HR in the C-Suite:

CAHRS 2012 Chief Human Resource Officer Survey Results

CAHRS

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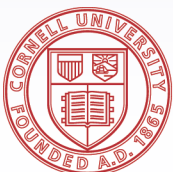
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The Center for Advanced Human Resource Studies (CAHRS) is an international center serving corporate human resource leaders and their companies by providing critical tools for building and leading high-performing HR organizations. CAHRS' mission is to bring together partners and the ILR School's world-renowned HR Studies faculty to investigate, translate and apply the latest HR research into practice excellence.

Executive Summary

The 2012 Cornell/CAHRS Chief HR Officer Survey focused on three areas: Corporate Social Responsibility (CSR), the Executive Leadership Team (ELT) dynamics, and the CEO's Leadership of the ELT.

Results regarding CSR indicate that CHROs see limited impact for CSR programs on the bottom line, and that this tends to be an obstacle to broadening CSR efforts. CSR efforts that are strategically built around the firm's business seem to be more effective than those that appear without any alignment to the business's capabilities or strategic objectives. In addition, because CSR has the greatest impact on the firm's reputation, these efforts tend to be championed by the CEO more so than by those lower in the organization.

ELTs vary considerably in their effectiveness, with effective teams being characterized as having great cooperation/collaboration/teamwork, candid dialogues and discussion, members who put the enterprise above their business, and members aligned around an agreed upon strategy and common goals. Lateral communication siloes and passive-aggressive or immature behavior lead to lower effectiveness on the ELT. CHROs play three roles in helping the teams to become more effective. First, they build the team's capability through pushing for common purpose/priorities/alignment, defining the operating and communications expectations, leading team-building interventions, and building and/or upgrading talent on the team. Second, they meet one-on-one with team members to coach, give feedback, and facilitate communications. Finally, they manage the dynamics of ELT meetings by setting the agenda, asking questions, and voicing unpopular opinions.

While CEOs get promoted for their intelligence and business acumen, some enter the job with a lack of clear leadership capabilities. In addition, the time consuming nature of the job and perpetual stress may distract them from engaging in people-oriented leadership behaviors. CHROs report that CEOs who effectively lead the ELT encourage discussion and listen, drive accountability, build the team, lead in strategy and vision, develop and coach the ELT members, and value employees. In addition they live the firms's values and exhibit honesty and integrity. However, the major area of weakness for CEOs tends to be their desire to avoid conflict.

Finally, the CHRO role has not changed much over time in terms of how they spend their time. They still spend the most time leading the HR function, followed by Strategic Advisor and Talent Architect, and Counselor/Confidante/Coach. In their work with the board they still spend roughly half that time on executive pay issues and 15% of their time on CEO succession and executive succession.

Introduction

Since 2009 Cornell/CAHRS Chief HR Officer Survey has explored the changing nature of the CHRO role, and examined a number of challenges facing those in the role. The 2012 survey again demonstrates how CHROs spend their time in a variety of roles and how those have changed over time. In addition, this year's survey addressed three new issues: Corporate Social Responsibility, the Executive Leadership Team (ELT) dynamics and how CHROs seek to make the teams more effective, and the CEO's leadership style and how CHROs help them increase their leadership effectiveness.

This year's survey was sent to 349 individuals who held the most senior HR role in their organizations. Of those, 143 (41%) completed the survey, with 82 male and 61 female respondents.

The report will first examine the responses regarding firm's Corporate Social Responsibility (CSR) efforts in terms of the types of programs and the impact of CSR on business outcomes. It will then examine the positive and negative dynamics of the firm's top management teams and describe the ways in which CHROs help these teams to function more effectively. Third, it will explore the strengths and weaknesses of CEOs in terms of their leadership style and again identify the ways in which CHROs help them to increase their effectiveness. Finally, it will examine the time spent in various roles and how that has changed over the past few years.

The Cornell/CAHRS Survey of Chief HR Officers

	2009	2010	2011	2012
Invited	148	212	409	349
Responses	56	72	172	143
Major Themes	CEO's Agenda for HR	Board Participation, Non-HR areas of Responsibility	Organization and HR Metrics, Ways to increase CHRO Effectiveness	ELT Dynamics, CEO's Leadership of the ELT

Corporate Social Responsibility

CSR has become broader in definition and scope and more important to firms as a means of managing their reputation over the past 10 years. Students in the Business Ethics and CSR class at Cornell University examined the CSR reports of 15 different companies to identify the variety of activities that firms reported as comprising their CSR and/or Sustainability efforts. These activities were distilled into 28 generic types of programs and CHROs were asked to indicate (a) whether or not they had each of the programs and (b) the extent to which they believed each program had a positive impact on business outcomes. These results are depicted in Figure 1A and Figure 1B.

Figure 1A: Frequency of CSR Activities
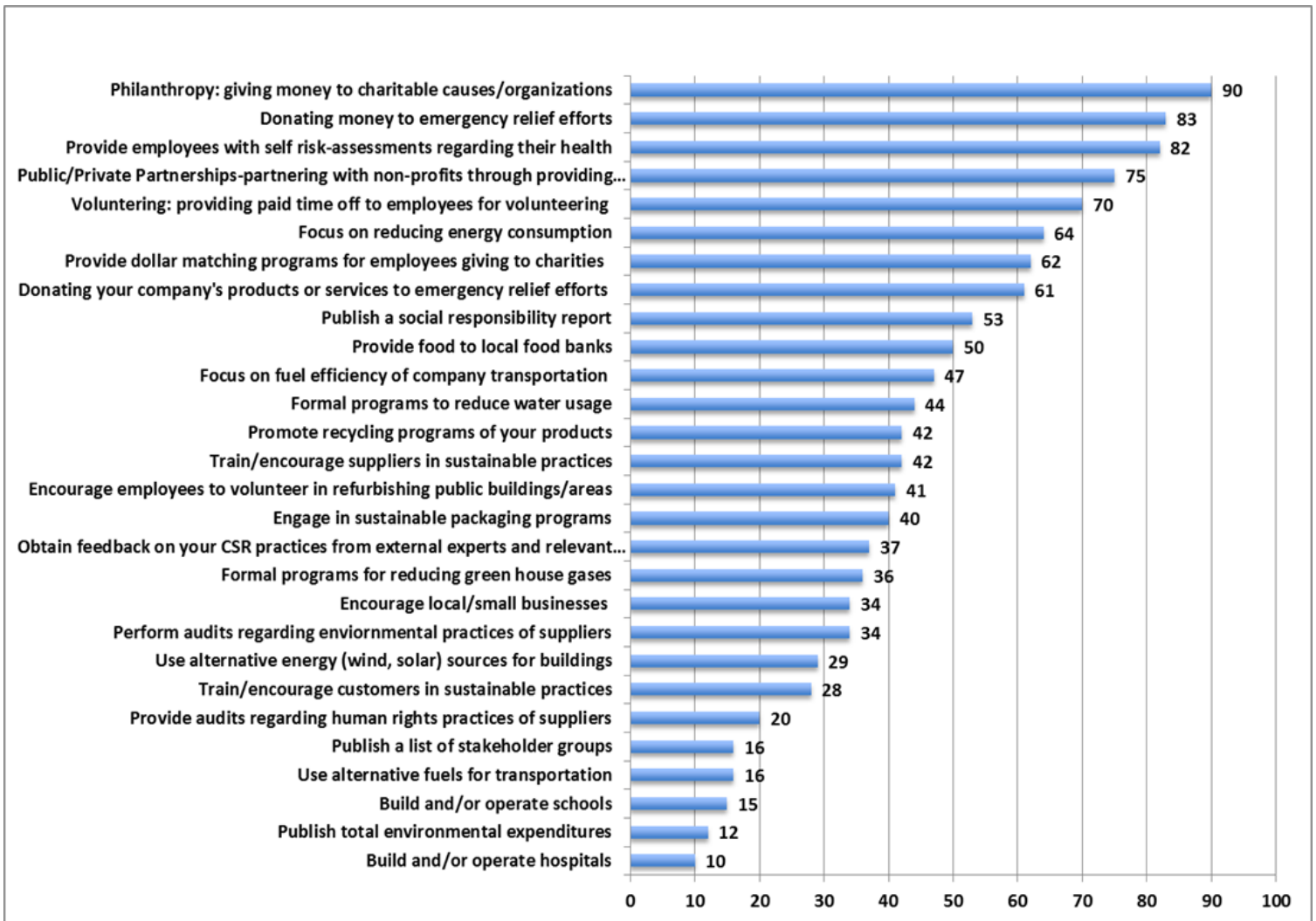
In terms of popularity of use, by far corporate philanthropy dominates firms' CSR efforts. Ninety percent of respondents indicated that their firms engaged in giving money to charitable causes and organizations and another 83% indicated giving money to emergency relief efforts. An employee focus was observed as 82% provide employees with self risk-assessments for their health and 70% provide paid time off for employees to volunteer for charitable causes. Finally, 75% noted that their firms engage in public/private partnerships by providing non-profit organizations with resources and/or people. Interestingly, environmental efforts fell down the list with only one, reducing energy consumption, appearing among the top 10 (at number 6) work companies.

