with a Global HR Team	227
	<i>Hugh Mitchell</i>	
23	Experiences as a New CHRO in a New Industry	237
	<i>Mirian M. Graddick-Weir</i>	
24	Designing an Integrated HR Function: What the CHRO Needs to Know	246
	<i>Amy Kates, John W. Boudreau, Jay Galbraith</i>	
25	HR for Impact	257
	<i>Sandy Ogg</i>	
	PART SIX: CHARACTERISTICS OF TODAY'S CHRO	269
26	Preparing CHROs to Exceed CEO Expectations	271
	<i>Dave Ulrich, Ellie Filler</i>	
27	Delivering Global Talent in a High-Velocity World: What CEOs Look For in a CHRO	279
	<i>James Bagley</i>	
28	What Does Today's CHRO Look Like? Demographic Characteristics of CHROs at the World's Largest Companies	288
	<i>Patrick M. Wright, Mark Stewart</i>	
29	Bringing It All Together: The Four Knows of the CHRO	296
	<i>Patrick M. Wright</i>	
	Index	303



The National Academy of Human Resources (NAHR) is an honorific organization where individuals and institutions of distinction in human resources are recognized for exceptional professional achievement by election as “Fellows of the NAHR.” In addition, the NAHR furthers the HR profession through the Chief Human Resource Officer (CHRO) Academy and other philanthropic and educational activities. For more information, visit www.nationalacademyhr.org.



The Society for Human Resource Management (SHRM) is the world’s largest association devoted to human resource management. The Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 250,000 members in over 140 countries, and more than 575 affiliated chapters. Visit www.shrm.org.

THE AUTHORS

Richard L. Antoine is president of the National Academy of Human Resources and a consultant on talent management and CEO/senior management succession planning working with CEOs and CHROs. Prior to this he held a number of line positions at Procter & Gamble during a thirty-nine-year career, the last eleven of them as the global HR officer reporting to the CEO.

He has a degree in chemical engineering from the University of Wisconsin and an M.B.A. from the University of Chicago. He has served on many nonprofit and university boards and is currently the vice chair of the University of Wisconsin Foundation and a member of the Human Resource Policy Institute Advisory Board.

James Bagley has been with Russell Reynolds Associates for nearly twenty-five years and has held key leadership roles within the firm. He is currently the global leader of the firm's corporate officers sector, which works with clients across all industries, including industrial, consumer, technology, financial services, health care, and executive assessment. Bagley previously founded and led the firm's HR practice and co-managed the New York office.

Prior to rejoining Russell Reynolds Associates in 1998, Bagley was senior vice president of human resources at MasterCard International, where he had global responsibility for the company's comprehensive HR activities, including compensation and benefits, staffing, employee relations, and professional learning and development. He was recruited to MasterCard from Russell Reynolds Associates, where he focused on assignments for senior-level HR executives across a broad range of industries. He joined the firm in 1984 as HR director. Earlier, he was a benefits and

compensation consultant with Alexander & Alexander Services and worked with State Mutual Life Assurance.

He received his B.A. from Fordham University.

Sid Banwart has had a broad range of successful business experiences during a forty-two-year career with Caterpillar Inc. He served in two joint ventures before being named manager of engineering and quality for a new start-up facility in Monterrey, Mexico, in 1985. Returning to the United States in 1990, he held key positions at plants in Illinois before being named Product Manager with global P&L responsibilities, where his business success led to a position as general manager for Caterpillar's Large Engine Division.

He was appointed a corporate officer in 1997, and served as the responsible officer for four different business functions. As corporate vice president, these roles were chief technology officer, head of the components business, chief information officer, and for the most recent five years, chief HR officer.

In his position as chief HR officer, he was responsible for global HR and Labor Relations, global succession planning, compensation and benefits, public and governmental affairs, Caterpillar University, the Caterpillar Foundation, Global shared services, and a variety of other corporate administrative functions.

In 2007, he was inducted into the National Academy of Human Resources. He also served as a board member at the HR Policy Association in Washington, DC. He is currently an executive advisor with Challenger, Gray and Christmas.

Banwart received a B.S. in engineering from Iowa State University and an M.B.A. from the University of Illinois. His recent board responsibilities include Knox College, the Weitz Company, the Fayette Companies, the Heartland Partnership, and the Peoria Symphony Foundation.

John W. Boudreau, professor of management and organization at the Marshall School of Business at the University of Southern California, is recognized for breakthrough research on human capital, talent, and sustainable competitive advantage. His large-scale and focused field research studies the future of the global HR profession, HR measurement and analytics,

decision-based HR, executive mobility, HR information systems, and organizational staffing and development. He has published more than fifty books and articles, and his research has been featured in *Harvard Business Review*, the *Wall Street Journal*, *Fortune*, and *Business Week*. Boudreau serves as research director for Marshall's Center for Effective Organizations. He advises numerous organizations, including early-stage companies, global corporations, government agencies, and nonprofit organizations.

