From General Manager to CHRO



By Claire Harbour (INSEAD MBA '92J), Founder, Culture Pearl, and Antoine Tirard (INSEAD MBA '97D), Founder, NexTalent

Three stories of business leaders who moved to the top human resources role and reinvented HR in their company.

In 2005, *Fast Company* published the now famous article "Why We Hate <u>HR</u>". Echoing a popular workplace belief, the authors asked why HR was broken and how it could be fixed. HR has evolved since then, with some corporations starting to think differently about the "people function".

One hallmark of this thinking is that HR should be led by someone with strategy and operations experience. As a result, an increasing number of companies have appointed Chief Human Resources Officers (CHROs) coming from business functions. Yet, the debate remains open whether this novel practice is wise. As experts in career and talent management, we set out to shed light on this question by meeting business leaders who switched to the top HR role.

Engineering wellness and engagement at Flipkart

Where Krishna grew up, in Southern India, the most esteemed careers were engineering, medicine and chartered accountancy. Six months into a degree

in engineering, Krishna dropped out when he realised he hated it, a rare move in his community. Instead he pursued the loftier discipline of pure mathematics.

Krishna then went to a small liberal arts college in the United States for a computer science degree. The first seven years of his tech career were in Silicon Valley, where he experienced dotcom booms and busts, start-ups and large companies.

In 2012, Krishna was attracted by a role at India's leading e-commerce site, Flipkart, which was in early-stage growth. He was excited by the firm's vision and culture, not to mention the opportunity to return to Bangalore. After four years, having held a number of increasingly responsible roles in the engineering function, Krishna felt less inspired after some cultural changes at the company. This led to an amicable exit.

A few years later, Flipkart evolved again and several key figures, including Krishna, were invited to return. He felt connected with the company and its people, having spent so long in the engine room. He tackled his new role with his usual curiosity and thirst for learning.

During a leadership development programme, Krishna was encouraged to look into coaching. His reflection on how to become the best leader possible drew him closer to the people function. He had the space and courage to pursue his "dream to invest in people 110 percent". Serendipity came along in the form of an opening as the Head of HR. Krishna accepted this new challenge, backed up by many colleagues who had pictured him in that role over the years.

Krishna became Chief People Officer (CPO) in April 2020. Unsurprisingly, he first focused on the health and safety of Flipkart's frontline workers, as they served not only the company but the country as well in distributing key goods. He tuned in and listened deeply, determined to take care of its staff's physical, mental and emotional well-being.

Previous deep dives into the human side of the business have served Krishna well. They have allowed him to quickly set up impactful employee wellness and engagement programmes. While ensuring that sound metrics are in place for everything from performance to development, Krishna is also on a mission to make Flipkart a best-in-class employee experience destination.

The eclectic R&D leader on a mission to transform Barry Callebaut's HR

Always a curious explorer, Isabelle had her first work experiences at ICI, Villeroy & Boch and others while working towards her PhD in engineering. She then took a fast-track path at Unilever, starting in a research role before shifting to product development.

She thrived in creating products that could impact people's lives. She became increasingly interested in collaborating across functions in order to better solve consumers' problems. In her world, people mattered as much as products. After a series of promotions, Isabelle became Vice President for R&D Europe, CEE and Russia, across Unilever's Foods and Home & Personal Care businesses, a role with over 2,000 reports. She described it as "a glorified HR job!"

When she moved into Unilever's Foods division, Isabelle met Antoine (not the author), who led this part of the business. She found herself involved in restructurings, and realised that science and technology could no longer be kept entirely in house. She conceived eco-systems of internal and external stakeholders that made sense in the new paradigm.

In her final role at Unilever, Isabelle started an innovation centre – another eco-system involving varied stakeholders. At the same time she began talking to headhunters. One of them asked if she had ever considered HR. She was shocked at first, but the idea took root. It aligned brilliantly with her underlying philosophy of having the people function "at the heart of the business".

When Antoine, now CEO of chocolate manufacturer Barry Callebaut, approached her about an HR role that would bring the function closer to the business, Isabelle took the leap. She trusted her former boss and could see that this role was a true challenge from a leadership and value creation perspective. Moving from a global B2C behemoth to a smaller B2B, partly family-owned company, Isabelle relished the opportunity, once again, to have a clear impact.

Isabelle's built her credibility on the business angle she was expected to inject in HR. With Antoine's blessing, she started by visiting the furthest extremities of the supply chain, talking to dairies and cocoa producers in Africa. Asking fundamental questions, she looked for clear answers that could be "in service of the business".