We saw similar results regarding the perceived impact of these programs. Four of the same top five programs appeared, albeit in a slightly different order (risk assessments, volunteering, philanthropy, and public/private partnerships, respectively) and reducing energy consumption again showed up as number 6 on the list. Interestingly, in terms of impact, donating a company's products or services to emergency relief efforts appeared as number 5 with donating money to such efforts at number 7.

Figure 1B: Impact of CSR Activities

Activity	Score
Provide employees with self risk-assessments regarding their health	3.9
Voluntering: providing paid time off to employees for volunteering	3.8
Philanthropy: giving money to charitable causes/organizations	3.7
Public/Private Partnerships-partnering with non-profits through providing...	3.7
Donating your company's products or services to emergency relief efforts	3.6
Focus on reducing energy consumption	3.5
Donating money to emergency relief efforts	3.5
Formal programs to reduce water usage	3.4
Promote recycling programs of your products	3.4
Publish a social responsibility report	3.3
Provide dollar matching programs for employees giving to charities	3.3
Engage in sustainable packaging programs	3.2
Provide food to local food banks	3.2
Obtain feedback on your CSR practices from external experts and relevant...	3.1
Formal programs for reducing green house gases	3.1
Focus on fuel efficiency of company transportation	3.1
Encourage local/small businesses	3.1
Use alternative energy (wind, solar) sources for buildings	3
Provide audits regarding human rights practices of suppliers	3
Perform audits regarding enviornmental practices of suppliers	3
Encourage employees to volunteer in refurbishing public buildings/areas	3
Train/encourage suppliers in sustainable practices	3
Train/encourage customers in sustainable practices	2.9
Use alternative fuels for transportation	2.8
Build and/or operate schools	2.8
Build and/or operate hospitals	2.7
Publish total environmental expenditures	2.5
Publish a list of stakeholder groups	2.5

In order to gain insights regarding what might constitute innovative best practices in CSR, we asked CHROs to write about any CSR programs that they felt could be considered best practices. Table 1 provides some examples of best practices mentioned by them.

Table 1: Corporate Social Responsibility Best Practices

Connecting our CSR activities with our business (public safety communications) by aligning our philanthropic giving with our stakeholders (police, firefighters, first responders.) Partnering with our customers on employee volunteer events.

Our company is actively engaged as responsible citizens in our communities. This comes in all forms - philanthropically in the monies we donate as well as through extensive volunteer hours from our associates.

Aligning our CSR directly to our company's Mission and Vision and Strategy and not allowing Markets to expand outside of agreed approach.

We have an integrated CSR agenda of which there are commitments at both the environmental and community levels. Our agenda is incorporated into our strategic planning process.

Community engagement around our CSR efforts. Building local ownership, awareness and appreciation. Linking all of the efforts together to tell a compelling story.

We take great care to protect our corporate brand, and we have processes in place to ensure CSR efforts are focused.

Bringing together a history of many grass roots efforts into a more focused aligned approach without it feeling too restrictive.

We work to create a purpose-driven organization. We allow every associate to be connected to something outside his/her normal job (e.g., giving back to others and the community, sustainability, diversity and inclusion, wellness, etc.)

We develop strong and strategic partnerships with non-profits and NGOs. For example, we are a founding sponsor of the U.S. Green Building Council's Center for Green Schools. The center is working to transform U.S. schools to make them better for the environment, less expensive to operate, and healthier places to learn and work. During the year, two Center for Green School Fellows launched initiatives in 222 schools in Boston and Sacramento, Calif. Their activities contributed to the more than 6,500 LEED-certified and registered school projects currently underway. Our support also enabled a volunteer network to commit more than 208,000 hours of service in 2011. Another example of a strong partnership is taking place in India. Through a partnership with One Drop, a nongovernmental organization, we are supporting a three-year project in Orissa, India, to bring safe drinking water to 100 villages. One of our divisions is leveraging employee expertise and its innovative line of water, wastewater treatment and chemical metering pumps to improve living conditions in an area where nearly 40 percent of the population does not have access to safe drinking water.

In examining these responses what became very clear was that no consistent practices seemed to emerge. While a number of CHROs referred to their employee volunteering or corporate philanthropy programs, these seem so prevalent as to not be ones that would differentiate one firm's approach from another. However, what may be considered best practice was the extent to which the firms have integrated their programs with their businesses. For example, a firm in the fire and safety space focuses on helping firefighters and thus creates synergy between their CSR efforts, their products, and their customers.

While the previous questions examined the impact of specific programs, we also sought to identify the overall impact of firms' entire CSR strategies. So CHROs were then asked the extent to which their CSR efforts positively impacted 11 aspects of organizational effectiveness. Figure 2 shows the results of this question. Interestingly the kinds of outcomes grouped into four areas with similar levels of impact. The greatest impact was on the firm's reputation (supports values, extends brand, and public image), followed by employees (engagement and attraction/retention), and customers (loyalty and retention). Interestingly, CHROs reported that the lowest impact was on aspects of the firm's operational/financial performance (profit, costs, sales, and quality).

The survey also asked respondents to indicate which of the five attitudes an individual (the CEO) or group (ELT, High Potentials, Middle Managers, and Front Line Employees) has about CSR: Champions, Supporters, Moderate

Figure 2: Impact of CSR Programs
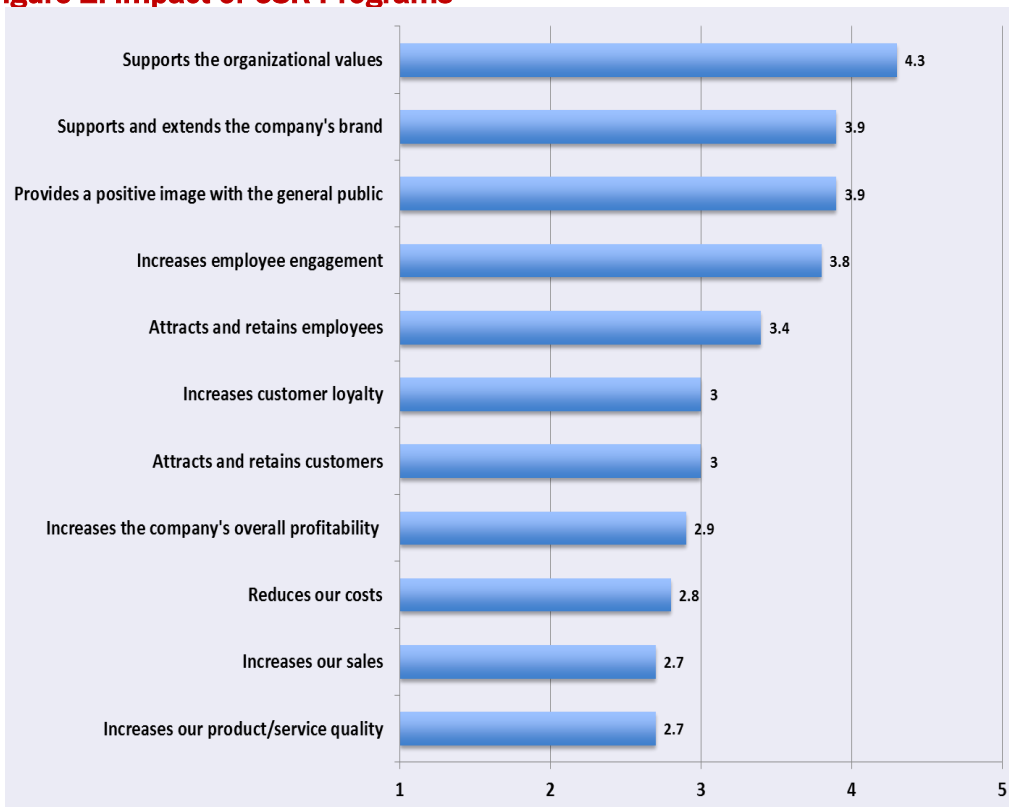
Supporters, Critics, and Opponents. Results (see Figure 3) revealed that CEOs are the most frequent champions of CSR efforts (not surprising given that their individual reputations are strongly tied to the organization's reputation), with a decreasing percentage of champions the further down one goes in the firm. Overall there was significant support for CSR with very few critics and no opponents identified. The four levels below the CES all had roughly 80-85% identified as either supporters or moderate supporters.

