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How CHROs and CPOs Can Become CEOs: Four Must-Haves

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The importance and value of CHROs and CPOs to organizational success has grown substantially in recent years. Now is an ideal time for CHROs and CPOs to think about how they can contribute as a CEO, although to be seriously considered, four ‘must-haves’ need to be in place first.

Today, organizations are arguably more people-centric than they have ever been before. Company culture and employee wellbeing are now fundamental gauges of company health. Inflation, economic uncertainty and the pandemic presented a medley of challenges to organizations, not least the ones that involved the employee base: health and safety standards, hybrid work, and employee engagement, just to name a few.

The latest research indicates that whilst inflationary pressures and economic uncertainty point to employees’ renewed concerns about financial compensation, other concerns, such as work-life balance and ethical alignment with their employer are still front and center to the work-related choices people are making right now.

All these elements playing out through the heartbeat of organizations are the core responsibility and remit of the CHRO (Chief Human Resources Officer) or CPO (Chief People Officer). Other imperatives, such as attracting and retaining talent, gaining better insights from recent analytical advancements, as well as improving DE&I, make this role an absolutely critical component of the C-suite.



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As recently as ten years ago, however, an organizational HR head very often reported to COOs or even CFOs. The HR function has very rapidly transitioned from a mostly administrative role to a central strategic one, and has often become tied to executive committees, as well as a trusted advisor to CEOs in major corporations.

Some major brands now have former HR leaders as CEOs: Chanel (Leena Nair) and Anthemis (Briana van Strijp) are just two of many examples.

It's to be expected that some top-tier CHROs and CPOs feel they have the requisite skill-sets to lead organizations as CEOs. They understand the employee mind-set, and have a strategic comprehension of how to build an environment that enables passions to take tangible shape into products, services, efficiencies, and client satisfaction. Yet there are other experiences they will typically need to acquire to be considered for the CEO chair.

There are four 'must-haves' for CHROs and CPOs to be considered as CEOs. These suggestions apply to most industries and organizations, although there would also be additional skill-sets required in certain sectors.

Must-Have Number One: Accountability for a P&L

A key component to both consideration and success as a CEO is **demonstrative responsibility for a P&L**. Almost always, especially in the commercial sector, CEO candidates

will know how businesses run from running a business. They will have a deep understanding of business models: how the business makes money, how it garners a profit, and how it sustains that profitability over time.

CHROs and CPOs don't traditionally have this skillset. They can gain this experience by taking on additional responsibilities such as leading a business unit or serving on the company's executive committee. Developing a deep understanding of the company's business strategy and financials is paramount. Additional competencies can also be gained through executive training and development, such as an MBA or other postgraduate finance degree.

Must-Have Number Two: Multi-Faceted Executive Experience

Many leaders are exceptional at what they do, but are siloed in their skills, expertise and outlook. CHROs and CPOs looking to become CEOs need to have a considerable level of multi-faceted executive experience throughout their careers, which showcases an individual's mettle and ability to think beyond traditional departmental boundaries.

Those with **cross-functional experience** and/or **international exposure** will be favored for CEO consideration. CHROs and CPOs who have led other functional areas, such as sales, operations, or finance, will have a clear edge. Experience leading even a portion of an additional functional responsibility is an advantage. Additionally, managing teams and aligning strategy across different geographies and cultures will be seen as extremely relevant to any potential CEO appointment.

Must-Have Number Three: Big Picture Vision

Long-term, strategic thinking is an essential ingredient for CEO success. As leaders, they have an ability to envision the business, and make short-term decisions that benefit the organization over longer timeframes. Part of this decision making comes from top-tier experience, and part of it comes from having an intimate knowledge of the company's competitive stature in the marketplace, and a vision for what can be achieved.

For CHROs and CPOs, it's important to establish your own informed and considered vision for the organization, and how you will lead as CEO. Communicate this clearly and effectively. To establish this vision, actively seek out learning opportunities within the business. Participation as an active member of the Board is ideal, which will enable access to big picture strategic challenges and opportunities, as well as provide insights around the priorities of other functional leaders (the CFO, COO, etc.).

More broadly, develop a thorough understanding of your key industry trends and emerging technologies. Developing a digital-centric mindset to solving challenges is beneficial.

Must-Have Number Four: An Effectively Supercharged Network

Navigating complex challenges and driving business growth is the hallmark of CEOs, yet they are only as good as the **network they have around them**. Having the support of not only the senior executive team, but the broader management structure, and the employee base, is imperative for success. The current focus on company culture means that successful CEOs have to foster positive, collaborative and transparent working environments.

CHROs and CPOs usually already excel at this must-have, and tend to have more experience in this than CFOs or COOs. They are, as their title implies, ‘people people’: they usually have very well-established company networks, with stakeholders, the board of directors, other executives, and of course employees. Establishing even stronger strategic ties, both internally and externally (think: investors, government, media) is prudent.




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Four Must-Haves For CHROs to be Considered as CEOs

-  Accountability for a P&L
-  Multi-Faceted Executive Experience
-  Big Picture Vision
-  An Effectively Supercharged Network

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