Ken Carrig is the former executive vice president of human resources for Comcast Cable, where he was responsible for all people-related functions. He has been recognized as one of the top HR professionals in his field and brought extensive experience to Comcast.

He came to Comcast in 2009 from Sysco Corporation, which he served as executive vice president and chief administration officer. Before joining Sysco, he was global human capital leader for Andersen Consulting/Accenture. Prior to that, he was vice president of global human resources for Continental Airlines, where he was the HR lead for a successful turnaround of the airline during the mid- to late 1990s. Before this, he held multiple HR positions with PepsiCo.

Carrig is coauthor, with Patrick M. Wright, of *Building Profits Through Building People* (2006).

A graduate of Cornell University with a B.S. in labor economics, Carrig serves on the advisory board of Cornell University's Center for Advanced Human Resource Studies. He was elected a National Academy of Human Resources fellow in 2004 and in 2010 received the Distinguished HR Executive Award from the Academy of Management.

L. Kevin Cox is the executive vice president of human resources at the American Express Company. He is the chief architect of the company's human capital plan and related strategies for American Express. He is a member of the American Express Operating Committee, which develops the strategic direction for American Express and determines policies affecting the company overall.

Under Cox's leadership, American Express has been recognized globally as a top place to work. Awards include *Fortune Magazine's* America's Most Admired Companies, 100 Best Companies to Work For, and Top Companies for Leaders; *Business Week's* World's Most Innovative Companies; and DiversityInc's Top 50 Companies for Diversity. American Express is also recognized with awards in India, Hong Kong, Malaysia, Argentina, Japan, China, Italy, Poland, Sweden, and the United Kingdom.

Cox has been a leader in human resources for more than two decades, serving in a variety of specialist and generalist roles. His HR expertise lies in the fields of organizational effectiveness, executive compensation, and driving large-scale complex change.

He joined American Express in 2005, after sixteen years at Pepsi-Cola and the Pepsi Bottling Group. He is a former member of the board of directors of Virgin Mobile USA and served as a member of both the audit and compensation committees. He is also a member and the former chairman of the board of directors at Ability Beyond Disability, a rehabilitation institute located in Brookfield, Connecticut.

Cox is involved in a number of professional HR organizations. He serves as chairman of the Advisory Board at Cornell University's Center for Advanced Human Resources Strategy; member of the board of directors of the HR Policy Association; member of the advisory board of Cowdrick; and member of Hewitt's Human Capital Advisory Board. In 2008, the Corporate Leadership Council presented him with its Member of the Year Award. In 2009, the National Academy of Human Resources recognized him by inducting him as a fellow.

Cox is a frequent speaker on strategy, building organizational capability, and increasing the role and influence of human resources in global businesses. Kevin holds a master's of labor and industrial relations from Michigan State University and a bachelor's of arts from Marshall University.

Michael L. "Mike" Davis is senior vice president, global human resources, with responsibility for all HR functions at General Mills. Previously he was vice president, human resources, U.S. retail and corporate, for three years, and prior to that served for nine years as vice president of compensation and benefits. Before joining

General Mills, he worked for fifteen years as a compensation consultant with Towers Perrin. When he left Towers Perrin in 1996, he was the firm's worldwide practice leader for executive compensation.

Davis is a frequent speaker and author on executive and director compensation and benefits issues. He has served on four National Association of Corporate Director Blue Ribbon Commissions on the Compensation Committee, Director and CEO Performance Evaluation, Director Compensation, and Director Professionalism. He has been interviewed or quoted in *Fortune*, *Business Week*, *Newsweek*, *Time*, the *Wall Street Journal*, and the *New York Times* on various resource matters.

He has spoken on executive and director compensation issues at many HR, legal, financial, and corporate governance conferences, and has lectured on these topics at Harvard, University of Chicago, Columbia, Dartmouth, University of Southern California, Cornell, and University of Minnesota business schools. In 2004, Davis was series editor for the newly published *Executive Compensation: The Professional's Guide to Current Issues and Practices*. Davis is also an adjunct professor in the graduate HR program at the Carlson School of Management at the University of Minnesota.

Davis is on the board and is the vice chairman of the Employee Benefits Research Institute, is a board member of the Human Resource Policy Association, and is a board member of the National Committee for Quality Assurance (in health care). He is a member of the Institute of Medicine Roundtable on Health Literacy, a current board member and former board chair of the National Business Group on Health, and has served on the board and has been board chair of WorldatWork.