Figure 3: Attitudes Toward CSR
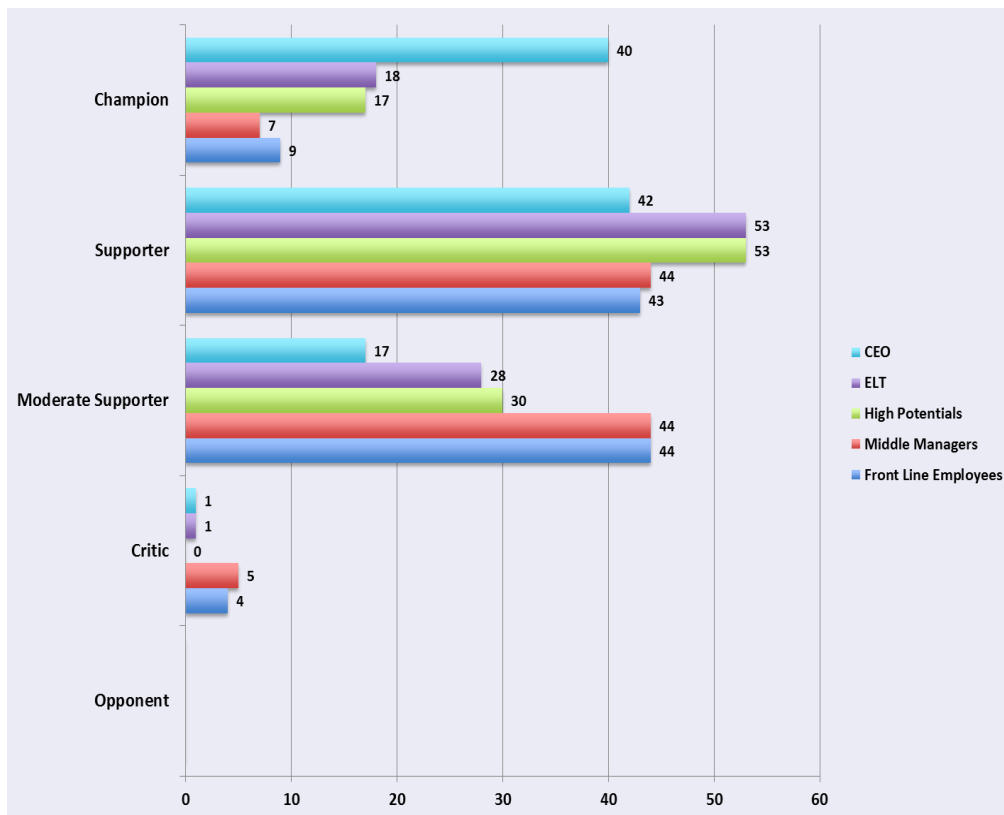
Finally, we asked CHROs to identify the biggest obstacles to the success of their CSR programs. Responses fell into four basic categories. These, along with examples are listed in Table 2. First, "Lack of Financial Resources" was mentioned by 20 CHROs. Sometimes the response was simply a focus on cost in general, while other times the focus seemed to be a temporary cost focus in light of the poor economic conditions. Second, "Lack of Integration/Alignment" was mentioned by 18 CHROs. This referred to either aligning the programs with the strategy, aligning the programs around a central and coherent theme, or aligning numerous local programs across the globe. Third, "Link to Business Results" described the difficulty in getting buy-in for CSR efforts without a clear link to either profitability or business objectives. This was mentioned by 16 CHROs. Last, "Leadership Support" was mentioned by 8 CHROs and referred to either top management or middle management not being actively supportive of the programs.

Table 2: Obstacles to CSR Efforts

Lack of Financial Resources/Cost

- Overall support ($ and resources) for a dedicated program
- Cost across the company
- Cost for a smaller company is a big obstacle. We can't get the economies of scale necessary to make some programs worthwhile. Therefore CSR becomes an affordability project.
- Challenging business environment and declining top line

Lack of Integration/Alignment

- Need to put a comprehensive CSR strategy together. It is embedded within how we do business already because of the culture of the organization but not leveraged as business tool.
- Integrating strategy across all divisions/business units.
- The fact that it needs to feel as local as possible, but be scaled and focused as a company. So things that may have higher impact locally can sometimes be back "seated" to things that we can do broadly. Also, in a cluttered communications world, it gets harder and harder to ensure all employees know what the CSR agenda is and how we are progressing it/ the role they need to play. They get the info, but the velocity and complexity of all of it makes it difficult.
- While it is coordinated for reporting purposes through Communications, the actual work occurs in multiple functions, so our efforts can be piecemeal at times.

Link to Business Results

- Clear linkage to business results. Most feel good and have solid community impact, but no direct measurable business impact.
- Moving beyond reputational value to real economic benefits. With all the volatility in the external environment, it is difficult to keep this priority front and center unless it can show up on the P&L as a source of income.
- Return on Investment is much longer than other enterprise-wide strategies: Have to believe there is a payoff and therefore need to stay focused on the bigger CSR vision while meeting the annual deliverables.

Leadership Support

The largest obstacle in overcoming the effectiveness of our efforts is the support of middle managers as well as having the resources that can devote time. It is difficult to allow employees to work on projects such as these when our company throughout the world runs so lean. In three of the divisions, it is more critical to the success of the business. Making the business case that it is critical to the service business is much more difficult so gaining buy-in is more of a challenge.

Lack of awareness re: the CSR strategy within the company. Not enough engagement from senior leaders to support CSR initiatives.
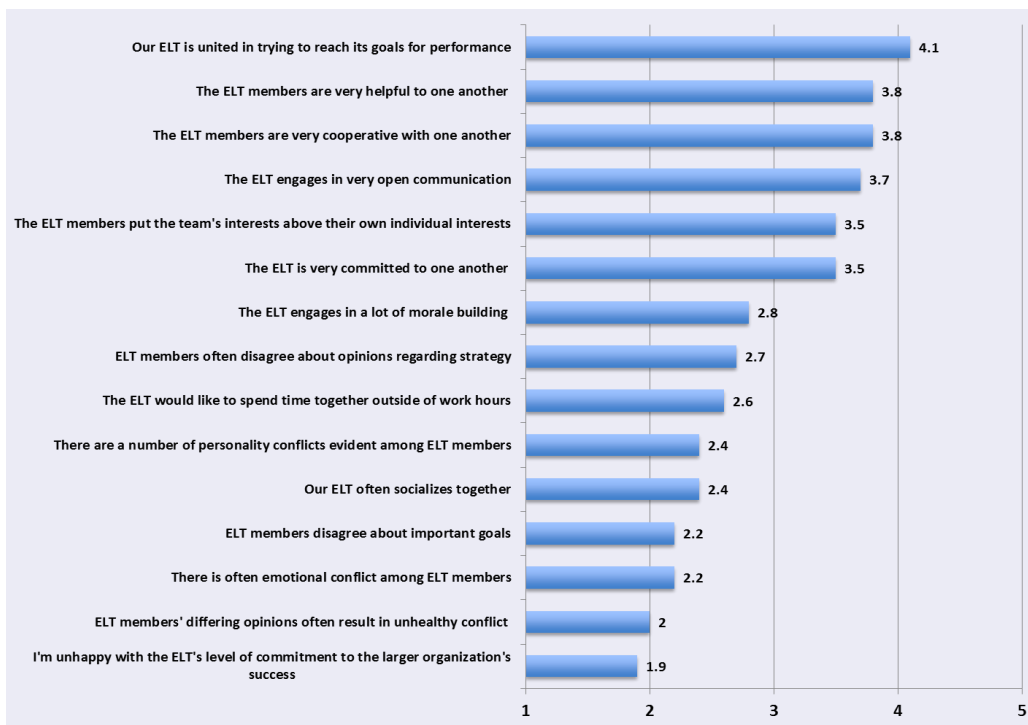
Lack of leadership interest and investment.

CSR – Summary - Sustainability has come to be equated with the triple bottom line (social, environmental and economic, or people, planet, profit). Such efforts seek to integrate these three areas in ways that enable firms to simultaneously optimize across all three areas. These results indicate that among US-based firms, CSR is still seen mainly as philanthropy, and not yet as true sustainability. Firms seem to be focused on corporate philanthropy as the main plank of their CSR efforts, with building or guarding their reputations as the main outcome. CSR as a means to increase profitability seems to still be the guiding paradigm among leaders, and when that is not clear, it appears difficult to get buy-in.

