

CHRO at the Center: Maximizing the Impact of CEO Succession Planning



The role of the chief human resources officer (CHRO) has become increasingly complex, with responsibilities ranging from navigating the “future of work” to addressing the implications of artificial intelligence (AI). However, nowhere is the significance of the CHRO more evident than in CEO succession planning, where HR leaders can play a crucial, nuanced and pivotal role.

While CEO succession is principally a board-driven responsibility, the CHRO works closely with the CEO and board as a trusted partner, or even a “lead architect,” to develop a [strong internal pipeline of potential candidates](#) and, ultimately, select a successor. Together, they should be ensuring an effective process and a smooth transition. The CHRO has a fiduciary responsibility to the board and must execute a transparent process when seeking CEO successors. The stakes and consequences have never been greater, given the pace of change and the breadth of issues facing new CEOs. Additionally, CEO succession is not just limited to just the CEO, as often the process has much broader organizational impact.



CHROs can be categorized into three roles with differing degrees of impact on the succession planning process:

- » The **trusted partner**. This is a CHRO who is closely aligned with the CEO and the board, steeped in company strategies, and actively working with the nominating and governance committee on succession activities.
- » The **emerging partner**, who maintains a close working relationship with the CEO but lacks extensive board interaction.
- » The **limited partner**, whose focus is on building trust with both the CEO and the board. These CHROs tend to play a finite role in succession planning.

Regardless of the breadth of their role in succession planning, CHROs must carefully navigate the delicate balance between their relationship with the CEO and their responsibility to the board. The level of skill and sophistication they bring to the table significantly impacts the effectiveness of the succession planning process and the eventual handover of the CEO role — a challenging process fraught with emotions and tensions. As the company’s “people leader,” the CHRO shoulders the responsibility of managing this process effectively.

Here are five recommendations for CHROs for maximizing the impact of CEO succession planning.

- 1. Champion best practices and accountability throughout the process.** Since the Sarbanes-Oxley Act granted boards clear responsibility for CEO succession, their engagement in the process has significantly increased. However, directors still rely on the CHRO to guide and ensure a well-informed decision-making process within a critical timeline. The CHRO must advocate for best practices and facilitate a thoughtful due diligence process aligned with the company’s strategic direction and culture. Working with the board and CEO to define an ideal CEO profile, the CHRO helps align directors and the CEO on selection criteria and succession strategy, minimizing potential conflicts and ensuring a transparent roadmap for candidate development.

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- 2. Maintain impartiality in decision-making.** Boards often have limited visibility into CEO contenders, relying on the CHRO’s comprehensive knowledge of internal candidates. It is crucial for the CHRO to lead internal candidate development, conduct external benchmarking and identify skill gaps. While their viewpoint is valuable, CHROs must avoid biases and subjective advocacy, providing a balanced assessment of each candidate’s strengths and developmental needs. The CHRO’s role is to ensure an honest and integrity-based process, even when others develop biases. External support can provide additional guidance and mitigate potential pitfalls.

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- 3. Act as a strong ally to the sitting CEO.** CEO succession planning can be a source of professional and personal strain for the incumbent CEO. The process is often lengthy and can erode the CEO's sense of control. It is the CHRO's responsibility to offer counsel, encourage the CEO to step back and make room for the successor, and advise against potential missteps. By keeping the senior leadership team informed and enlisting the support of the lead director or non-executive chair, the CHRO gains allies and strengthens their role as an adviser to the CEO.
- 4. Prioritize candidate well-being.** The succession process can be challenging for internal candidates, who often receive a range of advice from various sources, some of it conflicting. The CHRO must be mindful of the impact on candidates and other key stakeholders, maintaining fair and objective assessments, and offering support throughout this high-stakes process. Serving as a "safe harbor" for internal candidates, the CHRO provides candid feedback and emotional support, and ensures cohesion within the team. The CHRO must also be aware of cultural tensions and address any simmering hostility to prevent organizational paralysis.
- 5. Support the new CEO's success.** Even after selecting a CEO, the CHRO's role continues. The CHRO assists the new CEO in formulating a 90-day plan covering strategic, organizational and personal priorities. This includes identifying focus areas and differentiators for the new CEO, leveraging the CHRO's comprehensive understanding of the expectations placed upon them. Additionally, the CHRO can help plan and execute the immediate transition, working closely with the CEO, the committee and the management team to ensure a smooth handover. Encouraging the former CEO to limit their stay prevents potential hindrances to the new CEO's agenda.

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In conclusion, the CHRO's role in CEO succession planning is multifaceted and demanding. With fiduciary responsibility to the board and the opportunity to positively impact the transition, CHROs must bring to the process exceptional skills, dexterity and a sense of ownership. When CHROs adhere to best practices, remain impartial, support the sitting CEO, prioritize candidate well-being and facilitate the new CEO's success, the payoff is a leadership pipeline able to sustain and improve company performance for the long term. The more proactive and engaged the CHRO is, the greater their potential to significantly enhance the process and its outcomes.





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