Davis has two B.S. degrees from Purdue University in industrial management and computer science and an M.B.A. from the University of Chicago. He is also a Certified Public Accountant.

Ursula O. Fairbairn has been chief executive officer and president of Fairbairn Group LLC since April 2005. She served as head of human resources and executive vice president of human resources and quality at American Express Company from 1996 to 2005. Prior to joining American Express, she served as senior vice president of human resources of Union Pacific

Corporation. From 1990 to November 1996 and prior to that, she held numerous marketing and human resource positions at IBM Corporation.

Fairbairn currently serves as a director of Air Products and Chemicals, VF Corp., and Sunoco, Inc. She has previously served on the boards of Centex, Circuit City, Armstrong World Industries, General Signal, and Menasha.

Fairbairn holds a bachelor's degree in mathematics from Upsala College and received a master's degree from Harvard's Graduate School of Education.

Ellie Filler is a partner and the head of the European HR practice for Heidrick & Struggles. She specializes in assignments covering senior management positions in the life sciences sector, including research and development, as well as sales and marketing, and is also responsible for the HR functional area. She serves chemical, pharmaceutical, and consumer health care organizations, focusing on international assignments. Prior to joining Heidrick & Struggles, she worked with an international executive search firm based in Sydney, Australia, focusing on assignments across the Asia Pacific region. Previously, she spent over twelve years in HR with some of Australia's largest organizations in financial services, telecommunications and IT, in learning and development, performance and reward, and operational type roles.

Over the years, she has contributed to implementing diversity practices in organizations—work that has been recognized with multiple awards for best practices.

Filler holds a degree in industrial relations (labor law) and political science from New South Wales University and has partly completed her M.B.A. from Heriot-Watt University in Scotland. She is fully accredited as a practitioner and trainer in targeted selection interviewing.

Jay Galbraith is an internationally recognized expert on global organization design. He is the president and founder of Galbraith Management Consultants, an international consulting firm that specializes in solving strategy and organizational design challenges across corporate, business unit, and international levels. His firm

also assists with international partnering arrangements, including joint ventures and network-type organizations. Working with companies ranging from small manufacturing firms to large global firms, his theories on gaining a significant competitive advantage through customer-centricity have been implemented by top-level executives throughout the world.

More than forty years of research and practical applications give Dr. Galbraith a breadth of experience that few, if any, management consultants can claim. His thorough understanding of the fast-changing world of global competition is exactly what today's companies need in order to stay ahead of their competitors. As the author of numerous publications, including more than a dozen books and a long list of research papers, Galbraith is regularly asked for his expert opinion by the media, including *BusinessWeek*, the *Wall Street Journal*, *Fortune*, the *Economist*, and the *Financial Times*.

Galbraith is an affiliated research scientist at the Center for Effective Organizations at the University of Southern California and professor emeritus at the International Institute for Management Development (IMD) in Lausanne, Switzerland. He has previously served as a business school professor on the faculty of the Wharton School at the University of Pennsylvania and the Sloan School of Management at Massachusetts Technical Institute (MIT).

Mirian M. Graddick-Weir is executive vice president, human resources, with responsibility for all HR aspects for Merck's over 100,000 colleagues worldwide. She joined Merck in 2006 from AT&T, where she was executive vice president of human resources and employee communications. Prior to that role, she held numerous positions at AT&T, including chief human resources officer for the Consumer Services Company, vice president of human resources for business effectiveness, and vice president of human resources for multimedia products and services. She also led a major line operations team where she supported over twelve thousand customer sales and service representatives in the Consumer Communications Services Division.

Among her many awards, Graddick-Weir received the Distinguished Psychologist in Management award in 2003, the HR Executive of the Year in 2001, and the AT&T Catherine B. Cleary

Woman of the Year in 1990. In 2009, she was named one of *Black Enterprise* magazine's 100 Most Powerful Corporate Executives in America. In 2010, she was named one of *Black Health* magazine's 25 Most Influential African Americans in Healthcare, Medicine, Pharmaceuticals & Health Foods Industries. *Black Enterprise* magazine also named her to its 75 Most Powerful Women in Business and 100 Most Powerful Executives in Corporate America lists.

She is a member of the board of the Harleysville Group Insurance Company, Jersey Battered Women's Services, Human Resources Policy Association, Cornell Center for Advanced Human Resource Studies, and the Personnel Roundtable. She is also a National Academy of Human Resources fellow.

She earned a bachelor's degree in psychology from Hampton University, a master's degree in industrial/organizational psychology from Penn State, and a Ph.D. in industrial/organizational psychology from Penn State.

