

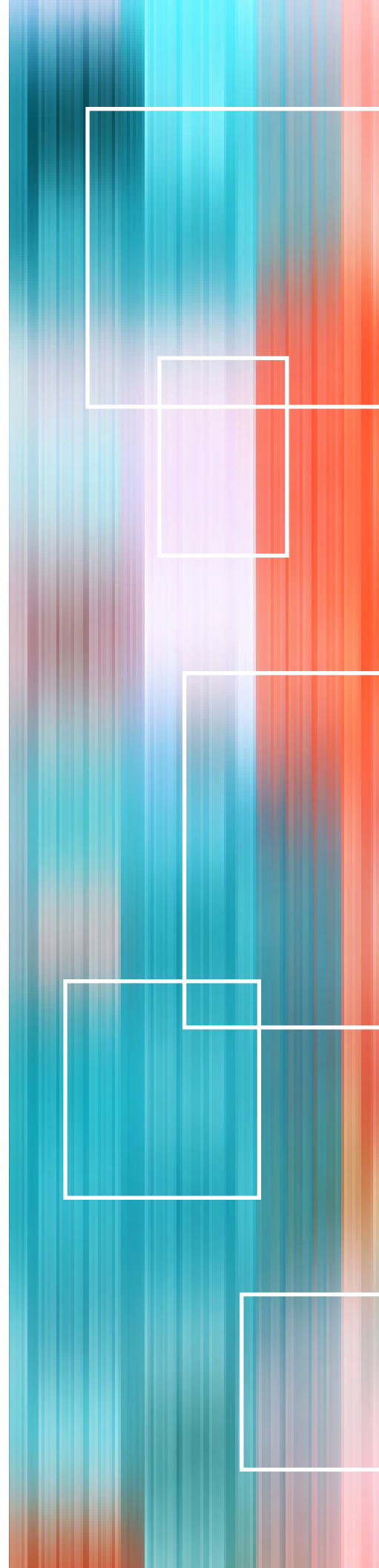
## India CHRO Route to the Top The Rise of the Multi-Dimensional HR Leader

The evolution of the chief human resources officer (CHRO) role over the last decade — becoming a real business partner to the CEO — has necessitated HR leaders to be more business savvy and visionary than ever before. The rapidly changing nature of the workforce and the workplace further puts the CHRO at the center of building future-readiness in the company — going far beyond their traditional role of ‘managing’ human resources.

In this inaugural study, we looked at the profiles of CHROs of 160 of India’s leading companies, cutting across industries and company types (NSE-100, multinationals and emerging companies), to understand the CHRO genome in India today. The data used for this study was as of April 2020. We compared the profiles of India's CHROs with their counterparts in the UK, US and South Africa, taking advantage of similar studies undertaken by Spencer Stuart in these countries.

The objective of the study was to understand the profile of the CHRO today — demographics, background and experiences — and consider the implications of this for:

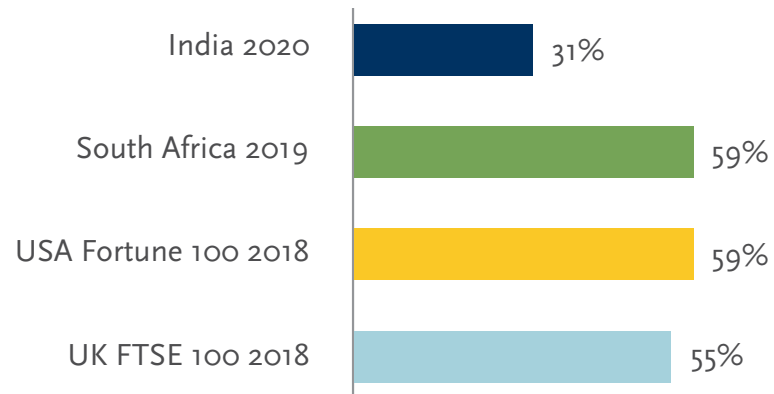
- » Organizations and leadership in developing the current and future HR leadership pipeline
- » Those looking to grow their careers in the function



## Only 31% of CHROs are women

Contrary to the popular perception about there being more women in the HR function than in other organizational functions, only 31% of the 160 companies studied have a woman CHRO. This is far below the averages of other countries and is particularly concerning especially when it comes to the selected NSE-100 listed companies, where female representation falls to 18%. MNCs have the highest percentage of female CHROs at 52%, with emerging companies at 30%. In the UK, US and South Africa, well over 50% of CHROs are women.