The CHRO and the Executive Leadership Team (ELT)

ELT Dynamics. In confidential conversations with CHROs, they often reveal the many problems that exist among ELT members. These "teams" seldom function as teams, but rather as a group of individuals pursuing their own self-interests, thus requiring CHROs to step in as referees, counselors, and mediators. Thus, this year's survey sought to identify the areas where teams function well and poorly and how CHROs can aid in their functioning.

First, CHROs were asked to rate the extent to which their ELTs exhibited a number of characteristics. As Figure 4 shows, not surprisingly the ELTs receive the highest rating for its performance focus. The next set of items, displaying lower scores (with means below 4.0) deal with the collaboration and teamwork of ELT members. Finally, three items dealing with relationships (morale building, spending time outside of work, and socializing together) all exhibit means below 3, the midpoint of the scale.

Figure 4: To What Extent Would you Agree with Each of the Following Descriptions of your ELT?

Description	Rating
Our ELT is united in trying to reach its goals for performance	4.1
The ELT members are very helpful to one another	3.8
The ELT members are very cooperative with one another	3.8
The ELT engages in very open communication	3.7
The ELT members put the team's interests above their own individual interests	3.5
The ELT is very committed to one another	3.5
The ELT engages in a lot of morale building	2.8
ELT members often disagree about opinions regarding strategy	2.7
The ELT would like to spend time together outside of work hours	2.6
There are a number of personality conflicts evident among ELT members	2.4
Our ELT often socializes together	2.4
ELT members disagree about important goals	2.2
There is often emotional conflict among ELT members	2.2
ELT members' differing opinions often result in unhealthy conflict	2
I'm unhappy with the ELT's level of commitment to the larger organization's success	1.9

Next CHROs were asked the areas in which their ELTs exceeded or fell short of their expectations in terms of functioning as a team. In reading through the responses to these open-ended questions, four dimensions emerged where some CHROs identified it as a strength and others as a weakness. As Figure 5 shows, "Cooperation/Collaboration/Teamwork" had the most mentions overall and was the area which was most often identified as an area of strength. "Candor/Dialogue/Discussion" was the second most mentioned dimension, and it received the most frequent identification as an area of weakness among ELTs. Close behind was "Enterprise First Perspective" as a number of CHROs either praised their ELTs for focusing on the enterprise, or criticize their teams for overly focusing on their own businesses to the detriment of the enterprise. Finally, and relatedly "Strategy Alignment/Common Goals" described the extent to which the ELTs displayed an overall alignment around the firm's strategic goals.

In addition, "Performance/Goal Attainment Focus" was mentioned only as a strength. Given that a lack of collaboration/teamwork, candor/dialogue/discussion, and Enterprise First Mentality showed up frequently as weaknesses, it may be that this was a somewhat backhanded strength; i.e., "the ELT is performance focused but it is *only* performance focused." On the weakness side, "Lateral Communication Siloes" and "Passive/Aggressive/Immaturity" were only mentioned as criticisms of the team's functioning. Some examples of each of these dimensions are provided in Table 3.

Figure 5: ELT Strength and Weaknesses: In the CHRO's Words

* Most frequent Strength
** Most frequent Weakness
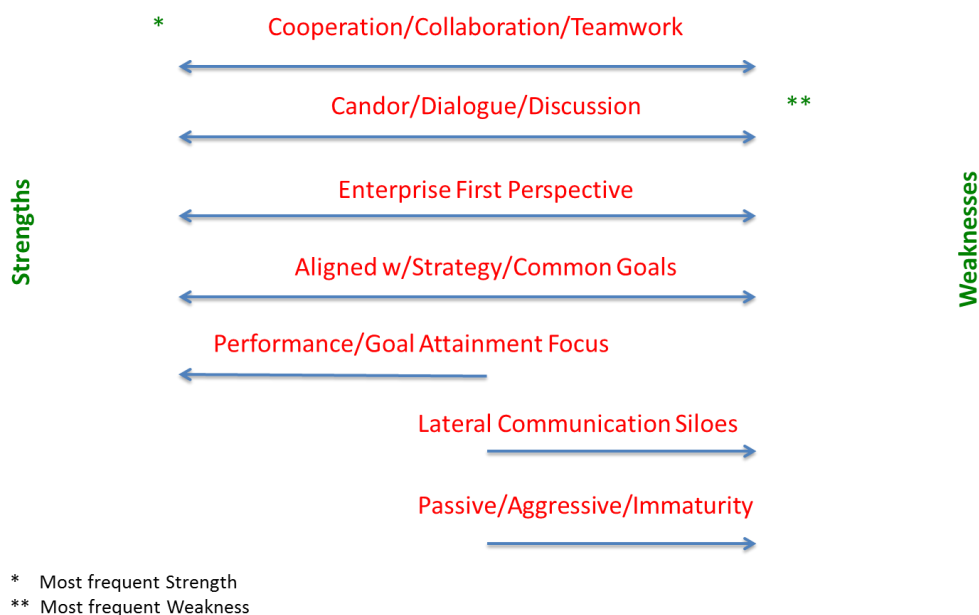
Table 3: Executive Leadership Team Strengths and Weaknesses

Cooperation/Collaboration/Teamwork

♦ Good teamwork, minimal politics;

♦ Support for one another. True team together philosophy;

♦ Very clear understanding that we rise and fall together, as a team. It is not a hero culture and rarely do executives engage in behaviors designed to help them win at the expense of another individual or organization;

♦ *Subordinating personal goals for the goals of the enterprise. Collaboration and support of each other, always checking in with each other to determine how they might help a colleague that currently has a lot on his/her plate. Ownership of each other's long and short term goals;*

♦ *The ELT does not work as a team, more as individuals;*

♦ *Operate autonomously - we're a collection of high performing individuals but that doesn't translate into a high performing team.*

Candor/Dialogue/Discussion

♦ Constructive and honest dialogue, including encouraging debate and counter points of view — then, when decision made, united front 100% thereafter- no "back room" discourse;

♦ Willing to speak up and challenge each other -- putting issues on the table;

♦ *Sometimes members do not air all their concerns openly;*

♦ *Like many, we often avoid confronting each other directly and time is wasted as issues are vetted in hallways and in small groups.*

Enterprise First Perspective

♦ Most put the enterprise needs ahead of their own individual needs. I find that unique in a public company;

♦ *They often have difficulty coming to the table wearing their "company" hat vs. their "Division/Function" hat.*

Aligned with Strategy/Common Goals

♦ Alignment on the business strategy and operating plan;

♦ Commitment to the overall mission of the organization;

♦ *Lack of strategic focus;*

♦ *The "hub and spoke" management style of the CEO allows a fair amount of misalignment and misunderstanding; something the ELT readily acknowledges.*

Performance/Goal Attainment Focus

♦ High work ethic, individually work hard to accomplish goals;

♦ Focus on the business;

♦ High commitment to the overall purpose and results of the organization;

♦ Meeting current performance requirements.

Lateral Communication Siloes

♦ *Lack of frequent communications outside of meetings leads to misunderstandings of tactical execution of common goals from time to time;*

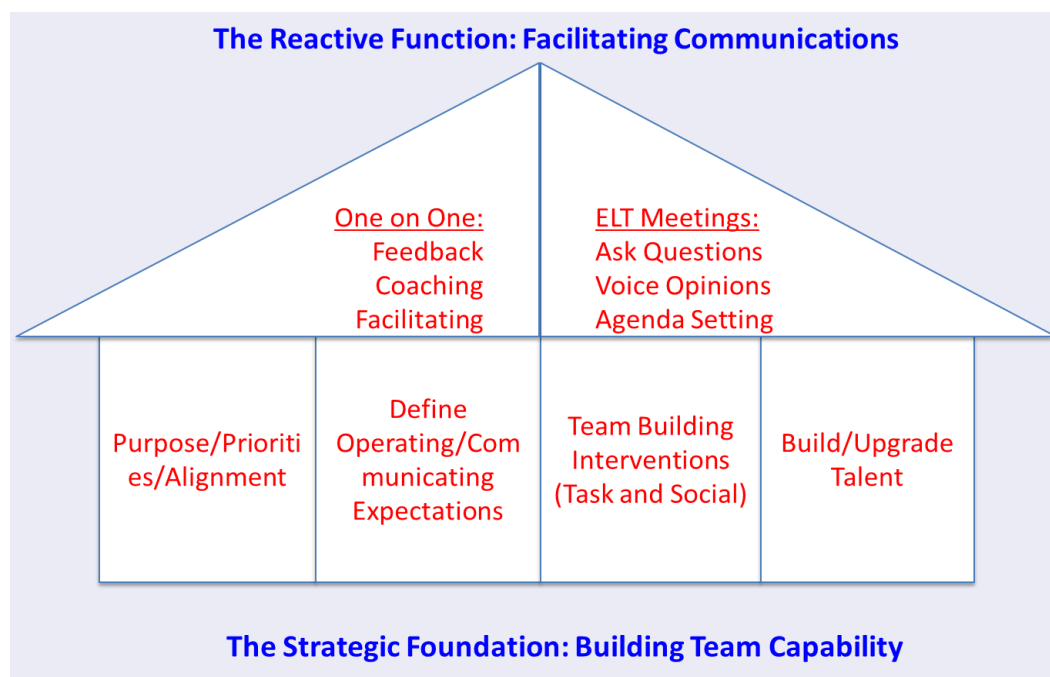♦ *Insufficient information sharing among team members to enable effective partnership.*