Amy Kates is managing partner with Kates Kesler, a organization design firm based in New York City. She works with leaders and their teams to assess organizational issues, reshape structures and processes, and build depth of management capability. She is a skilled diagnostician and designer and helps her clients to understand organizational options and their implications and to make sound decisions.

In addition to her consulting work, she teaches organization design in the MBA program at the Executive School of Business in Denmark through Cornell University. Kates is also an editor of the journal *People & Strategy*.

Kates is the co-author, with Greg Kesler, of *Leading Organization Design: How to Make Organization Design Decisions to Drive the Results You Want* (Jossey-Bass, 2010). She is also the coauthor with Jay Galbraith of *Designing Your Organization: Using the Star Model to Solve Five Critical Design Challenges* (Jossey-Bass, 2007) and with Jay Galbraith and Diane Downey of *Designing Dynamic Organizations: A Hands-On Guide for Leaders at All Levels* (Amacom, 2002). She has published numerous articles and book chapters on the topics of organization design and talent management including "The Challenges of General Manager Transitions" in *Filling the Management*

Pipeline and “Matrix Structures and Virtual Collaboration” in *The Handbook of High-Performance Virtual Teams*.

Her article, “(Re)Designing the HR Organization,” was awarded the 2007 HRPS Walker Prize. Her ideas on emerging models for human resources have been used by leading companies around the world as the basis for the design of their HR functions.

Pamela O. Kimmet is senior vice president, human resources, for Coca-Cola Enterprises (CCE). With more than twenty-five years of leadership experience in human resources, she is responsible for the development and implementation of global HR initiatives for CCE’s seventy-three thousand employees.

Prior to joining CCE, Kimmet was senior managing director and global head of human resources at Bear, Stearns & Co. From 2001 to 2006, she served as senior vice president, human resources, for Lucent Technologies. She was responsible for developing and implementing a range of initiatives focused on the company’s global talent strategy, including staffing, development, and reward programs. At Lucent, Kimmet also held the role of vice president of compensation, benefits, and health services. Before joining Lucent, she held positions at Citigroup and General Motors.

Kimmet serves on the board for Cornell University’s Center for Advanced Human Resources Study and the National Business Group on Health and is a member of the Personnel Roundtable. She is a former member of the Conference Board’s Executive Compensation Council and Rutgers University’s Board for the Center for Human Resources Strategy and the school’s Executive Master’s in Human Resources Leadership Board.

She holds a B.S. in industrial and labor relations from Cornell University and received an M.B.A. from Michigan State University.

Edward E. Lawler III is Distinguished Professor of Business and director of the Center for Effective Organizations in the Marshall School of Business at the University of Southern California. He joined USC in 1978 and during 1979 founded and became director of the university’s Center for Effective Organizations. He has consulted with over one hundred organizations on employee

involvement, organizational change, and compensation and has been honored as a top contributor to the fields of organizational development, organizational behavior, corporate governance, and human resource management. The author of over 350 articles and 43 books, his articles have appeared in leading academic journals, as well as *Fortune* and *Harvard Business Review*, and leading newspapers, including *USA Today* and the *Financial Times*. His most recent books are *Rewarding Excellence* (2000), *Corporate Boards: New Strategies for Adding Value at the Top* (2001), *Organizing for High Performance* (2001), *Treat People Right* (2003), *Human Resources Business Process Outsourcing* (2004), *Built to Change* (2006), *America at Work* (2006), *The New American Workplace* (2006), *Talent: Making People Your Competitive Advantage* (2008), and *Achieving Excellence in HR Management: An Assessment of Human Resource Organizations* (2009).

J. Randall “Randy” MacDonald joined IBM in 2000 as senior vice president of human resources. He is responsible for the global HR practices, policies, and operations of the organization and reports to chairman, president, and chief executive officer Sam Palmisano. Prior to joining IBM, MacDonald was the executive vice president of human resources and administration for GTE (now Verizon Communications). Before joining GTE, he held HR positions at Ingersoll-Rand Company and Sterling Drug.

In 2009, MacDonald received the Distinguished Human Resources Executive Award from the Academy of Management for his significant contributions to the science and practice of human resources, including HR-related research and education. He is the first executive to receive this award twice. Among many other awards, MacDonald was named *Human Resource Executive* magazine’s HR Executive of the Year in 2008.

He is a member and past chair of Cornell University’s Center for Advanced Human Resources Study and a past chair of the Personnel Roundtable. He is also a member of the HR Policy Association, which he serves as chairman of its board of directors.