Whereas HR had been a scapegoat for more or less every problem in the company, under Isabelle's leadership, the team members began to take pride in their roles. The transformation journey is by no means over, but Isabelle's legitimacy as a visionary who fundamentally understands business drivers allows her to progress. Ultimately, her lack of familiarity with HR has helped her concentrate on the big picture.

Using commercial instinct to bring HR back to the playing field at LEGO

Although Loren became a CPO less than three years ago, the seed was planted years earlier when he "discovered" personal development during a business trip to Australia. He had, until then, been "ignorant and unappreciative of various wellness modalities such as mindfulness", but from that moment on, he pursued his own growth insatiably.

It was only in his first general management role, at Nokia Taiwan, that he began to attempt to carefully introduce some of his personal learning into a work context. Meanwhile, he completed a number of coaching and leadership programmes, as well as a second Masters in Organisational Psychology.

By 2011, at Google in Asia, Loren found himself in an environment that was ahead of the curve in the people development area. He was given time to create a mindfulness programme and a coaching programme, with the support of Google's people leader, Laszlo Bock. Loren then began an internal debate: Would he have more impact if he worked inside HR? He might have made the transition to the people function at Google, had he not been headhunted by LEGO.

Since Loren was not looking for a job, it allowed him to be open and authentic in his interview with the CEO and owner. He was considered for a commercial leadership role, and was even asked whether he would be eyeing the CEO role. He found himself answering, "Not necessarily, but if you had a CHRO position, I'd be interested in that!"

In 2017, two years after he started at LEGO, a series of shifts, exits and dominos falling led to him being appointed CPO. His prior commercial role gave him credibility and legitimacy with the board and staff. However,

massive reorganisations had left the HR function reeling, so Loren "had to get the patient out of the ICU and back to the playing field." Much of his success came from simplifying and "retiring" prior HR thought and process. He tackled the rewards system, showcasing the idea that "we are all in this together."

Loren took a bottom-up approach, creating a highly diverse working group with one mandate: "You tell us!" The result was a simple, uniquely LEGO, durable model called "The Leadership Playground", involving about a thousand "Playground Builders" responsible for introducing and implementing the model.

Was there resistance along the way? "Of course! Half the people thought 'Who the hell is this guy? Is he being punished in this role?' I was only able to pull this off because I had the experience of the heart of the business from the CCO role," said Loren. Now that it's been a few years, the whole company understands that, to have a seat at the table, HR needs to be "in the business on a daily basis, and not lagging behind".

The CHRO as business strategist

These stories show that strong leaders with no prior HR background can make outstanding people leaders. Our subjects had a powerful impact as CHROs through their common humility, deep knowledge of the business, strategic perspectives and the desire to learn. Alan Mulally, former CEO of Ford, once <u>said</u>, "The best CHROs become unbelievable business strategists." Now ask yourself: How would *you* fare if you found yourself as head of HR in your organisation? Would you see it as a reward or a punishment? And how could you use the role to create more value for all?

Six reasons why a CEO could consider a CHRO with no HR background

- 1. Their previous business experience gives them legitimacy and credibility with a wide range of stakeholders, including the board.
- 2. They bring a business angle to the HR function and align it to better support the business.
- 3. They dare to bring big changes to the function, simplifying or retiring prior practices or processes.

- 4. They avoid "HR for HR's sake", focusing on crucial activities that serve the business.
- 5. They push their teams to a higher level of impact and help them gain or regain pride.
- 6. When promoted from within, they become natural "culture carriers" and they role model the opportunity to pursue a career path that includes shifts and growth.

Six tips for business leaders transitioning to a CHRO role

- 1. Go beyond the perception that the HR function is less valued or admired than other line roles.
- 2. In your first months, don't give the answers too quickly; take the time to listen and understand the culture.
- 3. Leverage previous knowledge and experience in other areas of the business to assert your credibility in an authentic way.
- 4. Get early wins, identify some practical problems that can be fixed simply and quickly; don't be afraid to kill some sacred cows.
- 5. Respect and leverage the expertise of your HR team, help them strengthen their credibility and pride.
- 6. Put the people strategy at the centre of the business, and the HR function as the mechanism that delivers it.

<u>Claire Harbour</u> is a global talent expert, offering services as a coach, adviser, speaker and writer on topics related to people, talent and culture.

Antoine Tirard is a talent management advisor and the founder of NexTalent. He is the former head of talent management of Novartis and LVMH.

Antoine and Claire are the co-authors of **Disrupt Your Career: How to** Navigate Uncharted Career Transitions and Thrive.

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About the author(s)

Claire Harbour is a global talent expert, focused on coaching and consulting across borders, and stirring up disruption.

Antoine Tirard is an international talent management consultant, trainer and coach to large global organisations.