Passive/Aggressive/Immaturity

♦ *Some passive aggressive behavior. Would prefer to see more healthy conflict and the ELT to voice their true opinions/objections so we could deal with them head-on;*

♦ *There tends to be a great deal of passive/aggressive behavior;*

♦ *Team members critical of one another outside the team;*

♦ *Immaturity, self-centeredness ("It's all about me" behavior).*

These responses reveal two important challenges. First, some of the weakness statements indicate simple neglect (individuals so busy that they fail to communicate or coordinate with other ELT members), while others imply a more nefarious motivation (passive/aggressive and immature behavior). This leads to an exploration of what the CHRO does to help the team work more effectively together.

CHRO's Role. In another open-ended question CHROs were asked to report how they help the ELT work more effectively as a team. Their responses seemed to fit into three basic categories of activities. First, there are a number of one-on-one discussions that CHROs have with ELT members outside of the ELT meetings. Second, there are things that CHROs do in the team meetings to ensure that the meetings are more productive. Finally, some CHROs reported working on building team capability as a more ongoing process. Figure 6 provides a visual depiction of this as the foundation of the house entails the overall capability of the team, while the top of the house describes the more reactive ways in which CHROs are brought in to helping the team function more effectively. In addition, Table 4 provides examples of how CHROs described their activities in helping to improve the effectiveness of the team.

Figure 6: CHRO and the ELT

The Reactive Function: Facilitating Communications

One on One:
Feedback
Coaching
Facilitating

ELT Meetings:
Ask Questions
Voice Opinions
Agenda Setting

Purpose/Priorities/Alignment

Define Operating/Communicating Expectations

Team Building Interventions (Task and Social)

Build/Upgrade Talent

The Strategic Foundation: Building Team Capability

One on ones. By far CHROs identified various forms of providing feedback, coaching, and facilitation as activities in which they engage to help the team. First, CHROs frequently have to give feedback to ELT members regarding the appropriateness of their conduct (e.g., the passive/aggressive or immaturity expressed as a team weakness). These sessions extend to the CEO as well, but those activities will be discussed more deeply in the next section. Second, they engage in much coaching of the ELT members. In essence this involves helping them to explore how to raise certain issues with the CEO, or in the ELT meetings, or how to approach a peer. Finally, in terms of facilitation, the coaching often extends into acting as a mediator among two or more ELT members in conflict. For instance a number of CHROs mentioned that they often have to give messages from the CEO to an ELT member, or be able to give a message to the CEO from an ELT member who cannot risk being associated with the message. In essence, the CHRO often serves as the lubricant to smooth communications among ELT members.

ELT Meetings. Given that CHROs noted a lack of candor/dialogue/discussion as the most frequent area of weakness for the ELT, CHROs step into this void to try to ensure that the proper dialogue and discussion takes place. They recognize the dilemma facing some ELT members who might aspire to sit in the CEO's chair some day. They often fear that voicing opposition or raising concerns might be considered disloyal or "not being a team player" so they choose not to in order to save their career aspirations. However, because such opposition must be considered in order to fully vet decisions, CHROs take a proactive role. This requires asking the questions that others might be afraid to ask, voicing unpopular opinions, or otherwise forcing a dialogue that did not naturally appear.

A second aspect of their work with the ELT entails setting the meeting agenda. Ten of the CHROs mentioned that they structure the agendas for the ELT meetings, thus giving them considerable influence over the topics to be discussed and the issues to be raised.

Building Team Capability. Most interesting were the activities CHROs reported that, when put together, described how they work on building the overall working capability of the ELT. While some may include issues that have already been discussed, this category seemed to be taking a more proactive and strategic approach to building the capability within the team to work as a team. First, they work with the CEO and other ELT members to come to consensus on the organization's purpose, strategic priorities, and strategic alignment. Second, they also seek to gain consensus among the ELT regarding the operating expectations for the team in terms of communication, conflict resolution, etc. Third, they institute specific team building interventions aimed at helping the ELT members to learn how to work together more effectively. These interventions may be focused specifically on work (e.g., defining areas of responsibility/accountability, how to raise thorny issues, etc.) or they may be focused on simply building social relationships among the team members outside of their work relationships. Finally, CHROs play a key role in defining and building the talent on the team. They identify individuals who lack the necessary skills and work with the CEO to exit them while upgrading talent through their replacements.

ELT Dynamics – Summary. In looking across all of these results, it appears that many ELTs can be described as containing highly ambitious, highly intelligent, highly performance-driven individuals, usually working within a reward system that focuses their attention on their own individual goals and not on the overall success of the enterprise. This leads to suboptimal functioning as a team, requiring frequent CHRO intervention. Thus, CHROs play a significant role in giving feedback for inappropriate behavior, coaching for future behavior, facilitating communication among ELT members, and building consensus and alignment among them.

Table 4: How the CHROs Help the ELT

- I seek people out individually to coax viewpoints and encourage expression. I model appropriate ways to raise divergent views. I coach the CEO to encourage more open dialogue;

- Facilitate and push for open dialogue between each member and among the team as a group. Get team members to work directly with each other rather than using the CEO as the intermediary;

- Provide regularly scheduled one on one meetings with each member. Act as a mediator/coach. Deliver messages from the CEO; pressure test and champion their ideas with the CEO; when necessary act as the buffer between them and the CEO. Resolve issues and conflicts between them;

- Often have the meeting before the meeting to give a heads up of what is likely to be discussed and to better understand his/her position. In some instances I will voice the unpopular opinion that I know the ELT member is thinking but is reluctant to surface;

- I try to engage with each person one-on-one to understand where they are coming from. I also work to ensure that our meetings are structured to maximize the opportunity for the team to work on and address the right questions. I also encourage them to reach out to one another;

- I try to force the dialogue on tough topics that need to be openly discussed vs. held in the back room. Being new in the role, I am also still trying to forge relationships so that I can be their trusted advisor & confidante;

- Meet individually with members to help them understand their behavior and coach them on more productive ways to engage in dialogue;

- When I observe conflict avoidance I facilitate the issues getting on the table for resolution. When one of them needs a safe place to discuss concerns, I serve as that space without judgment or criticism;

- Create structures and communications and protocols that ensure that everyone is engaged in decisions and that actions are taken with everyone's knowledge beforehand;

- Provide coaching to both the CEO and the executive team. Sponsor interventions such as a recent one on the "Speed of Trust." Ensure incentives reinforce desired behaviors. Help CEO ensure he has the right people with the right capabilities on the senior team;

- Shuttle diplomacy, though inefficient, is quite effective. Pointing out conflict, and working to surface/reduce/remove it. And ultimately, agitating for/changing out ELT members who are not up to the standards of the firm;

- In every meeting making sure everyone is heard, actively seeking out more reluctant members. Ensuring there is full transparency and alignment of the business and functional priorities. Establishing a dialogue around the dependencies/needs they have of each other in order to accomplish the enterprise, business and functional goals. Compensating them as a group for the accomplishment of the enterprise goals, not as individual contributors. Everyone is on the same comp plan working against the same enterprise wide scorecard;

- Frequently raise issues others may have, even if it is not a concern of mine, to get the debate or conversation started. Give advice and counsel on how to handle a concern or mediate a discussion. Everyone knows I will raise issues to our CEO and I work directly with him to handle issues between my peers and I work directly with him to handle issues between my peers;

- 1-build shared purpose 2- clarify common and individual goals/prioritize goals 3- build common approach to problem solving/help identify and reconcile differences 4- work to build consensus among team members 5- sounding board/ advisor/coach for team members 6- maintain personal trust across all team members 7- coach CEO on how to lead team, individuals and be effective team member.