In 1998, MacDonald was named a fellow of the National Academy of Human Resources, the HR profession’s highest honor for outstanding achievement. He was elected to the academy’s board of directors in 2000 and serves as its vice chair. He also was

a member of the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry.

MacDonald has a bachelor's degree from St. Francis University; he received the St. Francis University Distinguished Alumni in Business Award in 1999 and was a trustee of the institution. MacDonald also serves as a trustee of Bucknell University and as vice chairman of the board. He is a member of the board of managers of Delphi Corporation and a former member of the board of directors of Covance.

Paul McKinnon is head of human resources at Citi Corporate Center, which he joined in 2008 with twenty-five years of experience in HR management, consulting, and education. He is responsible for all HR for Citigroup and all talent management programs. Prior to this assignment, he was head of talent management for Citigroup.

Until early 2007, McKinnon was senior vice president of the Human Resources Group for Dell, with responsibility for all aspects of the function. During his ten years with Dell, he was instrumental in the company's Winning Culture initiative, which included all Dell's training and development activities, winning external and internal awards, including the coveted award from the U.S. Department of Labor for secretary's equal opportunity programs. He also was chairman of the Dell Foundation.

During the twelve years before that, McKinnon developed a leadership development practice at three separate management consulting firms: McKinnon Consulting, Novations, and Harbridge House. Previously he was an assistant professor at the Darden Graduate School of Business at the University of Virginia, where he taught organizational behavior.

McKinnon has served on the board of directors of the HR Policy Association and the National Urban League. He was inducted as a fellow into the National Academy of Human Resources in 2002.

He has a bachelor's degree in history and a master's degree in organizational behavior from Brigham Young University, and a Ph.D. in organizational studies from the Sloan School of Management at MIT.

Hugh Mitchell was appointed HR director of Shell in 2005. He became a member of the executive committee in October 2007 and chief HR and corporate officer of Royal Dutch Shell in 2009. He is responsible for all aspects of HR strategy, planning, and support in Shell. He also has responsibility for internal and external communications, real estate, health, global security, and Shell Aircraft. He is as well regional director for sub-Saharan Africa.

Mitchell graduated from Edinburgh University with an M.A. in modern history in 1979. Later that year he joined Shell and over three decades with the company has held a variety of HR and business roles in the United Kingdom, the Netherlands, and Brunei.

Mitchell is a member of the board for the Center for Advanced Human Resources at Cornell University and a foundation board member of IMD business school in Lausanne, Switzerland. He was appointed a fellow of the National Academy of Human Resources in the United States in 2009.

Sandy Ogg has been the CHRO of Unilever since February 2005. He started his career in Unilever in January 2003 as senior vice president of human resources in the Foods Division.

Prior to Unilever Ogg worked for Motorola in the change management/organization effectiveness role. He was responsible for leadership, learning, and performance in the division. Before Motorola, he spent fifteen years as a leadership development and change management consultant for clients that included Johnson & Johnson, PepsiCo, General Electric, and Motorola. He also held positions of president at Centre for Leadership Studies, managing director of Dove Associates, and founder of Via Consulting Group.

Ogg started his professional life as a line officer for the U.S. Coast Guard. He was part of search and rescue missions and became a highly decorated commanding officer.

Ogg is an active member in several professional HR organizations, including HR50, Human Resources Roundtable, and FrED (Future of Executive Development), where he is a frequent contributor to its lectures and seminar series. In support of Unilever's corporate social responsibility agenda, Ogg serves as vice chairman of the European Academy for Business in Society, an organization

that works in cooperation with the European Union, key global businesses, and business schools.

Ogg has a B.S. in mathematics from the U.S. Coast Guard Academy, an M.B.A. from the James L. Kellogg School of Management at Northwestern University, and an M.A. in education and human development from George Washington University.

David A. Pace is currently executive vice president and chief resource officer for OSI Restaurant Partners, Inc. where he leads teams responsible for human resource management as well as real estate and development. Before, Pace had been a management consultant, entrepreneur, and not-for-profit leader. He was previously CHRO for Starbucks Coffee Company and YUM Brands International, having lived overseas for six years in both London and Nicosia, Cyprus. He is an adjunct faculty member in Southern Methodist University's Cox Graduate School of Business and has been cited in publications including the *Wall Street Journal*, *Fortune Magazine*, and the *Dallas Morning News*. Pace is currently a board member of Up2US, a rapidly expanding national nonprofit focused on improving the environment for sports-based youth development, which was recently recognized by the White House and Department of Education for its success in launching Coach Across America. Pace has previously served on the boards of Cornell's Center for Human Resource Studies, University of Southern California's Center for Effective Organizations, and the Human Resource Policy Association.

