

Beyond the Pandemic: The Evolving Role of the Chief People Officer

Teneo Insights / June 2022



CEOs, both Fortune 100 and scaling founders of PE Portfolio, are facing more complex challenges as 2022 unfolds. 2020-2021 brought seismic business challenges beyond the COVID pandemic, and this list is simultaneously impressive and daunting: The Great Resignation, supply chain challenges, market volatility, normalizing humanity at work, climate change challenges and the redesign of work life integration.

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As the first quarter of 2022 closed, the black swan event of the war in Ukraine brought complexities beyond geopolitical instability and increased a CEO's required focus on additional related risks such as cybersecurity and ESG.

Leading in uncertainty is far more complex than leading in adversity. The velocity needed to manage the current state of global affairs requires

leaders to evolve quickly. The focus of CEOs has broadened in this time frame. They must now create their business strategies through the lens of ESG, build an executive team to execute the strategy, evangelize the strategy to internal and external stakeholders and ensure development of next generation talent.

Out of all the members of the C-suite, the Chief People Officer (CPO), in particular, is best equipped to respond, mobilize and innovate across communication, risk and people strategies. Perception of the role of a CPO is varied. Traditionally, the role was created to draft and execute policy and administration that guides the company through the legal issues of labor management. On the other hand, some people leaders see themselves as Chief Happiness Officer. Both of the above extremes will not produce the results CEOs and boards need now.

While the purpose of the Human Resources function has been evolving for years, the demands of the pandemic dramatically accelerated this transition. HR began to transform itself, adopting the organizational principles and key performance indicators of core business functions. CPOs are driving more agile and fluid organizations, redesigning HR roles and operating models while driving the employee experience. This work is only successful with a clear leadership mandate aligning with the business.

CPOs today need expertise in People Strategy, Communication and Risk Management.

Shaping the people experience

People Strategy involves experiences, mindset and leadership capability. Critical to the modern CPO is the ability to:

- Coach executives
- Build a talent strategy from deep data insights that informs decision making

- Pivot the focus on projects
- Have uncomfortable conversations
- Have a broad context for creating solutions
- Shape the culture by reinforcing the right behaviors
- Lead with empathy during continued uncertainty

Today, the CPO is the leader who creates the people systems and tools that the company has deemed vital to reach its goals.

“Today’s workforce grew up in an AI-driven digital world where, as consumers, products and services have been tailored to their individual needs via personalization and big data analytics—and they expect the same level of personalization at work. One-size-fits-all total rewards, career development or engagement programs are inadequate for this generation of employees. CPOs today need to leverage the same tools marketers rely on to understand the needs of consumers—conjoint analysis, advanced analytics, segmentation and personalization—to ascertain the needs and desires of the workforce and shape workplace programs accordingly.”

- Eric Severson

Chief People & Belonging Officer at
Neiman Marcus Group

These processes, behaviors, actions and communications help create the company's culture. Culture encompasses the behaviors, actions and processes that drive "how things are done here." Though it's always a good exercise to uncover company values and vision, if the people strategy does not include processes, behaviors and actions which result in employees experiencing these values, companies are missing the key ingredient that creates market leaders. CPOs are responsible for ensuring the behaviors that make up a company culture are reinforced through all elements of the people experience, including onboarding, performance reviews, rewards, policies, tools, learning and leadership development.

Connecting people with the company's story

CPOs who can communicate the unique narrative for the company both internally and externally are best positioned to drive change. However, if the internal story does not match the external narrative, there will be issues both in attracting and retaining talent. This can eventually result in issues with clients or customers.

Context, clarity and continuity are key for CPOs to drive change. Asking the question, "Can you explain why you do what you do?" is very effective in testing change. In a world where the pace of change increases continually, CPOs are most successful when they are able to slow down and communicate the why, the what and the how enough times, and through the right communication channels, that all employees globally can understand and align on the direction moving forward. A key element to accomplishing this is to apply a data-backed employee listening strategy to understand their preferences and needs. This ensures communications are delivered through the right channels with the right messaging to the right people and allows the CPO to track the impact of each communication method.

"This is more critical now than ever before. The post pandemic challenge is how to achieve this alignment and connectedness in a digital-first, mostly virtual or hybrid work environment."

- Jesper Helt

Head of People, EMEA for Samsara

CEOs gain more results working in lockstep with CPOs to make sure initiatives like return-to-office strategies are thoughtfully crafted, deployed and communicated. Mental wellbeing, DEI and culture are becoming regular agenda items in every leadership and board meeting. If they are not, the CPO must push to make sure they are included.

How we reemerge past the pandemic and the current geopolitical crisis in Ukraine will present new challenges for employees globally, from their mental and physical wellbeing to how they can best work together. As 2022 continues, CPOs must be iterative in their approach by communicating with clarity, understanding the changing environments and being responsive to employee needs.

"This is an exciting time for Chief People Officers. They have weathered unbelievable pivots and change over the last two years and are now poised to have a lasting influential role on the future of work, culture and the talent agenda."

- Sarah Dunn

Chief People Officer, Tapestry

Protecting your people, data and IP

Originally, the CPO was mostly concerned with risks to the workforce or talent risk. CPOs are now focusing on identifying and leveraging untapped value in their existing workforces. This is currently occurring through the influx of workplace tech that can match employees with projects, tasks or assignments that align their personal interests with the needs of the business.

This tech often also includes global upscaling programs. CPOs are also reimagining talent supply chains to expand access to diverse sources of skills and capabilities, while also expanding the boundaries of past talent markets.

The ability to move talent—as well as innovative ideas and critical knowledge—across an organization’s ecosystem, while aligned with business needs, will be a key indicator of a CPO’s success in addressing talent risk.

“Business as usual is a recipe for failure in this environment. Flexibility, adaptability, and innovative thinking are critical. Without these qualities, as well as a deep understanding of, and alignment with, company objectives, today’s CPO will have a very difficult time adapting to the ever-changing business environment.”

- Benjamin Buckley

Chief People Officer for Rogers Corporation,
a global leader in engineered materials

Beyond the talent risk, CPOs can play a vital role in addressing a broader set of risks and issues. The CPO can be at the center of efforts to build cross-functional, senior leadership teams that effectively balance the needs to address cyber security, financial risks, risk management, legal and internal communications.

Today's average organization has undertaken five major firm-wide changes in the past three years. Nearly 75% expect to multiply the types of major change initiatives they will undertake in the next three years. Despite this, half of change initiatives fail and only 34% can be declared a clear success.¹

As change and speed continue, CEOs and boards continue to look for their north star to answer their own unique questions on talent retention, new models of working flexibility, reflecting their corporate values in taking a stand on legislation or social issues, and integrating ESG across sustainable business practices. Today’s Chief People Officer is distinctly positioned to partner with the CEO and boards to create strategy, accelerate execution and iterate as 2022 unfolds.

¹ <https://www.gartner.com/en/human-resources/insights/organizational-change-management>



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