The CHRO and the CEO's Leadership

CEO's Leadership of the ELT. Similar to the ELT, the survey asked CHROs to rate their CEO regarding the types of leadership behaviors that s/he exhibited, with a particular focus on ethical and servant leadership styles. As the results in Figure 7 display, CHROs rated their CEOs very highly in terms of ethical behavior with the highest six rated items clearly referencing ethics. The next 10 items, while still reasonably high (above 4.0 in most cases), referred more to decisions and decision-making style. Interestingly, the lowest scored items dealt more with an altruistic "others' interests first" mentality, and these behaviors fell in the 3.0-3.6 range.

Figure 7: CEO's Leadership Style

Behavior	Rating
Holds ELT members to high ethical standards	4.6
Sets an example of how to do things the right way in terms of ethics	4.6
Does what she or he promises to do	4.4
When making decisions, asks "what is the right thing to do?"	4.4
Disciplines ELT members who violate ethical standards	4.3
Discusses business ethics or values with ELT members	4.3
Listens to what ELT members have to say	4.3
Is always honest with those around him/her	4.2
Defines success not just by results but also the way that they are obtained	4.2
Makes fair and balanced decisions	4.2
Has the best interests of employees in mind	4.2
Makes me feel like I work with him/her, not for him/her	4.1
His/her decisions are influenced by ELT members' input	4.1
Tries to reach consensus among ELT members on important decisions	3.8
Is sensitive to ELT members' responsibilities outside the work place	3.7
Spends the time to form quality relationships with ELT members	3.7
Puts others' best interests ahead of his/her own	3.6
Creates a sense of community among ELT members	3.6
Emphasizes the importance of giving back to the community	3.5
Works hard at finding ways to help others be the best they can be	3.5
Seems to care more about others' success than his/her own	3.4
Makes the personal development of ELT members a priority	3.3
Encourages ELT members to be involved in community service/volunteer...	3.2
Makes quick/impulsive decisions	2.2
Ignores others' input if it conflicts with his/her instincts	2.2

Groupings labeled: Ethics, Decisions, Altruism

CHROs also responded to two open ended questions regarding where their CEOs exceeded or fell short of their expectations regarding their leadership of the ELT. In classifying these responses, some interesting results emerged. Six dimensions arose where some CHROs identified the area as a strength while some did so as a weakness and these are depicted in Figure 8. In addition, some specific examples of each are provided in Table 5. First, the area of CEO strength identified by the most CHROs (26) was titled "Encourages Discussion and Listens" and it refers to CEOs who either proactively seek out others' opinions or stifle others from expressing their opinions. The second dimension (in terms of number of times it was identified) titled "Drives Results/Accountability" distinguished between CEOs who held team members accountable for specific results and those who seem to let poor performers continue performing poorly. Interestingly, there were almost equal numbers of CHROs who identified this as a strength (21) and a weakness (15). "Builds the Team" was

the third full dimension and the one mentioned as an area of weakness by the most CHROs (17). Generally CEOs who did not do this either used a hub and spoke governance or simply did not seem to be focused on building the team as a team. Surprisingly, the "Leads Strategy and Vision" distinguished between those CEOs who build a consensus around a clear strategy versus those who seem unable to articulate or communicate a clear strategic vision for the firm. "Develops/Coaches/ Gives Feedback" separated those who take seriously their responsibility to personally help develop the ELT members versus those who spend little time and effort in doing so (and this latter group was identified by 12 CHROs). Finally, "Values Employ-ees/Cares" was identified by 11 CHROs (only one as a weakness).

Figure 8: CEO's Leadership Strengths and Weaknesses: In the CHRO's Words

Strengths / Weaknesses

* Encourages Discussion and Listens
Drives Results/Accountability
Builds Team **
Leads Strategy and Vision
Develops/Coaches/Gives Feedback
Values Employees/Cares
* Lives Values/Honesty/Integrity
Confronts/Manages Conflict **

* Most frequent Strength
** Most frequent Weakness

Table 5: Strengths and Weaknesses in the CEO's Leadership of the ELT

Encourages Discussion and Listens

- He listens very carefully to input, especially input that differs from his own, he makes thoughtful decisions, he acts decisively, he holds extremely high standards, he expects outstanding results; he is brilliant!
- Extremely intelligent and listens to feedback looking at all sides of an issue before making a decision. Works to get buy-in, if not consensus. Exhibits work-life balance and expects others to do the same. Very humble.
- *Often influenced by limited information and then makes statements or decisions without thinking through all of the implications;*
- *Once he reaches a conclusion about something or someone, he is difficult to bend;*
- *He can occasionally fall into being the "smartest guy in the room" and that isn't healthy for the team. He knows our business really well - as he should - and as a result can sometimes be obviously judgmental and micro manage.*

Drives Results/Accountability

- Committed to achieving results, business imperatives and strategies well communicated throughout enterprise. Stands by convictions. Great business operator, very bright, intelligent. Good structure and governance;
- High standards, drives results and aligns leadership team and the organization around the strategy;
- *Feedback to ELT individuals is the biggest shortcoming. Does not model performance management at the individual level;*
- *Performance management of the ELT - needs to hold them more accountable;*
- *Does not hold the team accountable for delivering on commitments. Does not provide performance feedback in a structured way (i.e. written assessments) that would ensure there is a clear understanding of key messages.*

Builds the Team

- Ability to manage multiple personalities and make everyone feel that they play an important part in forming and achieving the company's strategies and objectives;
- His incredible way of ensuring he shares information and keeps everyone informed and connected. He is a role model at that ... makes sure we all know what is happening, the calendar, business issues, etc. He places a huge level of trust and respect in each of us, and we reciprocate because of us. He makes me want to be the best I can be ... with my team, with colleagues, with him, in the community and so on. You want to do your best work for him, and make things happen. He is great about being reachable, and decisive too, not just inclusive;
- Holds team accountable. Strong focus on building trust amongst team;
- *Fails to recognize that some executive team members want more social interaction to build relationships and strengthen team dynamics;*
- *Building team and camaraderie, not very personal;*
- *Doesn't operate as a team leader and manages in a "hub and spoke" style.*

Leads Strategy and Vision

- Intellect , strategic mindset , business acumen;
- Strategic and critical thinking. Has more breadth of perspective; can connect the dots and articulate implications better than any one I have met or worked with previously;
- *Has not established a process for prioritizing investments and initiatives in our complex organization;*
- *At times, hard to get focus and clarity - often takes on too many priorities.*

Develops/Coaches/Gives Feedback
- Individual development of ELT members;
- *Giving feedback: If I was not diligent in getting him to offer meaningful feedback to his team, they would likely not get much.*

Values Employees/Cares

- Humility and caring about frontline associates. Always has the company's reputation at the top of his mind. Conscious of his compensation level and how it will be perceived by employees. Gives away a lot of what we pay him;
- *Putting others first. Prioritizes shareholders and investors, which is positive, but his team and the broader employee base need to be considered more.*

Engages Individually

- Spends a good amount of time with each person; engages personally; is very down to earth and personable;
- Personal attention to each individual - treats all fairly but recognizes the need for situational management;
- *Could spend more time with individuals and not great at giving individual feedback;*
- *Lack of recognition of direct reports;*
- *Interactions with direct reports is very minimal.*

Lives Values/Honesty/Integrity

- Our CEO is a great client leader and visionary. He is also a great example of our values - his behavior and actions are pristine. He also works extremely hard to make his team successful;
- He really does exemplify the best in a leader. He has the highest ethics; he cares deeply about the people who work for him at all levels of the company. He models the behavior that he expects in others. People want to stay in the company because they trust and respect him.

Confronts/Manages Conflict

- *He avoids conflicts and having difficult decisions with members of management. Allows discord to continue instead of addressing it and making tough decisions;*
- *Conflict management. Does not like it...does not like when team members argue;*
- *Would rather avoid confrontation or delivering a difficult message to a direct report. Does not "suffer fools lightly" and it can be obvious;*
- *He is an extreme conflict avoider.*

Please note: Because of the relatively small number of female CEOs all references to "she" have been changed to "he" in order to not identify them .

In addition, CHROs also identified two areas only as a strength or weakness. Interestingly, "Lives Values" referred to CEOs who display great ethics, integrity, and model the firm's values, and 25 CHROs suggested this described their CEO. On the other hand, the area of weakness mentioned by the most CHROs by far (24) was "Manages Conflict." CHROs certainly suggested that a number of CEOs fail to step up when necessary, and avoid conflict at all cost.

CHRO's Role. CHROs also reported what they do to help the CEO be more effective as a leader. In examining the variety of ways they help, it appears that their aid falls into two categories: Professional Support and Personal Support. Figure 9 depicts this two-pronged approach and Table 6 provides specific examples.