Bill Rosner recently retired as CHRO for the PNC Financial Services Group. Prior to joining PNC in this position in 1995, he worked as the HR director for various businesses of Chase Manhattan Bank. In 1989, he was named HR executive for the Europe, Africa, and Middle East area, located in London, and a senior vice president in 1991. Rosner transferred to New York in 1993 and assumed responsibility for managing Chase's efforts to become an employer of choice.

Rosner is currently engaged in executive coaching and HR consulting and works with New Directions as a managing director focusing on the portfolio life product. He has written on preparing senior staff for the CHRO role and working with the board of

directors. He serves on the board of directors for the Boy Scouts of America and the Kellogg Alumni Council at Northwestern University. He also serves on the advisory board for Soundboard Review Services. He recently finished his term on the advisory board for the Center for Advanced Human Resources Studies at Cornell. Rosner is also a graduate of the Directors' Consortium.

Rosner received his bachelor of science degree in industrial engineering from Northwestern University and master of business administration in organizational behavior and finance from Northwestern's Kellogg School.

Eva Sage-Gavin is executive vice president, global human resources and corporate affairs, at Gap Inc. In her role as chief people officer, she sets strategy for the company's communications, government, and public affairs, and HR operations worldwide. Her responsibilities include staffing, diversity, rewards, recognition, employee benefits, learning and development, strategic change, social responsibility, government relations, public affairs, and internal and external communications.

Prior to joining Gap Inc. in 2003, she worked at Sun Microsystems, where she was senior vice president of human resources, and at Disney Consumer Products, a division of the Walt Disney Company, where she also was senior vice president, human resources. She has served in various other senior HR leadership positions for the PepsiCo Corporation, including its Taco Bell division, and for Xerox Corporation.

In 2005, Sage-Gavin was recognized as one of the twenty-five most influential and prominent women leading HR organizations today. In 2006, she received the distinguished honor of fellow from the National Academy of Human Resources in recognition of her lifelong professional achievements in the field of human resources.

A supporter of several educational and nonprofit organizations, Sage-Gavin is active in her community and serves on a number of industry group boards, including the Cornell Center for Advanced Human Resources Studies Board, the President's Council of Cornell Women, the University of Southern California's Center for Effective Organizations, and the Human Resource Policy Association, where she chairs the Education and Training

committee. She holds a bachelor's degree in industrial and labor relations from Cornell University.

Elizabeth “Libby” Sartain is now an active business advisor and board member. As CHRO of both Yahoo! Inc. and Southwest Airlines, she led significant business transformation initiatives as a member of executive leadership teams and guided global HR efforts focusing on attracting, retaining, and developing employees. Her focus has been growth companies, where she developed employment brand strategies that helped increase the workforce exponentially while establishing company reputation as a leading employer of choice. She serves on the boards of directors of Peet's Coffee & Tea and Manpower and advises several start-ups and mature organizations on HR, employer branding, and talent management.

Sartain served as chairman of the board of the Society for Human Resource Management in 2001 and was named a fellow of the National Academy of Human Resources in 1998. *Human Resources Executive* named her one of the twenty-five most powerful women in HR in 2005. She holds an M.B.A. from the University of North Texas and a B.B.A. from Southern Methodist University.

Sartain has coauthored *HR from the Heart: Inspiring Stories and Strategies for Building the People Side of Great Business*; *Brand from the Inside: Eight Essentials to Connect Your Employees to Your Business*; and *Brand for Talent: Eight Essentials to Make Your Talent as Famous as Your Brand*. She is a frequent speaker and is often quoted as a thought leader in human resources.

Laurie Siegel is senior vice president of human resources and internal communications for Tyco International. In this role, she has global responsibility for leading the company's strategies in the areas of leadership development, organizational effectiveness, compensation and benefits, staffing, diversity, learning, HR systems and processes, and internal communications.

Siegel joined Tyco in January 2003 after eight years at Honeywell International, where she served in various roles in the HR area. During her tenure at Honeywell, she held leadership positions in the aerospace division, the specialty materials division, and at the corporate headquarters. Prior to joining Honeywell,

Siegel was director of global compensation at Avon Products and a principal at Strategic Compensation Associates.

Siegel holds a bachelor's degree in general studies from the University of Michigan and received a master's degree in business administration as well as a master's degree in city planning from Harvard University.

Siegel is a member of the Personnel Roundtable and is on the advisory boards of the Cornell Center for Advanced Human Resource Studies and the Rutgers Business School. She also serves on the board of directors and chairs the compensation committee for CenturyLink, a leading provider of voice, broadband, and video communication services.

In 2008, Siegel was named a fellow of the National Academy of Human Resources, the profession's highest honor for outstanding achievement.