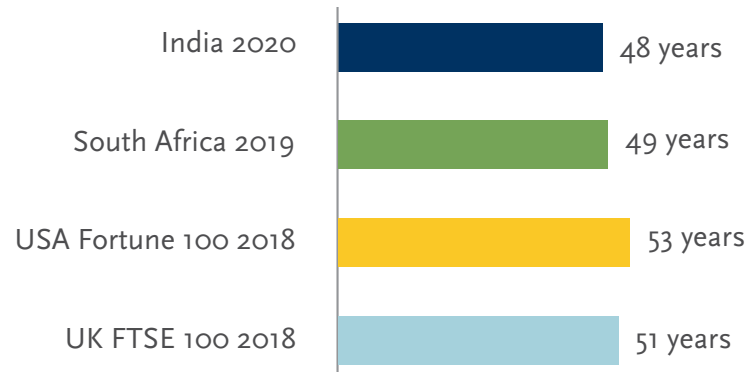
### Percent of Female CHROs



## Indian CHROs are younger than their global counterparts

The Indian CHRO is younger than his or her international counterparts, especially when compared against those in developed economies. The average age of CHROs in India is around 48 years, which means that they typically bring about 25 years of experience. Interestingly, female CHROs show significantly faster career progression and tend to become CHROs earlier, when they are around 46 years old. As expected, the average age of the emerging company CHROs is even younger at 41-42 years. Looking internationally, the average ages of India and South Africa CHROs are significantly younger than their UK and US colleagues.

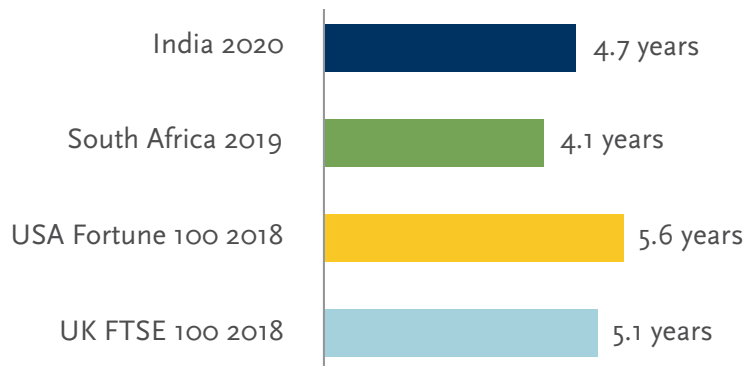
### Average Age of CHROs



## CHROs serve 4-5 years on average

The average tenure of CHROs in India across the 160 companies is just under five years. Average tenure for CHROs in India is lower than those in developed markets. This may be because India is a fast-growing and evolving market, providing many career opportunities for human resources leaders.

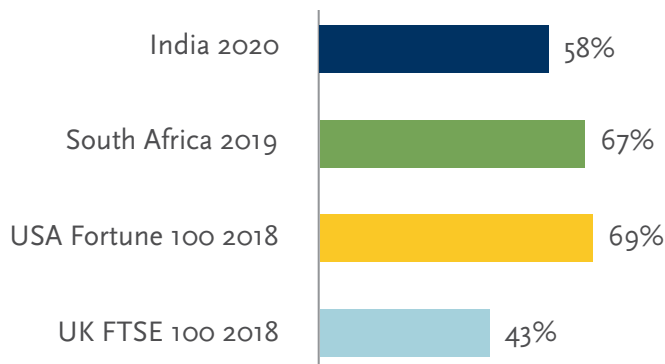
### Average Career Tenure of CHROs



## Many companies develop CHROs internally

More than half of the CHROs (58%) from the 160 companies rose from the ranks internally to be appointed to the role. From our discussions with CEOs, familiarity with the organization, culture, leaders and employees is the key reason for selecting an internal CHRO candidate — enabling a stronger business partnership. The organizations benefit from the continuity that comes with appointing an internal candidate. Further, appointing a CHRO who has been developed internally sends a positive signal to high-potential future leaders across the organization that there is room to grow in the company. From an industry lens, the majority of the industrial companies develop their CHROs internally, while healthcare and technology companies are more likely to hire a CHRO from outside the company. Internationally, more than two-thirds of CHROs of leading companies in South Africa and the US were promoted from within, while companies in the UK were more likely to look externally to fill the top job in HR.