Professional Support. As a leader of the organization and a leader of the ELT, CEOs require a number of support activities in order to maximize their job effectiveness. First, CEOs are surrounded by an ELT where most of the members want the CEO's job at some point in the future. This leads them to be afraid to be completely honest in their feedback or opinions. So, the first important role that CHROs play in helping CEOs is through being completely honest in their feedback and opinions. CEOs need to hear when they might be wrong, and CHROs need to play that role. Second, and related, is that when they have a relationship of trust, the CHRO can help to push or challenge the CEO's thinking. Third, CHROs report playing a significant role in identifying and surfacing areas of conflict that might exist within the ELT or issues facing the ELT or its members. Fourth, CHROs must both give and deliver hard messages. In terms of giving those messages, CEOs seem to use the CHRO too often to be the deliverer of bad news to members of the ELT, or at the least to communicate uncomfortable messages to them. On the other hand, again because of fear of offending the CEO, many times CHROs are asked, on their behalf, to deliver confidential hard messages to the CEO. This relates to the fifth area where CHROs smooth the ELT communications through ensuring that the CEO's messages are getting through and/or helping the CEO to better understand the message communicated by ELT members. One important role CHROs play is that CEOs often feel satisfied with the talent on their team, and CHROs must push "talent talks" to get CEOs to realize where on the team talent can be upgraded. Finally, CEOs often require coaching on their leadership and/or communication styles (in a very task-related context) and that responsibility falls to CHROs.

Figure 9: CHRO and the CEO

Personal Support. The CEO's job has been referred to as the loneliest job on the planet because of the isolation inherent in it. There is no hierarchical mentor above CEOs nor peer to them with whom they can find support. Thus, CHROs often step in to provide personal support to the CEOs in five ways. First, they often have to provide feedback on inappropriate behavior that is of a more personal nature. In fact, a number of CHROs mentioned having to "hold up the mirror" to the CEO in order to help the individual see who s/he is becoming and how s/he is being perceived. Second, once the mirror is held up, CHROs may have to engage in more personal coaching regarding how to balance work/family, etc. Third, CHROs must seek out to identify the CEO's "blind spots" and then help the CEO to either recognize them, or to find people to surround the CEO who complements those spots. Finally, because of the loneliness of the position, CEOs need a sounding board to try out ideas on, and more importantly a place to vent about the frustrating aspects of the job. For instance, when CEOs have trouble with board members, they have few people to turn to in order to vent their anger or frustration, and CHROs report that this is one of the areas that they can provide significant personal support.

Personal Support

Feedback on Behavior
Personal Coaching
Identify Blind Spots
Provide Sounding Board
Provide "Venting" Space

Professional Support

Honesty in Opinions
Push/Challenge Thinking
Surface Conflict/Issues
Give/Deliver Hard Messages
Smooth ELT Communications
Coach on Talent
Coach on
Leadership/Communication Style

Table 6: How CHROs Help the CEO's Leadership of the ELT

Act as his confidante. Meet each morning to review issues and act as a sounding board. Have the "Dutch uncle" talks when necessary. Keep him abreast of any issues that may be developing within the staff. Stand between him and teams members when necessary to calm things down. Push personnel changes or corrective actions when he is reluctant to make the moves he knows are correct;

He is absolutely revered and respected by the rank and file. As a result people often shield him from bad news. My role has been to keep him grounded, ensure that he is hearing the good the bad the ugly and encouraging him to asking the right questions as he visits the facilities;

I provide candid, regular and on-going coaching and feedback. I tell the truth (about organizational issues, people, etc.) as I see it, since I am one of the few people he will always be able to count on to do so;

I give him honest feedback regularly; I discuss how he should coach other ELT members; If there is an issue I feel strongly about and I know he may not see it my way, I persist to the point where I am satisfied that he has heard me - many times he changes his mind and when he does not we usually end up with an improved solution/approach anyway;

Provide suggestions and solutions to problems, giving him the opportunity to select what he feels is appropriate and he is comfortable with. I raise issues he may not be aware of or is avoiding dealing with so we can continue to move forward as an executive team;

Serve as a confidante because it is very lonely at the top and advise the CEO on the dynamics of the ELT where I see opportunities for improvement;

I tell him things that others are not willing to - because I have no skin in the game in terms of CEO succession;

Pointing out blind spots — indicating areas he needs to spend more/less time and focus;

We all have our blind spots. One of my roles is to make sure he is aware of his and help him through them. No different than what an executive coach would do for any one of his/her clients;

It's painful, but I am often the only one that can hold the mirror up to him and give him some sense of the impact his personal leadership style has. I try to constantly remind him of how global we are becoming and help coach him to make sure his "talk track" in the organization match that. And I listen. Given all the economic pressures, I often just let him vent to me - on how hard his job is, how difficult the board can be, what a complicated team we are to manage, why no one can see what he sees, etc. Lately, I think he just needs a space to vent;

Help him understand and clarify what he wants, and why he wants it. Help him understand the needs and behavior of team members. Help him prioritize desired outcomes. Help him communicate in a way that maximizes desired outcomes/ minimize unnecessary conflict or confusion. Provide confidential sounding board. Share ideas of how others have handled similar challenges;

I am very candid and genuinely interested in making him better. I am tough on him in terms of giving him feedback and I am able to tell him things others wouldn't dare speak about. I look out for him with all constituents. He senses that and there is a great deal of trust between us;

I give him professional advice on how to improve the team and the team dynamics. I tell him the truth and what he sometimes does not want to hear;

Provide prompts about tough issues...talk them through, schedule time for him to be able to devote the time needed to learn the issue or to see why there could be a point of view to do something a bit different. I also try, through the leadership meetings I design, and other development forums, to look for ways to help him get in front of our people, our best talent and to possible future talent to share his story, his experience about strategic decision making, about M&A and generally leadership. I think this helps him take a pause and reflect on these topics as well which is great given all of the demands on his time. Last, I think I always try to be as direct and unfettered as possible with him so he has come to know he can trust me and listen. I work hard to ensure that trust is never violated.

Please note: Because of the relatively small number of female CEOs all references to "she" have been changed to "he" in order to not identify them .

CEO Leadership Summary

CEOs are undoubtedly bright, ambitious, and possess great business acumen. However, it appears that some CEOs either do not possess the natural emotional intelligence necessary to effectively lead others or they become so time constrained that they often find it difficult to engage in more personal leadership behaviors. Whatever the case, CHROs seem to play a critical role in helping CEOs in these areas of weakness. They help the CEO to identify blind spots, they consistently provide the candid feedback CEOs need and do not get from other C-suite members, and they provide the safe space for CEOs to vent their frustrations. While people often refer to HR as the "conscience" of the organization, it appears that CHROs play a broad and deep role as the "conscience" of the CEO.

The CHRO Role: Time Spent

Consistent with past CHRO surveys we also asked the CHROs to indicate how much time they spent in various roles. These roles are described below.

Roles of the CHRO

Strategic Advisor to the Executive Team
(activities focused specifically on the formulation and implementation of the firm's strategy)

Counselor/Confidante/Coach to the Executive Team
(activities focused on counseling or coaching team members or resolving interpersonal or political conflicts among team members)

Liaison to the Board of Directors
(preparation for board meetings, phone calls with board members, attendance at board meetings)

Talent Architect/Strategist
(activities focused on building and identifying the human capital critical to the present and future of the firm)

Leader of the HR Function
(working with HR team members regarding the development, design, and delivery of HR services)