Mark Stewart is a senior consultant at Management and Personnel Systems where he develops and delivers assessment centers for companies in the oil and gas industry. He conducts psychological assessments for positions ranging from the professional to senior executive. For more than ten years, he has worked as an internal or external consultant for businesses in a variety of industries. He formerly headed up the assessment and development group for Global Industries, an international offshore construction company headquartered in Houston. Among other accomplishments, he and his team created a succession management process for the top positions in the corporation and a leadership development program for the Americas and Asia Pacific targeting high-potential employees, and he designed and implemented the company's first global, corporate-wide employee survey. He currently serves as an advisor and content contributor for the Organization Development panel of the Society for Human Resource Management.

Charles G. Tharp is the executive vice president for policy of the Center on Executive Compensation. In that role, he is responsible for setting overall policy positions and research initiatives undertaken by the center and representing the center in public forums.

Tharp has over twenty-five years of corporate experience, including key HR positions with General Electric, PepsiCo, Pillsbury, CIGNA, and Bristol-Myers Squibb, where he served as senior vice president of human resources. Most recently Tharp served as the interim executive vice president of human resources for Saks, Incorporated. He has also served as an executive compensation consultant for the global consulting firm Towers Perrin. Tharp has held teaching appointments at Cornell University and Rutgers University and has taught graduate-level courses in executive compensation and HR leadership. He is also a fellow and research scholar at Boston University's Human Resources Policy Institute.

Tharp holds a Ph.D. in labor and industrial relations from Michigan State University, a J.D. from the Quinnipiac School of Law, an M.A. in economics from Wayne State University, and a B.A. from Hope College. In 1998 Tharp was elected a fellow of the National Academy of Human Resources. He previously served as president of the academy, is currently a member of its board of directors, and has served as a past vice chairman of the board of directors of HR Policy Association.

Dave Ulrich is a professor of business at the Ross School of Business, University of Michigan, and cofounder of The RBL Group. He has written fifteen books covering topics in HR and leadership, is currently on the board of directors for Herman Miller, is a Fellow in the National Academy of Human Resources, and is on the board of trustees of Southern Virginia University.

Ulrich emphasizes defining organizations through the capabilities they possess. His work has helped define and shape key capabilities such as change, learning, collaboration, accountability, talent, service, innovation, and efficiency. The outcomes of leadership and HR are the capabilities that an organization possesses that deliver value to customers, investors, and communities.

Although he has been involved in large-scale research projects, most of his writing is characterized by synthesizing complex ideas into frameworks and tools that executives can use. He is a well-traveled speaker, working with groups of all sizes in which he is known for engaging the participants and helping to translate the ideas into actions that work for them. His motto is that good

teaching is not what he knows but how his knowledge helps participants do what they do better.

Ulrich has been ranked the number one management educator and guru by *BusinessWeek*, selected by *Fast Company* as one of the ten most innovative and creative leaders, named the most influential person in HR by *HR Magazine* for three years, and has been on the World's Top 50 Business Thinkers List since 2007. He is also the 2010 recipient of the Kirk Englehardt Exemplary Business Ethics Award.

Eleese E. Wright is the senior vice president, HR, for Aetna Inc. In this role, she is responsible for the development of all HR strategies, and the delivery of HR services and programs.

Ms. Wright has specialized in HR for more than twenty years. During that time, she has held many key positions, including head of HR reengineering implementation and head of HR finance and administration. She has also served in senior positions in the education, pension, and employee relations departments.

An expert in strategic education models, staffing, employee relations, reengineering, and organizational and leadership development, Ms. Wright has led many critical and successful human resources initiatives. Recently, she has managed the transformation of HR into a strategic business partner, the development and launch of a comprehensive and leading-edge benefits strategy and creation of a comprehensive talent management system.

Ms. Wright's community involvement includes leadership roles for her alma mater, the University of Connecticut, for which she serves both on the board of advisors for the UConn School of Business and the board of directors for the UConn Foundation. She also serves on the board of directors for HR Policy Association, advisory board for Cornell University's Center for Advanced Human Resource Studies, and is past president of the Hartford Region YWCA board of directors. In addition, she serves on the board of directors for the Bushnell, Connecticut's premier performing arts center.

She is a member of the Executive Leadership Council, was named one of *Savoy Professional Magazine's* "Top 100 Most Influential Blacks in Corporate America," one of the Top 25 Most

Influential Black Women in Business, and one of Black Enterprise's Top 50 Blacks in Corporate America. She was also installed in the National Academy of Human Resources (NAHR) 2007 Class of Fellows and inducted into the UConn School of Business Hall of Fame in 2008.