### Percent of CHROs Promoted Internally



## Most CHROs gained foundational HR training from large consumer and manufacturing companies

Within the HR community, certain industries and companies have always been known as great training grounds for future CHROs. We analyzed the first two jobs held by current HR leaders and found that 54% of the 160 CHROs worked within the industrial and consumer industries, and especially the fast-moving consumer goods sector, in the early part of their careers. Hindustan Unilever Limited, ITC and GE emerged as the top three academies for developing future HR leaders, supported by strong management trainee programs (including job rotations) and world-class HR processes and systems that have been in place for decades.

## CHROs bring significant cross-industry experience

Of the 160 CHROs that we analyzed, close to 80% have worked in the HR function across two or more industries, and 46% of the CHROs have worked across three or more industries. CHROs were most likely to have experience in the industrial, consumer and technology sectors. From our conversations with CEOs, they are increasingly looking for diversity of thought from their CHROs, and one way to achieve this is through experience across multiple industries. The ability to adapt best practices from one industry to another was also highlighted by CEOs as a critical requirement. We also find this reflected in organizations' interest in formally assessing external CHRO candidates on their capacity to adapt across different industries and contexts as part of the search process.

## Less than one-fifth of CHROs have international experience

Another dimension for increasing diversity of thought is through international exposure (defined as at least two years overseas). Within our profiled set, only around 19% of the CHROs have worked and lived outside India at some period of time during their careers. Overseas experience tends to be concentrated in industries that have a more global footprint. For example, CHROs in the consumer and technology industries are more likely to have had international experience relative to other sectors that may be more localized. Working across different markets enables HR leaders to not only import best practices, but also strengthen the cross-cultural management muscle.

## CHROs lack non-HR experiences

Less than one-third (29%) of the 160 CHROs that we analyzed as part of our study had any non-HR leadership experience as part of their career journeys. CEOs today regard deep understanding of the business as critical for the CHROs to become real “thought advisers and partners.” They also tend to

believe that CHROs who have worked in other functions like sales, business development, operations or finance bring an even more nuanced and grounded perspective to the HR function. This points to an opportunity within the function in general to increase the fluidity of talent moving across HR and other functions, along with more structured business immersion stints.

## CHROs do not yet have a seat in the boardroom

Only 9% CHROs of the 160 companies that we analyzed served on a board of directors — a number that deserves to be much higher owing to the criticality of the HR function in any business today. While a majority of CHROs present to the board and its various committees, greater involvement in and contribution to the strategic dialogue is key to earning a seat at the table.

## Imperatives for CEOs and boards

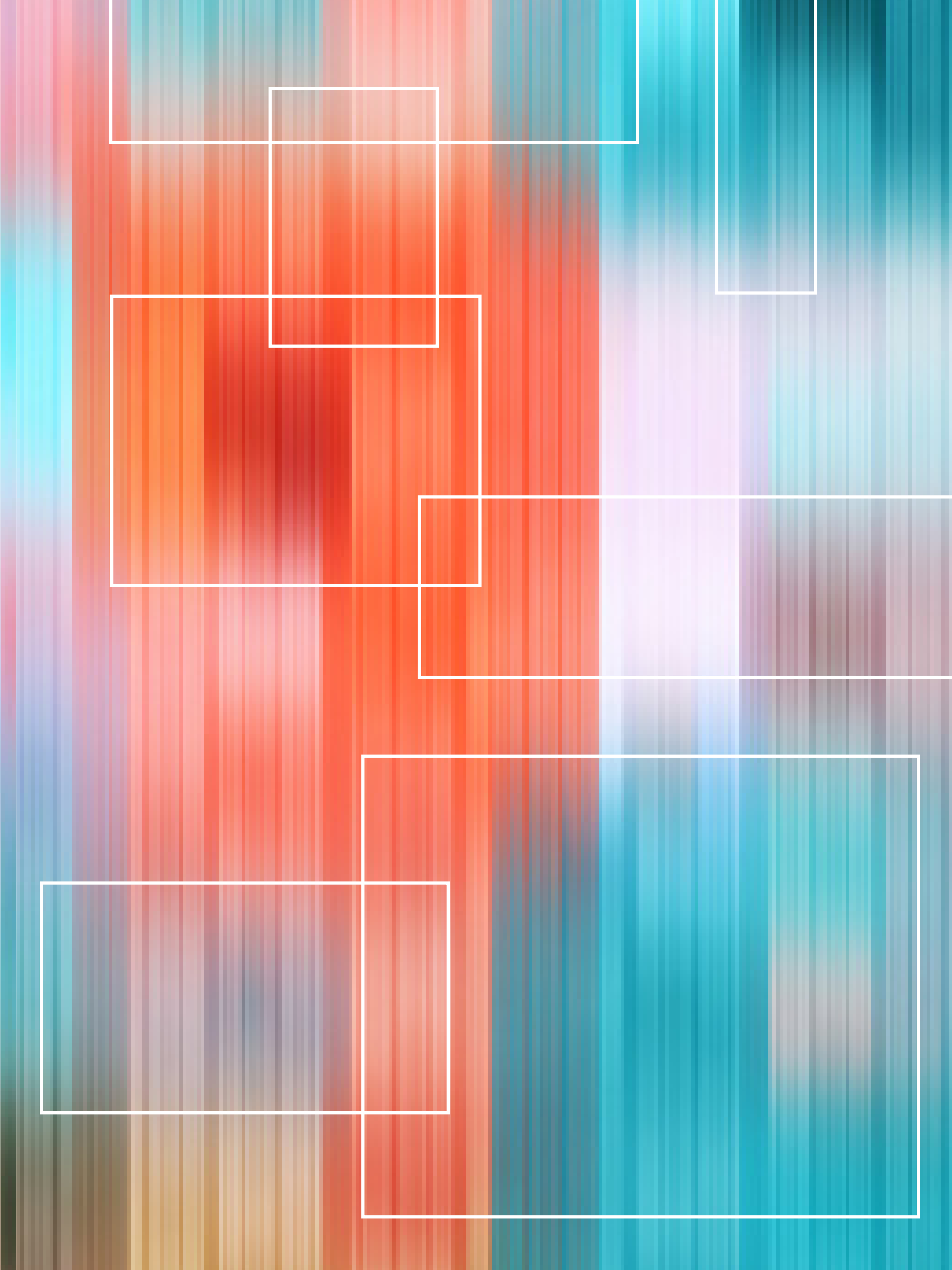
Given these and other priorities for the HR function, we offer these observations for developing future-ready CHROs:

- » CEOs and boards need to work together to shift the paradigm from thinking about diversity in terms of percentages to creating the right environment for nurturing emerging female HR leaders and providing them the opportunities and mentorship to enable them to stake their claim to the CHRO role. There is something to be learnt from how MNCs and the HR academy companies develop women as HR leaders. MNCs typically offer opportunities that provide well-rounded exposure to emerging female HR leaders but, more importantly, they also understand the need to provide support and flexibility in the middle part of their careers. In addition to addressing the broken rung problem, organizations must maintain focused efforts to feed the pipeline by actively hiring and developing female talent at every level.
- » CEOs are increasingly looking for HR talent who can bring multi-dimensional experiences to the role, and hence, curating a diverse set of experiences across functions, industries and geographies to the extent possible must form a key part of high-potential development. This is especially important when organizations prioritize developing internal CHRO successors.
- » There is an untapped opportunity for CHROs to step up and stake a claim at the board level. To achieve this, CHROs must develop an understanding of the strategic priorities of the business and the role human resources can play in addressing them — through an ongoing dialogue. Working with CHROs to leverage data and technology more effectively in quantifying the impact of the function on the business could further support CHROs in this effort.
- » The COVID-19 crisis will undoubtedly have long-term impacts on the future of organizations and work; CHROs will play an important role in helping to define the “new normal,” preparing their organizations for the future of work, including the use of technology, the redefining of new work rules and communication.

## Key learnings for emerging HR leaders

If you are an emerging HR leader with aspirations to become a CHRO one day, we suggest that while you are building HR capabilities that are both broad (across all HR sub-areas) and deep (specialist in two to three HR domains), it is also important to:

- » Deepen your understanding of the business and on-the-ground realities/challenges facing business leaders by taking on roles outside the HR function.
- » Design your career path to benefit from diverse experiences across industries and/or geographies. In this regard, some considered horizontal moves may be more beneficial for your career in the long run.
- » Learn actively from companies and industries outside your own to remain plugged into the latest and greatest HR practices. Formal and informal peer networking can be invaluable in this regard.
- » Lastly, reframe thinking about your own role — from being an HR practitioner to one driving business outcomes through people.



## AUTHORS

---

**Atul Bhandari** (New Delhi) and **Sachi Chopra** (New Delhi)

## ABOUT SPENCER STUART

---

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness. For more information on Spencer Stuart, please visit [www.spencerstuart.com](http://www.spencerstuart.com).

Social Media @ Spencer Stuart

Stay up to date on the trends and topics that are relevant to your business and career.



© 2020 Spencer Stuart. All rights reserved.  
For information about copying, distributing and displaying this work,  
contact: [permissions@spencerstuart.com](mailto:permissions@spencerstuart.com).