Workforce Sensor
(activities focused on identifying workforce morale issues or concerns)
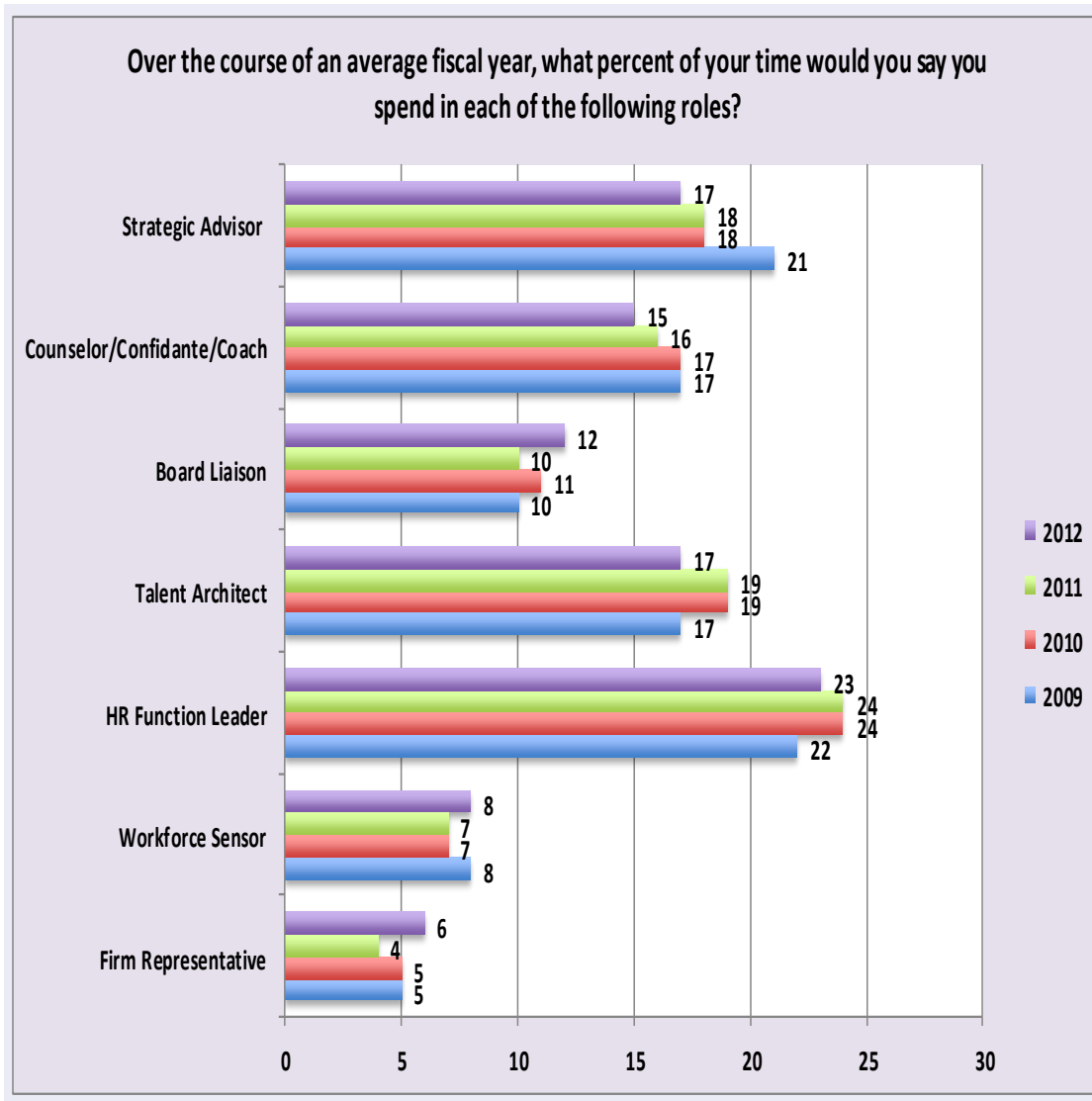
Representative of the Firm
(activities with external stakeholders, such as lobbying, speaking to outside groups, etc.)

The results, compared to the past three years, are shown in Figure 10. Two findings emerge. First, the relative rankings of the roles has not changed over time. CHROs report spending the most time as the leader of the HR function, followed by the Strategic Advisor and Talent Architect roles, and then closely followed by the Counselor/Confidante/Coach (not surprising given the results reported regarding the ELT and CEO).

Figure 10: Time Spent in CHRO Roles

Over the course of an average fiscal year, what percent of your time would you say you spend in each of the following roles?

Role	2012	2011	2010	2009
Strategic Advisor	17	18	18	21
Counselor/Confidante/Coach	15	16	17	17
Board Liaison	12	10	11	10
Talent Architect	17	19	19	17
HR Function Leader	23	24	24	22
Workforce Sensor	8	7	7	8
Firm Representative	6	4	5	5

Second, it appears that CHROs may be taking a more external orientation than in the past. They reported spending less time in the roles mentioned above and more time with the board, with the workforce, and as the firm representative.

Figure 11: Time Spent on Issues with the Board
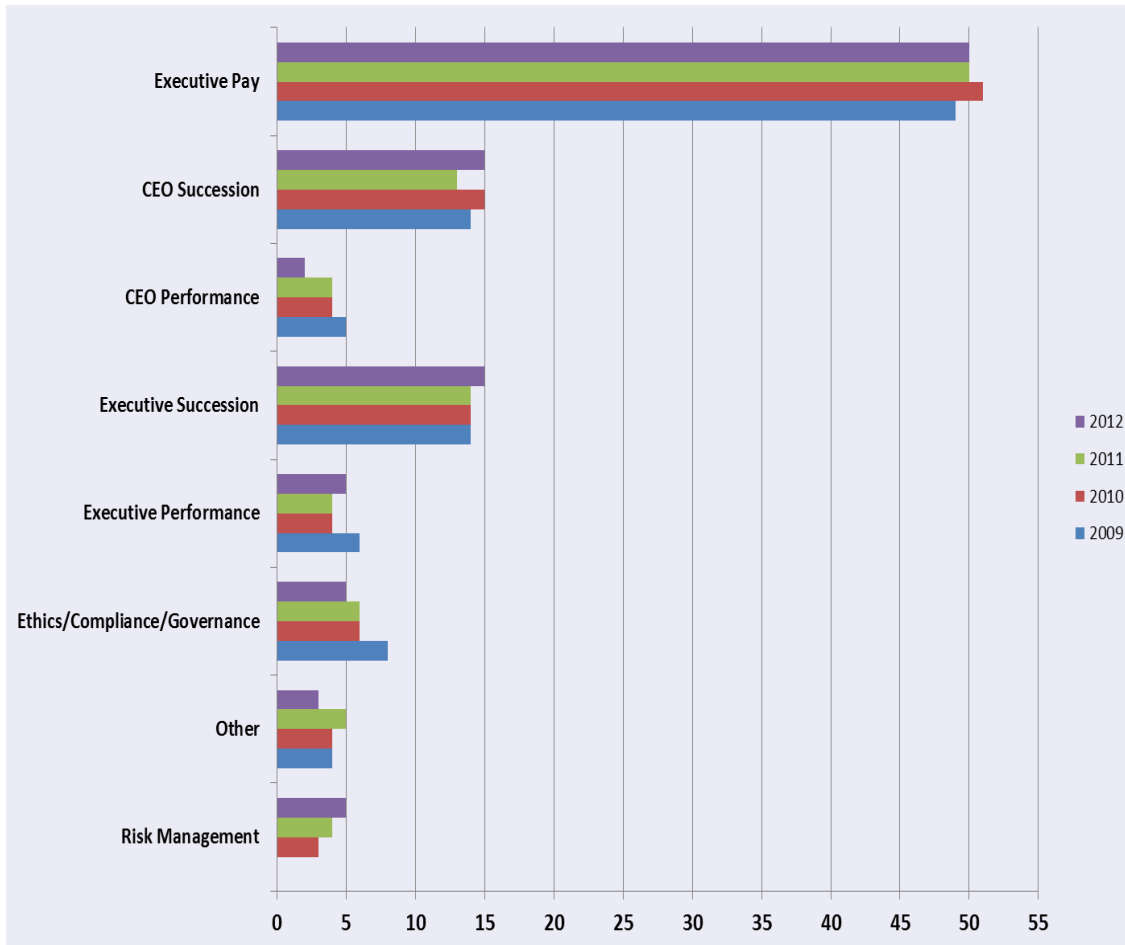
With the time spent as board liaison increasing, we again asked about the kinds of topics they work on in their work with the board. Figure 11 depicts these results. As with the past three years, CHROs report spending roughly 50% of the time with the board around executive pay issues. However, two differences seem to be emerging. First, they seem to be focused more on succession issues (CEO and other executives) with these two issues taking 15% of their time each. However, they report spending less time on CEO performance issues. It is important to recognize that these changes are small, and that the relative rankings of time spent have not changed over the four years of the study.
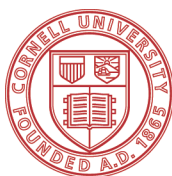
Summary

CHROs, as members of the executive leadership team, have tremendous potential to shape the agenda, provide valuable expertise, influence the strategy and help guide or oversee the firm's Corporate Social Responsibility efforts. However, maybe just as important to the organization's effectiveness is the role they play in making the ELT work more effectively as a group. Through coaching individual members and the CEO, they can create the lubrication to make the team run more smoothly.

Even superstar business people, while possessing outstanding business acumen, are still human and as such, exhibit a number of human frailties that can impede team dynamics and ultimately derail strategies. This report provides a clear set of ideas for how CHROs work to ensure that these human frailties are minimized and that their negative impact on organizational effectiveness is avoided.

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