Ms. Wright holds a Bachelor of Science degree in Education from the University of Connecticut.

Patrick M. Wright is the William J. Conaty GE Professor of Strategic Human Resources in the School of ILR at Cornell University. He teaches and conducts research in the area of strategic HR management, with a particular focus on how HR practices, the HR function, and how HR leaders can affect firm performance.

He has recently conducted two large-scale surveys of CHROs in the United States and for the past three years he has designed and led an executive program to develop future CHRO talent. He has more than sixty refereed publications, more than thirty book chapters, and has coauthored or coedited more than fifteen books and volumes.

He sits on seven journal editorial boards and has served on the board of directors for Human Resource Planning Society, World at Work, and the Society for Human Resource Foundation. He has served as a Distinguished Academic Visitor for the Ministry of Manpower in Singapore, as a Senior Research Fellow in Taiwan, and currently holds a secondary position at Tilburg University in the Netherlands as a Senior Research Fellow.

Ian Ziskin is president of Executive Excellence Group LLC, a consulting firm he founded following a twenty-eight-year career as a business executive. Executive Excellence Group builds individual and organizational credibility through human capital strategy, leadership and talent development, and organizational transformation. His global leadership experience includes serving in CHRO and other senior roles with three Fortune 100 corporations: Northrop Grumman, Qwest Communications, and TRW.

Ziskin's writings and commentaries have been featured in a wide variety of books and professional journals. He speaks regularly at universities, associations, and companies. He is a

current and past member of multiple boards and executive committees, including vice chairman, HR Policy Association; vice chairman, University of Southern California Marshall School of Business; executive committee and program chair, Personnel Round Table; USC Center for Effective Organizations; Cornell University Center for Advanced Human Resource Studies; HR50; and CHRO/Board Academy.

He has a master's degree in industrial and labor relations from Cornell University, where he held a research and teaching assistantship based on scholastic achievement, and a bachelor of science degree in management from Binghamton University.

In 2007, he was elected a fellow of the National Academy of Human Resources, considered to be the highest honor in the HR profession.

CHAPTER ONE

THE EVOLVING CHIEF HUMAN RESOURCE OFFICER ROLE

*Patrick M. Wright, Paul McKinnon,
Richard L. Antoine, Elizabeth “Libby”
Sartain, John W. Boudreau,
David A. Pace*

The chief human resource officer (CHRO) role has become one of the most important roles on the executive leadership team. Jack Welch, in his book *Winning* (2005), states of the CHRO role, “Without a doubt, the head of HR should be the second most important person in any organization. From the point of view of the CEO, the director of HR should be at least equal to the CFO” (pp. 99–100).

This has by no means always been the case. The HR function in general and the CHRO (albeit previously the director of personnel), traditionally played a largely administrative role in most organizations. However, over the past thirty years, the HR function, and especially the head of the function, has been elevated. With this increased status has come increased pressure.

This chapter examines the trends that have led to the current state of the CHRO role and explores the current pressures that provide opportunities and challenges for those who hold the role. It also presents a guide to the rest of the book. Thus, we will first describe the evolution of HR from the 1980s to now, noting some of the major trends and events that have affected the profession

and the CHRO role. Then we will provide an overview of the rest of the book.

TRENDS IN HR

THE 1980S: HR GOES STRATEGIC!

The 1980s saw the emergence of the concept of strategic HR. Right around the turn of the decade, James Walker (1980) revised his book on human resource planning in which he noted that one consideration in developing an HR plan was the strategy of the business. However, at that time, little knowledge of strategy existed in the HR community (even in the general manager community, strategy had only recently become a hot topic).

Over the course of that decade, the HR profession sought to align its activities with strategy, but it did so largely in a siloed manner. In fact, in one of the foundational books on aligning HR with strategy, Fombrun, Tichy, and Devanna (1984) organized the chapters around such concepts as strategic staffing, the appraisal system as a strategic control, and the strategic design of reward systems. This approach implicitly assumed that each area of HR should align itself around the strategy of the business and that the role of the CHRO was to ensure that this vertical fit existed and to coordinate across these areas to ensure their activities did not conflict with one another, thus creating the horizontal fit.

THE 1990S: HR AT THE TABLE

Whereas the 1980s saw HR leaders talking about the need to be “at the table” (meaning part of the executive leadership team with responsibility for developing strategy), in the 1990s HR leaders increasingly achieved this position. Dave Ulrich’s book *Human Resource Champions* (1996) defined the major paradigm that would guide most HR professional thinking during the decade. In particular, the role of strategic partner gained unprecedented popularity. Although this was not necessarily new in terms of defining the activities through which HR leaders could work with business leaders for the success of the enterprise, labeling the